



- C 4398)**      ***RESOLVED: that Cllr Samantha Marshall be elected Vice-Chairman and Deputy Town Mayor of Horley Town Council for the Municipal Year 2018/2019***
- C 4399**      **Apologies and Reasons for Absence**
- All members were present.
- RESOLVED: noted.***
- C 4400**      **Receipt of Amendments to Members' Notification of Disclosable Pecuniary Interests**
- RESOLVED: that these be received.***
- C 4401**      **Disclosable Pecuniary Interests and Non-Pecuniary Interests**
- There were no Declarations of Interest in relation to any items included on this agenda.
- RESOLVED: noted.***
- C 4402**      **Public Forum**
- One member of the public was present, however no matters were raised.
- RESOLVED: noted.***
- C 4403**      **Confirmation of Inspection of Town Council Deeds and Trust Instruments**
- RESOLVED: that this be noted.***
- C 4404**      **Appointments to Leisure & Amenities Committee**
- RESOLVED: that the appointments, as appended to these minutes, be approved.***
- C 4405**      **Appointments to Finance & General Purposes Committee**
- RESOLVED: that the appointments, as appended to these minutes, be approved.***
- C 4406**      **Appointments to Planning & Development Committee**
- RESOLVED: that the appointments, as appended to these minutes, be approved.***

- C 4407**            **Appointments to Staff Committee**
- RESOLVED: that the appointments, as appended to these minutes, be approved.***
- C 4408**            **Review of Town Council and Committee Sub-Committees and Working Groups**
- RESOLVED: that the list, as appended to these minutes, be approved.***
- C 4409**            **Review of Outside Bodies**
- RESOLVED: that the list, as appended to these minutes, be approved.***
- C 4410**            **Appointments to Sub-Committees, Working Groups and Outside Bodies reporting to Full Council**
- RESOLVED: that the appointments be approved. (Details are appended.)***
- C 4411**            **Town Council Representation on the Surrey Association of Local Councils (Surrey ALC)**
- RESOLVED: that Cllrs Olliver and George (substitute) continue to represent the Town Council at Surrey ALC meetings.***
- C 4412**            **Town Council Representation on the Borough Standards Committee**
- RESOLVED: that Cllr Baird continue to be the Town Council's representative on the Borough Standards Committee***
- C 4413**            **Ordinary Meeting of the Council, 3 April 2018**
- The minutes of the above meeting of the Council were presented for confirmation by members and signature by the Chairman of the Council.
- RESOLVED: that the minutes of the Ordinary Meeting of the Council held on 3 April 2018, including all confidential items, be approved.***
- C 4414**            **Leisure & Amenities Committee, 10 April 2018**
- RESOLVED: that the unapproved minutes of the above meeting of the Leisure and Amenities Committee, including all confidential items, be received***

**C 4415 Finance & General Purposes Committee, 1 May 2018**

***RESOLVED: that the unapproved minutes of the above meeting of the Finance and General Purposes Committee, including all confidential items, be received.***

**C 4416 Planning & Development Committee, 27 March 2018**

***RESOLVED: that the approved minutes of the above meeting of the Planning and Development Committee, including all confidential items, be received.***

**C 4417 Notice of Vacancy – Office of Town Councillor**

The Clerk reported that two applications for the vacancy (being filled by co-option) had been received. She added that the appointment was to be made at an Extraordinary Council Meeting on 22 May 2018.

***RESOLVED: noted.***

**C 4418 Chairman's Report (Presented by Cllr George)**

Cllr George advised that he had attended the following:

Lord Lieutenant's Commonwealth Curry Lunch  
HATs St George's Day Fair  
Induction of new High Sheriff of Surrey at Guildford Cathedral  
Town Meeting  
Horley Lions Charter Anniversary Lunch  
Horley Singers & Archway Theatre Concert at St Bart's Church  
Flower Festival at St Bart's Church  
Presentation of Town Award to Roy Martin (also attended by Cllrs David Powell, Simon, Samantha & Valerie Marshall, Alan Jones and Joan Walsh)  
Pathfinder Scouts' Great Plastic Pickup at Emlyn Meadows  
Presentation to resident at Wykeham House

***RESOLVED: noted.***

**Borough, County Councillor & Other Updates**

**C 4419** The Clerk advised that the recent Residents' Forum Meeting had been very well attended and added that the next meeting was to be held in July. (Subsequently arranged to take place on 24<sup>th</sup> July.)

