

Section 1 – Annual Governance Statement 2018/19

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 2019, 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
			✓

*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets should be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

21/5/2019

and recorded as minute reference:

C4694

Signed by the Chairman and Clerk of the meeting where approval was 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 2018/19 for

HORLEY TOWN COUNCIL

	Year ending		Notes and guidance
	31 March 2018 £	31 March 2019 £	
1. Balances brought forward	381,104	407,087	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.
2. (+) Precept or Rates and Levies	332,863	351,333	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	134,591	108,847	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	158,570	136,928	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.
5. (-) Loan interest/capital repayments	34,263	34,263	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	248,638	355,235	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	407,087	340,841	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	410,065	388,716	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	1,838,014	1,883,415	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.
10. Total borrowings	262,107	240,484	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.
	n/a	n/a	N.B. The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2019 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

Date

[Signature]
21/5/2019

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

21/5/2019

as recorded in minute reference:

C 4695

Signed by Chairman of the meeting where the Accounting Statements were approved

[Signature]

CONFIRMATION OF THE DATES OF THE PERIOD FOR THE EXERCISE OF PUBLIC RIGHTS

Name of smaller authority: HORLEY TOWN COUNCIL

County Area (local councils and parish meetings only): SURREY

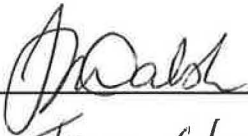
On behalf of the smaller authority, I confirm that the dates set for the period for the exercise of public rights are as follows:

Commencing on 17 JUNE 2019

and ending on 26 JULY 2019

(Please enter the dates set by the smaller authority as appropriate which must be 30 working days (i.e. Monday – Friday only, and not Bank Holidays) inclusive and must include the first 10 working days of July 2019 (i.e. Monday 1 July – Friday 12 July).

We have suggested the following dates: Monday 17 June – Friday 26 July 2019. The latest possible dates that comply with the statutory requirements are Monday 1 July – Friday 9 August 2019.)

Signed: 

Role: Town Clerk

This form is only for use by smaller authorities subject to a review:

Please submit this form to PKF Littlejohn LLP with the AGAR Part 3 and other requested documentation – this form is not for publication on your website.

Bank reconciliation – pro forma

This reconciliation should include **all** bank and building society accounts, including short term investment accounts. It **must** agree with the column headed "Year ending 31 March 2019" in Section 2 of the AGAR – and will also agree to Box 7 where the accounts are on a cash and payments basis. Please complete the highlighted boxes, remembering that unpresented cheques should be entered as negative numbers.

Name of smaller authority: **Horley Town Council**

County area (local councils and parish meetings only): **Surrey**

Financial year ending 31 March 2019

Prepared by (Name and Role): **Joan Walsh, Town Clerk**

Date: **21/05/2019**

		£	£
Balance per bank statements as at 31/3/19:			
HSBC Current Account	account 1	73,958.1	
HSBC Payroll Account	account 2	12,918.7	
HSBC Deposit Account	account 3	837.5	
Nationwide	account 4	22,417.3	
Barclays Direct Access	account 5	384.0	
Barclays 10 Day	account 6	-	
FairFX	account 7	781.5	
Handelsbanken	account 8	277,268.5	388,565.6
Petty cash float (if applicable)			150.0
Less: any unpresented cheques as at 31/3/19 (enter these as negative numbers)			
	item 1		
	item 2		
	item 3		
	item 4		
[add more lines if necessary]	item 5		
	item 6		
	item 7		
	item 8		
Add: any un-banked cash as at 31/3/19			-
Net balances as at 31/3/19 (Box 8)			<u>388,715.6</u>

Explanation of variances – pro forma

Name of smaller authority:

Horley Town Council

County area (local councils and Surrey)

Insert figures from Section 2 of the AGAR in all Blue highlighted boxes

Next, please provide full explanations, including numerical values, for the following that will be flagged in the green boxes where relevant:

- variances of more than 15% between totals for individual boxes (except variances of less than £200);
- a breakdown of approved reserves on the next tab if the total reserves (Box 7) figure is more than twice the annual precept/rates & levies value (Box 2).