***RESOLVED: noted.***

**C 4420** It was noted that the Clerk and Head of Leisure were to attend an update meeting with Gavin Handford of the Borough Council later in the week. The meeting would also be attended by the Salfords & Sidlow PC Clerk.

**RESOLVED: noted.**

#### **Annual Audit for Year Ending 31 March 2018**

**C 4421** **RESOLVED: that the Unaudited Balance Sheet as at 31 March 2018, the Income & Expenditure Account for 1 April 2017 to 31 March 2018, the Reserves Statement as at 31 March 2018 and other associated documents, as recommended by the Finance & General Purposes Committee, be approved. (Copies are appended.)**

**C 4422** **RESOLVED: that the Annual Governance Statement (section 1 of the Annual Governance & Accountability Return 2017/2018) be approved. (A copy is appended to these minutes.)**

**C 4423** **RESOLVED: that the Accounting Statements (section 2 of the Return) be approved. (A copy is appended to these minutes.)**

**C 4424** **RESOLVED: that the Annual Internal Audit Report be approved. (A copy is appended to these minutes.)**

**C 4425** **RESOLVED: that the Internal Audit Report 2017 – 2018, plus Clerk's responses where applicable, be received. (A copy is appended to these minutes.)**

#### **Proposals for Possible Café at Horley Recreation Ground**

**C 4426** Members considered a more detailed proposal from the operator who was keen to bring their own modular café and toilets to the park. Alan Jones advised that this would very likely necessitate the submission of a revised planning application. Several members expressed the view that any structure should be permanent and belong to the Town Council, leaving a legacy for the people of Horley. After further discussion the following was unanimously resolved:

**RESOLVED: that a permanent structure only be considered for a Café in Horley Recreation Ground.**

**C 4427** Alan Jones advised that he would contact Chartered Surveyors Copeland Yussuf to request a fee proposal for the formal tender process and other associated work.

**RESOLVED: noted.**

**C 4428 Appointment of Data Protection Officer**

***RESOLVED: that the appointment be re-considered at the next Full Council meeting on 26 June, following further consideration by the Finance & General Purposes Committee of the scope of the role (hours to be worked, costs etc).***

**C 4429 Horley Edmonds Community Fund**

The Clerk advised that the planned meeting with the Community Foundation's Director of Grants and Impact had been postponed and would now take place later in the month.

***RESOLVED: noted.***

**C 4430 Town Council Insurance**

***RESOLVED: that the renewal of the Town Councils insurance with Aviva Insurance Ltd for the sum of £7,071.42 (including admin fees of £25.00) be approved.***

**C 4431 Gatwick Greenspace Partnership – Core Funding by HTC for 2018/2019**

***RESOLVED: that payment of £1,990 be approved.***

**C 4432 Letters Received**

Receipt was noted of a letter of thanks and Certificate of Appreciation from the Kent, Surrey & Sussex Air Ambulance for the donation of £623, presented by Cllr George at the recent Town Meeting.

***RESOLVED: noted.***

**C 4433 Diary Dates**

***RESOLVED: that future events be noted, in particular the Extraordinary Meeting on 22 May and Horley Carnival on 16 June.***

**C 4434 Clerk's Qualification**

It was noted that the Town Clerk had recently passed her CiLCA qualification and members recorded their congratulations.

***RESOLVED: noted.***

# **HORLEY TOWN COUNCIL – 2018/2019**

**CHAIRMAN & TOWN MAYOR: Cllr David Powell**  
**VICE-CHAIRMAN OF THE COUNCIL: Cllr Samantha Marshall**

## **Committee Membership - 2018/2019**

### **Leisure & Amenities Committee**

James Baker (Vice-Chairman)  
Surrinder Banwait  
Giorgio Buttironi  
Mike George  
Jerry Hudson  
Adrian Kitajewski  
Samantha Marshall  
Simon Marshall (Chairman)  
Valerie Marshall  
David Powell  
Henry Randall  
Fiona Stimpson