	2017/18 £	2018/19 £	Variance £	Variance %	Explanation Required?	Automatic responses trigger below based on figures input. DO NOT OVERWRITE THESE BOXES	Explanation from smaller authority (must include narrative and supporting figures)
1 Balances Brought Forward	381,104	407,087				Explanation of 7% variance from PY opening balance not required - Balance brought forward agrees	
2 Precept or Rates and Levies	332,863	351,333	18,470	5.55%	NO		
3 Total Other Receipts	134,591	108,846	-25,745	19.13%	YES		See following sheet
4 Staff Costs	158,570	136,928	-21,642	13.65%	NO		
5 Loan Interest/Capital Repayment	34,263	34,263	0	0.00%	NO		
6 All Other Payments	248,638	355,235	106,596	42.87%	YES		see following sheet
7 Balances Carried Forward	407,087	340,841			NO	VARIANCE EXPLANATION NOT REQUIRED	
8 Total Cash and Short Term Investments	410,065	388,716				VARIANCE EXPLANATION NOT REQUIRED	
9 Total Fixed Assets plus Other Long Term Investments and	1,838,014	1,883,415	45,401	2.47%	NO		
10 Total Borrowings	262,107	240,484	-21,623	8.25%	NO		

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable

BOX 10 VARIANCE EXPLANATION NOT REQUIRED IF CHANGE CAN BE EXPLAINED BY BOX 5 (CAPITAL PLUS INTEREST PAYMENT)

2017/18	Income	2018/19	+/- amount	+/- %	Explain Y/N	Explanation
£ 332,863.00	Precept	£ 351,333.00	£ 18,470.00	5.55		
£ 36,020.40	Section 136 LGA	£ 36,827.00	£ 806.60	2.24		
£ 10,240.00	Council Tax Support Grant	£ 5,210.00	-£ 5,030.00	-49.12		No explanation required.
	CIL	£ 2,686.20	£ 2,686.20			
£ 1,127.09	Bank Interest	£ 1,764.96	£ 637.87	56.59		Increase in bank interest rate
£ 148.60	Administration	£ 829.98	£ 681.38	458.53		Increased photocopying provided
£ 164.10	General	£ 4,328.68	£ 4,164.58	2537.83		Insurance premium rebate and refund of overpaid subscription
£ 4,907.73	Allotments	£ 4,518.38	-£ 389.35	-7.93		Allotment rental reduced
£ 2,010.71	Maintenance & Repair	£ -	-£ 2,010.71	-100.00		Utilities rebate of overpayment inflated previous years income
£ 45,882.70	Lettings & Rents	£ 44,372.95	-£ 1,509.75	-3.29		Reduction in Hall and Football Pitch Bookings
£ 200.00	Court Lodge/Innes Pavilion	£ 905.00	£ 705.00	352.50		Increase in tenant's contribution to utility bill
£ 30,108.60	Horley Recreation Ground	£ 8.60	-£ 30,100.00	-99.97		Transfer from earmarked funds inflated previous years income
£ -	Devolved Powers from RBBC	£ 3,400.00	£ 3,400.00			Reinstated and paid for two years
£ 1,790.00	Town Centre	£ 3,515.96	£ 1,725.96	96.42		Increased sponsorship for floral display
£ 1,997.75	Grants & Donations	£ -	-£ 1,997.75	-100.00		No Grants or donations received
£ -	Emlyn Meadows	£ -	£ -			
£ 2,990.00	Contingency	£ -	-£ 2,990.00	-100.00		Refund of fraudulent transaction in previous year

£ 470,450.68

£ 459,700.71

2017/18	Expenditure	2018/19	+/-		Explanation
£ 14,118.81	Administration	£ 13,874.26	-£ 244.55	-1.73	
£ 4,949.92	CCTV	£ 5,938.94	£ 989.02	19.98	Increased security patrols
£ 52,219.52	General	£ 76,576.58	£ 24,357.06	46.64	New consultancy agreement with former Town Clerk and requirement for professional HR support
£ 21,585.99	Maintenance & Repair	£ 25,558.98	£ 3,972.99	18.41	New cleaning and caretaking contract agreed
£ 2,029.72	Lettings & Rents	£ 696.04	-£ 1,333.68	-65.71	Less deposits returned
£ 29,631.90	Court Lodge/Innes Pavilion	£ 98,784.27	£ 69,152.37	233.37	New Playground installed
£ 65,184.30	Horley Recreation Ground	£ 2,670.75	-£ 62,513.55	-95.90	17/18 paid for new skate park now reduced to regular maintenance only with no projects
£ 849.42	Michael Crescent	£ 15,852.79	£ 15,003.37	1766.31	New Play Equipment installed
£ 250.00	Emlyn Meadows	£ 52.00	-£ 198.00	-79.20	Regular Maintenance with no projects
£ 62,220.94	Grounds Maintenance	£ 76,260.05	£ 14,039.11	22.56	Increased tree surgery costs following tree surveys
£ 4,920.50	Allotments	£ 2,512.98	-£ 2,407.52	-48.93	Regular maintenance and no special projects
£ 12,216.38	Town Centre	£ 12,649.51	£ 433.13	3.55	
£ 157,016.15	Salaries	£ 140,381.30	-£ 16,634.85	-10.59	Reduced Staff costs due to retirement of previous Town Clerk
£ -	Provision for doubtful debts	£ -	£ -	0.00	
£ 8,804.00	Grants & Donations	£ 7,637.50	-£ 1,166.50	-13.25	
£ 2,990.00	Contingency	£ -	-£ 2,990.00	2990.00	Previous Year included the refund of a fraudulent transaction

£ 438,987.55

£ 479,445.95

£ 40,458.40

Reconciliation between Box 7 and Box 8 in Section 2 - pro forma

(applies to Accounting Statements prepared on an income and expenditure basis only)

Please complete the highlighted boxes.

Name of smaller authority:

Horley Town Council

County area (local councils and parish meetings only):

Surrey

There should only be a difference between Box 7 and Box 8 where the Accounting Statements (Section 2 of the AGAR) have been prepared on an income and expenditure basis and there have been adjustments for debtors/prepayments and creditors/receipts in advance at the year end. Please provide details of the year end adjustments, showing how the net difference between them is equal to the difference between Boxes 7 and 8.

	£	£
Box 7: Balances carried forward		340,841.00
Deduct: Debtors (enter these as negative numbers)		
Debtors	(800.00)	
VAT to be recovered	(7,716.00)	
	(8,516.00)	
Deduct: Payments made in advance (prepayments) (enter these as negative numbers)		
Total deductions		(8,516.00)
Add:		
Creditors (must not include community infrastructure levy (CIL) receipts)		
Creditors	56,391.00	
	56,391.00	
Add:		
Receipts in advance (must not include deferred grants/loans received)		
Total additions		56,391.00
Box 8: Total cash and short term investments		388,716.00

Annual Internal Audit Report 2018/19

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 2019.

The internal audit for 2018/19 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.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓*		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
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.	✓*		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic and year-end bank account reconciliations were properly carried out.	✓		
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.	✓		
K. IF the authority certified itself as exempt from a limited assurance review in 2017/18, it met the exemption criteria and correctly declared itself exempt. ("Not Covered" should only be ticked where the authority had a limited assurance review of its 2017/18 AGAR)			✓
L. During summer 2018 this authority has correctly provided the proper opportunity for the exercise of public rights in accordance with the requirements of the Accounts and Audit Regulations.			Not applicable ✓
M. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable ✓

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

09/11/18 19/02/19 03/05/19

PAUL HARTLEY AUDITOR

Signature of person who carried out the internal audit



Date 03/05/19

*If the response is 'no' you must include a note to state the implications and action being taken to address any weakness in control identified (add separate sheets if needed). * See I/A Report.

**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 REPORT 2018-2019

I visited the Town Council Office on 9th November 2018 to commence the Internal Audit process for the year 2018-2019, reviewing actions taken on last year's recommendations and concentrating particularly on Income procedures, aspects of Risk Management, and Council's Policies. A second visit was made on 19th February 2019 to continue the process, with a final visit made on 3rd May 2019 to complete the Internal Audit and check the AGAR at the end of the financial year.

The comments below are in the order of the headings in the Internal Audit Section of the AGAR.

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

Clerk's responses are shown in red.

A. BOOKS OF ACCOUNT

Accounts are maintained on the Scribe system which operates in accordance with statutory requirements. **However, the system may be unable to cope with new HMRC requirements, and Council could well investigate the use of a package such as RIALTAS Omega.**

19/2/19 HTC: - Since VAT Returns are becoming digitalised from October 2019, Council will ensure that the SCRIBE accounting system complies with HMRC requirements.

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

Council is registered for VAT and charges it appropriately on one-off pitch bookings. VAT on expenditure is identified by the software, and on-line returns are made quarterly to reclaim amounts due. The latest return was made at 31th September 2018.

A check needs to be made regarding the VAT position on pitch bookings which were for 15 bookings but were subsequently reduced to less than that.

19/2/19 HTC: - If our contracted teams are not fulfilling all 15 matches under their booking contract, then they must play a minimum of 10 matches over the season to be VAT exempt. We will be informing all teams of this regulation and the requirement to play at least 10 matches during the season to avoid paying VAT on matches played.