### **Planning & Development Committee**

James Baird  
Surrinder Banwait  
Richard Biggs (Vice-Chairman)  
Giorgio Buttironi  
Kevin Etheridge  
Mike George (Chairman)  
Jerry Hudson  
Linda Mabbett  
Samantha Marshall  
Simon Marshall  
Richard Olliver  
David Powell  
Fiona Stimpson

### **Finance & General Purposes Committee**

James Baird  
Richard Biggs  
Kevin Etheridge  
Mike George  
Helen Kitajewski (Vice-Chairman)  
Linda Mabbett  
Samantha Marshall (Chairman)  
Simon Marshall  
Valerie Marshall  
Richard Olliver  
David Powell  
Henry Randall

### **Staff Committee**

Mike George  
Samantha Marshall  
Simon Marshall  
Richard Olliver  
David Powell

## Sub-Committees & Working Groups 2018/2019

<u>Sub-Committee</u>	<u>Councillor(s)</u>	<u>Reporting to:</u>
Café in the Park Working Group	James Baird, James Baker, Richard Biggs, Jerry Hudson	Full Council
Horley Town Council and Reigate & Banstead Borough Council Liaison Committee	Council Chairman & Vice- Chairman plus Committee Chairmen / Vice-Chairmen	Full Council
Leaders' Group	Council Chairman & Vice- Chairman plus Committee Chairmen / Vice-Chairmen	Full Council / Committee concerned
Staff Committee	Chairman & Vice Chairman of Council, Committee Chairmen Richard Olliver	Full Council
Planning Applications Sub-Committee	P&D Chairman & Vice-Chairman, Richard Olliver	Planning & Development
Communications Sub-Committee	James Baird, Mike George, Adrian Kitajewski, Helen Kitajewski, Linda Mabbett, Samantha Marshall	Finance & General Purposes
Resilience & Emergency Plan Sub- Committee	James Baird, Mike George, Linda Mabbett, Richard Olliver	Finance & General Purposes
Internal Audit Review Sub- Committee	F&GP Chairman and Vice-Chairman	Finance & General Purposes
Standing Orders Sub-Committee	Chairman of the Council, Committee Chairmen, James Baird	Finance & General Purposes
RBBC Boundary Review Working Group	James Baird, Mike George, Linda Mabbett, Samantha Marshall, Richard Olliver	
Grounds Maintenance Sub-Committee	L&A Chairman & Vice-Chairman, David Powell, Surrinder Banwait	Leisure & Amenities
Horley in Bloom Advisory Committee	James Baker, Mike George, Simon Marshall, Valerie Marshall, Fiona Stimpson, Jan Spratt, Marcia Atkinson, Monica Read, plus representatives of other interested local groups	Leisure & Amenities



**Horley Open Spaces Advisory  
Committee**

**James Baker, Mike George,  
Samantha Marshall, Simon  
Marshall, Valerie Marshall,  
David Powell, Henry Randall,  
Fiona Stimpson,  
Jan Spratt (HCG),  
Lee Wilcox (RBBC),  
County Cllr Kay Hammond,  
Kevin Lerwill (GPP)  
Cathy Cooper (local resident),  
Lewis Keen (Horley Piscatorial)  
Catherine Baart (HCG)**

Leisure & Amenities

## Outside Bodies 2018/2019

<u>Outside Body</u>	<u>Councillor(s)</u>	<u>Reporting to:</u>
Gatwick Airport Consultative Committee (GATCOM)	Mike George Fiona Stimpson (Substitute)	Planning & Development
Horley Regeneration Forum	P&D Chairman & Vice-Chairman Council Chairman	Planning & Development
Horley Town Management Group (HTMG)	Linda Mabbett Simon Marshall	Planning & Development
Horley Vimy Twinning Association	Samantha Marshall (Provisional Appointment)	
Borough Standards Committee	James Baird	Finance & General Purposes
Surrey Association of Local Councils (Surrey ALC)	Richard Olliver Mike George (Substitute)	Finance & General Purposes
Churchyards Committee	L&A Chairman/Vice-Chairman Mike George, David Powell, Head of Leisure	Leisure & Amenities
Gatwick Greenspace Partnership	Mike George, Simon Marshall	Leisure & Amenities
Horley Carnival Advisory Committee	James Baird, Mike George, Samantha Marshall, Valerie Marshall, Fiona Stimpson (other members welcome) plus members of other local organisations	Leisure & Amenities
Horley Conservation Group	Simon Marshall (other members welcome)	Leisure & Amenities
Royal British Legion (Horley)	Samantha Marshall Simon Marshall (Substitute)	Leisure & Amenities