HTC 12/3/19:- The VAT regulation will be implemented for the new Football Season 2019/20. All contracted adult teams must book a minimum of 10 matches to be VAT exempt, or will be charged VAT @ 20% per fixture. It is suggested that teams be charged in 2 separate instalments (of 5 matches) before commencement of their contract in August; and midway through their contract in December (subject to non-default of payments or account arrears). All teams will be notified of the VAT regulation in April 2019 and it will be contained in their Football Booking Contract which they must sign to confirm their acceptance.

Council is continuing with repayments on 2 PWLB loans taken out for hall improvements and Pavilion roof repairs. The loan for Innes Pavilion roof will be completely repaid this month.

B. FINANCIAL REGULATIONS

Standing Orders date from 2015 and need updating to reflect the latest NALC model.

19/2/19 HTC: - Standing Orders are currently being reviewed by Council.

F/Regs were updated at April 2017 to reflect latest legislative requirements.

Council should ensure that Financial Regs are followed when authorising expenditure, and that departure from Regs should be authorised in Minutes. Alternative quotes for a recent item of one-off expenditure for pitch drainage at £1200 were not obtained due to the specialist nature of the work, and this should have been minuted accordingly.

12/3/19 HTC:-Future minutes will more clearly reflect Town Council decisions taken when authorising expenditure.

Variable Direct Debits are listed monthly as part of accounts documentation, but no authorisation or checking of accuracy of amount is evidenced. This should be included on each D/D invoice to ensure the amounts conform to budget for that particular expenditure.

HTC:- 12/3/19 Noted and new system implemented.

Otherwise, expenditure is properly controlled, with appropriate authorisations and coding included on invoices.

C. RISK MANAGEMENT

Risk Management and Internal Control reviews were carried out and approved by Council in February 2019, having been previously considered by F&GP Committee.

Contracts have been let for Legionella and PAT testing for Council's properties; at the Innes Pavilion these are the responsibility of the tenant and checks will be made to ensure these have been done.

Insurance cover with Aviva via WPS was renewed in June 2018, next renewal due June 2019.

Contractors' Public Liability insurance for a recent fire safety inspection was not checked. **All contractors' insurance should be checked for currency and relevant amount at start of new contracts, and annually thereafter if contract is for several years.**

19/2/19 HTC: - We must ensure all our contractors produce their current Public Liability certificates, and these have been requested, some of which have now been provided.

In the light of recommendations made following the Witley PC case, Council should review its tree management procedures.

HTC:- 12/3/19 -HTC appoints arboricultural consultants to carry out tree surveys every 3 years at all Town Council sites. The last Tree Survey took place in October/November 2017 by County Tree Surgeons Ltd.

D. BUDGET & PRECEPT

The Budget process for 2019-2020, has been completed, resulting in a precept of £372,755, Band D amount £37.87, an increase of 2.64%. Full consideration of use of Reserves is made, together with adequate provision for future projects. In particular, Council is applying for a PWLB loan of around £470,000 over 20 years for a café project. This can be achieved without any additional impact on precept, as an existing loan has now been repaid.

E. INCOME

All tariffs were reviewed in June 2018. 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.

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 new arrangements for taking payment by debit and credit cards (Sum-up) works satisfactorily, although there is several days delay before funds enter the bank account. **This will need to be monitored approaching year-end.**

19/2/19 HTC: - We will need to monitor Sum-Up processing at the year -end since they take up to 9 days to process cleared funds rather than the normal 3 business days. Nevertheless, costs for using this method of payment are still significantly less than the previous system used.

F. PETTY CASH

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.

Council could consider scrapping the cash float, or substantially reducing the amount held.

HTC:-12/3/19 It is proposed that members consider reducing the cash float to £25 to facilitate cash transactions at the HTC office.

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, **although a recent increase in hours and SCP advancement for the Clerk needs a retrospective approval minute.**

HTC:- 12/3/19 - This will be raised at the next Staff Committee meeting in March to review the NJC Pay Scales and minuted at next Full Council meeting on 2 April 2019.

Members Allowance scheme has not been adopted, although this will be reconsidered by a new Council after May 2019 elections.

Training records of courses attended are maintained, and **these could also be usefully kept in individual personnel files for staff.**

HTC:- 12/3/19 - Noted. Training Log for Councillors and staff is regularly updated and available to view on the HTC website.

H. ASSETS & INVESTMENTS

The Register has provision for a physical check by Members, but this check has not yet been carried out.

19/2/19 HTC: - Still outstanding. A routine check by Members of the Asset Register will be required during a future internal audit, which we will implement.

I. BANK RECONCILIATIONS

Reconciliations are carried out monthly and a check is carried out by Members on a rota basis.

Year end reconciliations were carried out, although some account statements were dated 2 or 3 days before 31 March. **Members may wish to check at their review of AGAR that statements have been obtained showing correct year-end figures.**

J. YEAR END ACCOUNTS

Figures have been correctly extracted from the accounts system for the AGAR, although a £1 rounding adjustment needs to be made. Debtors and Creditors have been correctly adjusted on an Income and Expenditure basis.

The Scribe accounting system used produced the stats to 2 decimal places. Section 2 of the AGAR has therefore been corrected to state the figures are rounded to whole numbers.

OTHER ITEMS

Website content update to make access and indexing easier is in hand (19/2/19)

HTC:- 12/3/19 -Noted – HTC website provider, Jarret & Lam, has been instructed to carry out several website enhancements, including a new Finance tab, accessible from the Home Page.

New GDPR policy documents, including Document Retention, Information and Data protection and Privacy approved and adopted 26/6/18.

Paul Hartley
Internal Auditor
3rd May 2019

HORLEY TOWN COUNCIL

Joan Walsh
Town Clerk
Council Offices, 92 Albert Road
Horley, Surrey RH6 7HZ
Tel: 01293 784765
info@horleysurrey-tc.gov.uk
www.horleysurrey-tc.gov.uk



**An Ordinary Meeting of Horley Town Council will be held at the Albert Rooms,
Albert Road, Horley on Tuesday 12 February 2019 at 7.30 pm.**

1 Apologies and Reasons for Absence

To receive apologies and reasons for absence.

2 Disclosable Pecuniary Interests and Non-Pecuniary Interests

To receive any declarations of interest in relation to any items included on this agenda.

3 Public Forum

4 Minutes

To approve the minutes of the Ordinary Meeting of the Council held on 11 December 2018.

5 Full Council Updates

6 Committee Reports

To receive the minutes of the meetings of the following Committees:

- i) Unapproved minutes of the Leisure & Amenities Committee held on 15 January 2019
- ii) Unapproved minutes of the Finance & General Purposes Committee held on 22 January 2019
- iii) Approved minutes of the Planning & Development Committee held on 4 December 2018
- iv) Approved minutes of the Planning & Development Committee held on 8 January 2019

7 Notice of Vacancy, Horley Town Council (Horley North West Ward)

- i) To note that a vacancy has arisen due to the resignation of Cllr James Baker. (An election to fill the vacancy to be held on 2 May 2019.)
- ii) To appoint a Vice-Chairman of the Leisure & Amenities Committee for the remainder of the Municipal Year 2018/2019.

8 Chairman's Report

To receive a report of events recently attended by the Chairman or his representative.

9 Borough, County Councillor and Other Related Updates

- i) To receive an update on the Residents' Forum Meeting held on 28 January 2019 and future planned meetings.
- ii) To receive an update on the recent meeting with County Councillors Kay Hammond and Graham Knight.
- iii) To note that the next meeting of the HTC/RBBC Liaison Committee Meeting will take place at Reigate Town Hall on 14 March 2019.
- iv) To receive any other related updates.

10 Town Meeting, 29 March 2018

To receive an update on arrangements made for the meeting.

11 Local Government Elections, 2 May 2019

To note information received from the Borough Council's Electoral Services Manager.

...Continued

- 12 St Bartholomew's Church**
To consider an application for funding towards the grass and hedge maintenance of the New Churchyard for the year beginning April 2019.
- 13 Internal Control Review 2018/2019**
To approve the annual review of the effectiveness of the Town Council's system of internal control and management of risk.
- 14 Risk Assessment and Management Paper 2018 – 2019**
To approve the Risk Assessment and Management paper, as recommended by the Finance & General Purposes Committee at the meeting on 22 January 2019.
- 15 Child Protection and Vulnerable Persons Policy**
To approve the Town Council's updated Policy.
- 16 Transfer of Westvale Park Allotments (Southern Site) to Horley Town Council Ownership**
To consider the recommendation of the Leisure & Amenities Committee that the allotment site be transferred into Town Council ownership, subject to final confirmation being received regarding the provision of toilets at the Southern site.
- 17 Police Matters**
To receive an update on the recent meeting with local Police representatives.
- 18 Proposals for Café at Horley Recreation Ground**
i) To note receipt of the Business Plan for the Café.
ii) To note that Expressions of Interest have been invited from interested Café operators, under the "Early Engagement" category of the Contracts Finder website.
- 19 Innes Pavilion Lease**
To consider amendments to the proposed Short-Term Lease, following recent meetings and correspondence with the tenant of the Innes Pavilion Clubhouse
- 20 Michael Crescent Scout Hut**
To receive any updates, following the recent survey of the building by a Structural Engineer.
- 21 Updates from Reigate & Banstead Borough Council**
To consider information received and to agree the way forward.
- 22 Letters Received**
- 23 Diary Dates**
- 24 Items for Future Consideration**
To note items for inclusion on future agenda.
- 25 Press Release**
To agree items for inclusion.
- 26 Exclusion of Public and Press**
"In view of the special or confidential nature of the business about to be transacted, it is advisable in the public interest that the press and public be excluded and that they be instructed to withdraw."