**Horley Town Council**  
**BALANCE SHEET**  
**31/03/2018**

<i>(Last) Year Ended</i> 31 Mar 2017		<i>(Current) Year Ended</i> 31 Mar 2018
£	<b>CURRENT ASSETS</b>	£
0.00	Stocks and stores	0.00
0.00	Work in progress	0.00
5,712.37	Debtors (Net of provision for doubtful debts)	316.00
0.00	Payments in advance	0.00
11,808.71	VAT Recoverable	6,112.44
0.00	Temporary lendings (investments)	0.00
372,905.32	Cash in hand	410,064.72
390,426.40	<b>TOTAL ASSETS</b>	416,493.16
	<b>CURRENT LIABILITIES</b>	
9,322.27	Creditors	9,406.01
<u>381,104.13</u>	<b>NET ASSETS</b>	<u>407,087.15</u>
	<b>Represented by:</b>	
173,960.18	General fund Balance	176,343.20
	<b>Reserves:</b>	
0.00	Capital	0.00
207,143.95	Earmarked	230,743.95
0.00	Adjustments	0.00
<u>381,104.13</u>		<u>407,087.15</u>

The above statement represents fairly the financial position of the council as at 31 Mar 2018

Signed \_\_\_\_\_  
Responsible Financial Officer

Date \_\_\_\_\_

**Horley Town Council**  
**Income & Expenditure Account**  
01/04/2017 to 31/03/2018

(Last) Year Ended 31 Mar 2017		(Current) Year Ended 31 Mar 2018
	<b><u>Income</u></b>	
315,882.00	PRECEPT	332,863.00
55,264.97	INCOME	47,387.49
60,709.93	LETTINGS AND RENT	41,886.33
195.03	OFFICE EXPENDITURE	148.60
15,000.00	GROUNDS MAINTENANCE	0.00
1,290.00	COURT LODGE/INNES PAVILION	200.00
7,006.75	TOWN CENTRE	1,790.00
1,439.15	HORLEY RECREATION GROUND	30,108.60
5.00	ALLOTMENTS	4,907.73
369.14	GENERAL	164.10
850.00	EMLYN MEADOWS	0.00
	GRANTS AND DONATIONS	2,997.75
	OFFICE MAINTENANCE & REPAIR	2,010.71
	CONTINGENCY	2,990.00
<b><u>£458,011.97</u></b>		<b><u>£467,454.31</u></b>
	<b><u>Expense</u></b>	
	CONTINGENCY	2,990.00
1,251.80	EMLYN MEADOWS	250.00
2,654.75	LETTINGS AND RENT	2,029.72
15,077.89	OFFICE EXPENDITURE	15,099.82
165,259.32	SALARIES AND PENSIONS	157,928.09
19,138.18	OFFICE MAINTENANCE & REPAIR	20,032.74
38,905.25	GENERAL	52,241.72
88,767.26	GROUNDS MAINTENANCE	65,204.78
10,634.56	HORLEY RECREATION GROUND	65,184.30
25,908.42	COURT LODGE/INNES PAVILION	28,669.90
508.70	MICHAEL CRESCENT	849.42
3,594.82	ALLOTMENTS	4,920.50
12,116.26	TOWN CENTRE	12,216.38
7,014.48	SECURITY	4,949.92
5,637.50	GRANTS AND DONATIONS	8,904.00
<b><u>£396,469.19</u></b>		<b><u>£441,471.29</u></b>
<b><u>191,317.40</u></b>	<b><u>General Fund</u></b>	
458,011.97	Balance at 01 Apr 2017	<b><u>173,960.18</u></b>
649,329.37	ADD Total Income	467,454.31
396,469.19		641,414.49
252,860.18	DEDUCT Total Expenditure	441,471.29
78,900.00		199,943.20
<b><u>£173,960.18</u></b>	Transfer to/from Reserves	23,600.00
	Balance at 31 Mar 2018	<b><u>£176,343.20</u></b>
	Transfers:	
	General Fund to Earmarked Reserve	£23,600.00