...Continued

HORLEY TOWN COUNCIL
ORDINARY MEETING OF THE COUNCIL

Minutes of an Ordinary Meeting of Horley Town Council held at the Albert Rooms,
Albert Road, Horley on Tuesday 12 February 2019 at 7.30 pm.

Present	Cllrs Samantha Marshall – in the Chair (Deputy Chairman) S Banwait R Biggs G Buttironi M George J Hudson A Kitajewski H Kitajewski Simon Marshall V Marshall R Olliver H Randall F Stimpson
In Attendance	J Walsh (Town Clerk) C Fenton (Head of Leisure & Deputy Clerk) A Jones (Consultant) Four members of the public

C 4586 Apologies and Reasons for Absence

RESOLVED: that the apologies of Cllrs Baird, Etheridge, Powell and Mabbett be accepted, for reasons as specified in the Attendance Register.

C 4587 Disclosable Pecuniary Interests and Non-Pecuniary Interests

There were no Declarations of Interest in relation to any items included on this agenda.

RESOLVED: noted.

Public Forum

- C 4588** Members received a presentation from the Rev Cannon Leslie Wells and one of the Church Wardens from St Bart's Church, regarding the application by the Church for funding towards the maintenance of the New Churchyard for the year beginning April 2019. The Church Warden explained that the Church had been very pleased with the performance to date of Burleys, the Grounds Maintenance Contractor. The contract was set to continue for a further year with no price increase. The Church Warden added that, whilst the grass and hedge maintenance in the Old Churchyard were now the responsibility of the Borough Council, the Church still had to fund the cost of essential tree

C 4588) works, as well as being responsible for the cost of the Lychgate roof repair.

RESOLVED: noted.

C 4589 Neil Munday from Susy Radio said that he was looking forward to hearing details of the report, following the recent Structural Survey of the Michael Crescent Scout Hut. He added that he was still keen to use the building as the site for the Susy Radio Station. The lease on the Radio Station's existing premises was due to expire at the end of January 2020 and notice would need to be given by June of this year.

RESOLVED: noted.

C 4590 St Bartholomew's Church – Application for Funding

Members considered the application for funding towards the grass and hedge maintenance of the New Churchyard, for the year beginning April 2019.

After some discussion, the following was proposed by Cllr Simon Marshall, seconded by Cllr Biggs and carried unanimously:

RESOLVED: that a grant of £6,400 be paid to St Bartholomew's Church towards the grass and hedge maintenance of the New Churchyard for the year commencing April 2019.

C 4591 Michael Crescent Scout Hut

Alan Jones advised that, following the recent structural survey of the Scout Hut, whilst the formal report was still awaited from the Structural Engineer, initial thoughts were that, whilst the building was generally structurally sound, the cost of remedial works was likely to be substantial.

It was noted that previous discussion regarding the possible use of the Horley Young People's Centre for the Susy Radio Station had resulted in no decision being forthcoming from Surrey County Council. Cllr Biggs added that the Town Council should continue to offer all the help it could to help Susy Radio move to Horley.

RESOLVED: noted.

C 4592 Ordinary Meeting of the Council, 11 December 2018

The minutes of the above meeting of the Council were presented for confirmation by members and signature by the Vice-Chairman of the Council.

C 4592) ***RESOLVED: that the minutes of the Ordinary Meeting of the Council held on 11 December 2018, including all confidential items, be approved.***

C 4593 **Leisure & Amenities Committee, 15 January 2019**

RESOLVED: that the unapproved minutes of the above meeting of the Leisure and Amenities Committee, including all confidential items, be received.