## Reserves Statement as at 31 March 2018

Movement of Funds and Reserves in the year	Balance 01.04.17	Reserve transfers	Spend 17/18	Balance 31.03.18
<b>General fund</b>	<b>173,960.18</b>			<b>176,343.20</b>
<b>Earmarked Funds</b>				
Election Contingency	11,243.95			11,243.95
Leisure & Amenities Playgrounds	34,000.00	55,000.00		89,000.00
Tree surgery		5,500.00		5,500.00
Michael Crescent	10,000.00			10,000.00
Projects Fund (Cafe)	90,000.00	25,000.00		115,000.00
Projects Fund (Skatepark)*	61,900.00		-61,900.00	0.00
	207,143.95	85,500.00	-61,900.00	<b>230,743.95</b>
<b>Total Reserves</b>	<b><u>381,104.13</u></b>			<b><u>407,087.15</u></b>

**Horley Town Council**  
**ADJUSTMENTS FOR THE YEAR ENDING 31/03/2018**

<u>Outstanding bills received but NOT paid. (Creditors) - Increase Expenditure</u>		<u>Code</u>	
Cleaning	Asbit	Cleaning of hall and office	114.88
PAYE	HMRC	PAYE	682.00
NI Employee	HMRC	NI Employee	582.72
NI Employer	HMRC	NI Employer	670.13
Pension payments Employer	Surrey Pension Fund	SCC Pension Employer	1,211.83
Pension payments employee	Surrey Pension Fund	SCC Pension Employee	484.48
Heating call out	Cowley Commercial	Maintenance & Repairs	170.00
Pension payments employee - AVC	Prudential LGAVC	SCC Pension Employer	375.00
Donation to Surrey Safe Drive	Surrey Fire and Rescue Service	Grant Award Scheme	100.00
Grounds Maintenance	Burleys	Contractors' Maint (HTC)	3,856.84
Staff travel expenses	various	Staff Expenses	22.20
GDPR work	Micro Maintenance	IT	640.00
Football keyholding	S Reynolds	Football Pavillion Cleaning	120.00
Stationery	D Ruffles	Stationery	375.93
			<b>£9,406.01</b>
 <u>Outstanding payments DUE TO the Council. (Debtors) - Increase Income</u>		 <u>Code</u>	
Banner Display	Various	Event Income	40.00
Church Road Allotment Rent	Various	Church Rd Allotments	65.00
Football Pitch Hire	Horley Town Juniors	Football Pitches	38.00
Football Pitch Hire	Horley Athletic FC	Football Pitches	98.00
Hall Hire	Yoga, Charlotte Huggins	Edmonds Hall	75.00
			<b>£316.00</b>

## Section 1 – Annual Governance Statement 2017/18

We acknowledge as the members of:

HORLEY TOWN COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2018, that:

	Agreed		'Yes' means that this authority:
	Yes	No	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	✓		has only done what it has the legal power to do and has complied with Proper Practices in doing so.
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	✓		during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		responded to matters brought to its attention by internal and external audit.
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	✓		disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
			✓
			has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.

\*Please provide explanations to the external auditor on a separate sheet for each 'No' response. Describe how the authority will address the weaknesses identified.

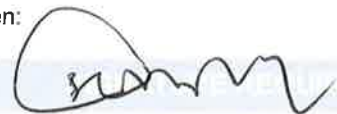
This Annual Governance Statement is approved by this authority and recorded as minute reference:

MINUTE REFERENCE  
dated 15/5/2018

Signed by the Chairman and Clerk of the meeting where approval is given:

Chairman

Clerk




Other information required by the Transparency Codes (not part of Annual Governance Statement)  
Authority web address