C 4594 **Finance & General Purposes Committee, 22 January 2019**

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

C 4595 **Planning & Development Committee, 4 December 2018**

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

C 4596 **Planning & Development Committee, 8 January 2019**

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

C 4597 **Electoral Review of Reigate and Banstead –
Final Recommendations**

It was noted that, despite some further exchanges of correspondence with the Boundary Commission, there had been no changes to their proposals for the Horley Town Wards and the Reigate and Banstead (Electoral Changes) Order 2019 had now passed through Parliament. The only possibility that still remained would be for the Borough Council to be requested to conduct a Community Governance Review for Horley, which would not be constrained by coterminosity with Borough wards and County divisions, however there were timescales which needed to be followed for this process.

RESOLVED: noted.

C 4598 **Sleepeasy 2019**

The Clerk confirmed that arrangements were now in place for Court Lodge Fields to be used for this year's Charity Sleep-Out, from the evening of Friday 8 March until the following morning.

C 4598) ***RESOLVED: noted.***

C 4599 **Chairman's Report**

The Vice-Chairman updated members on events attended by herself and Cllr Powell:

Town Centre Carol Service & Hospitality (attended by both, plus other members)

Horley Singers' Concert (attended by Vice-Chairman)

Horley Methodist Church Christmas Eve Carol Service (attended by Vice-Chairman)

Licensing Service, St Bart's Church (attended by Chairman)

Lord Lieutenant of Surrey's Reception for Nominees for Queen's

Awards for Voluntary Service (attended by Vice-Chairman)

RESOLVED: noted.

**Notice of Vacancy, Horley Town Council
(Horley North West Ward)**

C 4600 The Clerk advised that a vacancy had arisen, due to the resignation of Cllr James Baker, however as the resignation was within six months of the seat being up for election (on 2 May) there was no need for either a by-election to be held or the seat filled by co-option.

RESOLVED: noted

C 4601 Cllr Simon Marshall proposed and Cllr Buttironi seconded that Cllr Fiona Stimpson be nominated as the Leisure & Amenities Committee Vice-Chairman (replacing Cllr Baker). There were no further nominations for the post.

RESOLVED: that Cllr Fiona Stimpson be elected Vice-Chairman of the Leisure & Amenities Committee for the remainder of the Municipal Year 2018/2019.

Residents' Forum Meeting, 28 January 2019

C 4602 It was noted that the meeting had been very well attended and had included discussion about various highways matters, the proposed Modifications to the RBBC Development Management Plan, the Gatwick Airport Master Plan and Air Quality in Horley. Cllr George added that it would be beneficial for a Gatwick Airport representative to attend a future Forum Meeting to answer airport related questions, including concerns about Route 4.

RESOLVED: noted.

C 4603 The Head of Leisure advised that the next meeting of the Residents Forum was planned to take place on 16 May (subsequently combined with the Town Meeting, refer minute C 4608) and would include a presentation on Air Quality Monitoring in Horley, given by RBBC Officer Leon Hibbs.

RESOLVED: noted.

C 4604 **Borough, County Councillor & Other Updates**

Members were updated on the recent Review Meeting, which had been attended by Cllr George, County Cllrs Hammond & Knight and the Head of Leisure. (Notes of the meeting are appended.)

RESOLVED: noted.

C 4605 **HTC/RBBC Liaison Meeting, 14 March 2019**

The Clerk advised that the next meeting would be held at Reigate Town Hall on 14 March. The Town Council would be submitting items for inclusion on the agenda.

RESOLVED: noted.

C 4606 **Local Government Elections, 2 May 2019**

Members were made aware of information received from the RBBC Electoral Services Manager. (It was subsequently learnt that Purdah would start on 20 March, the date of publication of the Notice of Election.)

RESOLVED: noted.

C 4607 **Horley Town Meeting**

Members were updated on plans for the meeting, originally planned to take place on 29 March, however the date was subsequently moved to 16 May once the dates for Purdah were known.

RESOLVED: noted.

C 4608 **Proposals for Café at Horley Recreation Ground**

RESOLVED: that the Business Plan for the Café be approved. (A copy is appended.)