AUTHORITY WEBSITE ADDRESS

## Section 2 -Accounting Statements 2017/18 for

### HORLEY TOWN COUNCIL

<b>1. Balances brought forward</b>	<b>319,561</b>	<b>381,104</b>	<i>Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.</i>
<b>2. (+) Precept or Rates and Levies</b>	<b>315,882</b>	<b>332,863</b>	<i>Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.</i>
<b>3. (+) Total other receipts</b>	<b>142,130</b>	<b>134,591</b>	<i>Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.</i>
<b>4. (-) Staff costs</b>	<b>165,954</b>	<b>158,570</b>	<i>Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.</i>
<b>5. (-) Loan interest capital repayments</b>	<b>34,263</b>	<b>34,263</b>	<i>Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).</i>
<b>6. (-) All other payments</b>	<b>196,252</b>	<b>248,638</b>	<i>Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).</i>
<b>7. (=) Balances carried forward</b>	<b>381,104</b>	<b>407,087</b>	<i>Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).</i>
<b>8. Total value of cash and short term investments</b>	<b>372,905</b>	<b>410,065</b>	<i>The sum of all current and deposit bank accounts , cash holdings and short term investments held as at 31 March- <b>To agree with bank reconciliation.</b></i>
<b>9. Total fixed assets plus long term investments and assets</b>	<b>1,835,516</b>	<b>1,838,014</b>	<i>The value of all the property the authority owns - it is made up of all its fixed assets and long term investments as at 31 March.</i>
<b>10. Total borrowings</b>	<b>283,120</b>	<b>262,107</b>	<i>The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).</i>
<b>11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)</b>			<i>The Council acts as sole trustee for and is responsible for managing Trust funds or assets.</i>
			<i>N.B. The figures in the accounting statements above do not include any Trust transactions .</i>

I certify that for the year ended 31 March 2018 the Accounting Statements in this Annual Governance and Accountability Return present fairly the financial position of this authority and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer

*Jean Walsh*

Date

*11/5/18*

I confirm that these Accounting Statements were approved by this authority on this date:

and recorded as minute reference:

Signed by Chairman of the meeting where approval of the Accounting Statements is given



# Annual Internal Audit Report 2017/18

## HORLEY TOWN COUNCIL

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation during the financial year ended 31 March 2018.

The internal audit for 2017/18 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Agreed? Please choose one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H. Asset and investments registers were complete and accurate and properly maintained.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I. Periodic and year-end bank account reconciliations were properly carried out.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>K. (For local councils only)</b>	<b>Yes</b>	<b>No</b>	<b>Not applicable</b>
Trust funds (including charitable) – The council met its responsibilities as a trustee.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

Name of person who carried out the internal audit

14/11/17 9/2/18  
11/5/18

PAUL HARTLEY

Signature of person who carried out the internal audit

 Date

11/05/2018

\*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

\*\*Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

**HORLEY TOWN COUNCIL**  
**INTERNAL AUDIT 2017-2018**

I visited the Town Council Office on 14th November 2017 to commence the Internal Audit process for the year 2017-2018. A further visit was made on 9<sup>th</sup> February 2018 to continue the process, concentrating particularly on the budget process, payment and income procedures, and risk management. A final visit to complete the Internal Audit and check the AGAR was made on 11<sup>th</sup> May 2018.

The comments below are in the order of the headings in Section 4 of the Annual Return.

Recommendations are shown **in bold and underlined**, and any responses received from Council will be added in *italics*.

**A. BOOKS OF ACCOUNT**

Accounts are maintained on the Scribe system which operates in accordance with statutory requirements.

Entries are made regularly and are up-to-date and balanced monthly against bank statements.

VAT is identified by the software, and on-line returns are made quarterly to reclaim amounts due. The latest return was made at 31st March 2018.

Council is continuing with repayments on 2 PWLB loans taken out for hall improvements and Pavilion roof repairs. The loan for Innes Pavilion roof should be completely repaid in November 2018.

**B. FINANCIAL REGULATIONS**

Standing Orders and Financial Regulations are reviewed annually and broadly follow the latest NALC models. F/Regs were updated at April 2017 to reflect latest legislative requirements.

Council is authorised to use the general Power of Competence, and as such, use of S.137 is no longer be required. Change of qualified Clerk is allowed for in the scheme.

Proper procedures were used in respect of tenders for current projects.

**C. RISK MANAGEMENT**

Risk Management and Internal Control reviews were carried out and approved at Council on 13<sup>th</sup> February 2018, having been previously considered by F&GP Committee.

A contract has been let for Legionella testing for Council's properties, as recommended last year, and is in hand.

PAT testing at Council Office was carried out in March 2018. **PAT at Innes Pavilion which is responsibility of tenant needs to be checked.**

Insurance review/renewal due June 2018.

Staff are receiving appropriate training for forthcoming GDPR requirements, and former Clerk is investigating possibility of being DPO for the Council.

#### **D. BUDGET & PRECEPT**

The Budget process for 2018-2019, with projections for a further three years, has been completed, resulting in a 2.66% increase in Precept. This allows for exceptional costs relating to staffing issues, changes to the number of properties in the Town Council area, changes to Council Tax Support Grant and continuation of Double Taxation Relief.

A full range of options for budget setting, including use of Reserves for anticipated projects, including Playground replacements & provision of a café in Recreation Ground was considered.

#### **E. INCOME**

All tariffs were reviewed for 2017-2018, but generally remain unchanged to stay competitive.

Invoice and income monitoring procedures are satisfactory, with few slow payers, and appropriate action taken when required. VAT is charged as appropriate.

**The possibility of using a “sales invoice” process on the accounts system, rather than a separate XL spreadsheet for income expected is being investigated. HTC 5/18:- ongoing.**

Any cash received is kept in a safe, or banked immediately if large sums involved.

One-off hirers pay a security deposit which is held unbanked until hire is satisfactorily completed.

**The weekly market stalls rent is collected by Members, but the amount concerned is minimal and the viability of the market is to be reviewed in February 2018. HTC 5/18:- Market to continue for further 6 months.**

#### **F. PETTY CASH**

Expenditure is properly controlled, with receipts and claims being authorised, coded and identified for VAT where appropriate. A float of £150 is kept, and this is reimbursed monthly. However, little use is now made of the cash facility, as Council now uses two pre-paid debit cards each pre-loaded with £500. This is topped up monthly, with members seeing the schedule of expenditure and signing the top up authorisation when required. Items are coded appropriately with VAT reclaimed when relevant.

There is little cash income for incidental items – any being received is banked rather than added to Petty Cash.

#### **G. PAYROLL**

Payroll is carried out in-house using Sage, and HMRC processes including RTI are properly followed.

Staff are paid in accordance with SCP bands on the NALC/SLCC scale.

**Following recent staff changes, a further review of SCP's /salaries will take place early in 2018. HTC 5/18:- National award ratified – check of actual salaries paid to be carried out 2018-2019.**

Expenses claims are properly authorised by Clerk or Chairman as appropriate.

**Training records are kept but need updating to reflect 2017 attendances. (09/02/18 – outstanding. HTC 5/18:- completed.**

**Staff appraisals which were not carried out in 2016 are now due. (09/02/18 – outstanding)**

*HTC 5/18:-Now completed or in course.*

Pension contributions have been revised downwards following review by County Council.

Members Allowance scheme has not been adopted, although this is being considered currently.

## **H. ASSETS & INVESTMENTS**

The Asset Register was updated in March 2016 in line with recommendations made in 2016-2017, and is a comprehensive document detailing acquisition cost, disposal details, insurance values, and provision for physical check by members, **but this check has not yet been carried out.**

*HTC 5/18:- Document now updated with acquisitions and disposals, but actual random check by Members still outstanding*

## **I. BANK RECONCILIATIONS**

Reconciliations of all accounts are carried out monthly, and are checked by a panel of Members prior to F&GP Committee meetings approximately every 6 weeks.

**It was noted that not all recent checks have included initials by Members on Bank Statements to certify they have seen evidence of Council's investments. (HTC:-Members have been reminded 09/02/18)**

## **J. YEAR END ACCOUNTS**

Figures for Section 2 of AGAR have been correctly extracted from the accounts system, and Bank Reconciliations have been correctly carried out **except for statement of Nationwide account at 31/3/18 not yet available.** Accounts are correctly prepared on an I&E basis, with debtors and creditors properly recorded.

## **OTHER ITEMS**

An essential schedule of key dates for renewals, reviews and other essential actions has been completed.

Paul Hartley  
Internal Auditor  
11<sup>th</sup> May 2018