C 4609 Members received the report prepared by Chartered Surveyors Copeland Yussuf, following the recent Public Tender Programme, and considered the recommendations therein. Following discussion, the following was resolved:

C 4609) ***RESOLVED: that, subject to the necessary funding being in place, Newlyn Contractors Ltd be appointed to build the Café plus associated external works at Horley Recreation Ground for a sum not exceeding £476,350 plus VAT. (VAT not reclaimable.)***

C 4610 Consultant Alan Jones reminded members that an earmarked reserve fund had been created towards the Café project totalling £130,000. He explained that a loan from the Public Works Loan Board (PWLb) would be the most realistic way to secure funding for the project. He added that a previous PWLB loan for the Innes Pavilion roof had been fully repaid in November 2018. An amount of £31,000 for the repayments on such a loan had been factored into the 2019/20 budget figures and Precept calculation. All Precept discussions had taken place in public session. Alan Jones outlined the process for the PWLB loan application, after which the following was resolved:

RESOLVED:

- i) that Horley Town Council, using the General Power of Competence, instruct the Clerk to seek the approval of the Secretary of State for Housing, Communities and Local Government to apply for a PWLB loan of £473,000 over the borrowing term of 20 years for the construction of a new Café/Pavilion and associated external works, the annual loan repayments being approximately, £31,000, with no intention to increase the Council Tax precept for the purpose of the loan repayments. (Copies of relevant correspondence are appended.)***
- i) that, following the receipt of Borrowing Approval, an application for a loan of 473,000 over a twenty-year term be made to the Public Works Loan Board.***

C 4611 **Café Operator**

Members were advised that Expressions of Interest were being invited from interested Café operators via the Contracts Finder website (Early Engagement).

RESOLVED: noted.

Innes Pavilion Lease

C 4612 Members were reminded that the tenant of the Innes Pavilion Clubhouse, who currently had an Annual Licence to Occupy for his Martial Arts Club, had expressed an interest in maintaining his occupancy for a longer term, by means of a five-year lease. Meetings had been held with Newman's Solicitors and also with the Tenant.

RESOLVED: noted.

C 4613 The Clerk went on to explain that draft Heads of Agreement had now been prepared by Newman's Solicitors, for inclusion in the short-term lease. These had been accepted by the tenant, with the exception of the requirement for a Guarantor, which the tenant would be unable to provide. Members discussed whether the clause might be waived, given the Tenant's long-term occupancy of the premises, improvements made to the premises by the Tenant and reliability in making timely payments to the Town Council for rental and utilities. After some discussion the following was resolved:

RESOLVED:

- i) that the requirement for a Guarantor be removed from the draft Heads of Agreement.*
- ii) that Newman's Solicitors be instructed to proceed with the preparation of the draft Lease.*

C 4614 Internal Control Review 2018/2019

RESOLVED: *that the Internal Control Review paper, reviewing the effectiveness of the Town Council's system of internal control and management of risk, be approved. (A copy is appended.)*

C 4615 Risk Assessment and Management Paper 2018 – 2019

RESOLVED: *that the Risk Assessment and Management Paper, as recommended by the Finance & General Purposes Committee, be approved. (A copy is appended.)*

C 4616 Child Protection & Vulnerable Persons Policy

RESOLVED: *that the updated Policy be approved and a copy sent to Sam Gyimah MP. (A copy is appended.)*

C 4617 Transfer of Westvale Park Allotments (Southern Site) to Horley Town Council Ownership

Members considered the recommendation of the Leisure & Amenities Committee that the allotment site be transferred to Town Council ownership. The Head of Leisure told members that this was subject to final confirmation being received from the Consortium that the toilet facility, originally planned for the Northern Site, would be placed instead at the Southern Site. Agreement in principle had been given by the Consortium and final confirmation was awaited. It was noted that the Consortium would provide the form of transfer and the conveyancing plan for the HTC Solicitor to agree, however they were not obliged to pay the HTC legal costs. The Head of Leisure went on to explain that the Southern Allotment site, planned for 2020, had an area of around 0.4 hectares (approx. one acre), whilst the Northern Site, planned for 2025 had an area of around 1.2 hectares (approx. three



HORLEY TOWN COUNCIL RISK ASSESSMENT AND MANAGEMENT 2018/19

Area	Risk	Likelihood	Severity	Control
Assets	Protection of physical assets	L	M	All buildings insured. Value increased annually by index linking.
	Security of buildings, equipment etc	M	H	Alarms (security, smoke and panic) installed at Council Buildings and serviced and tested regularly, in accordance with current regulations. Passwords and keys strictly restricted to nominated personnel. Additional butterfly locks installed on the interior of the two Council Office entry doors to enable safe access and to comply with fire safety regulations. Contents insured. Smartguard Security act as keyholder and attend to callouts.
Finance	Banking	L	M	Accounts are spread between our bankers, HSBC, and other approved Deposit Takers
	Business Continuity	L	M	Insurance cover is £50,000 (to cover loss of income and relocating office during maximum indemnity period of 24 months).
	Loss of cash through theft or dishonesty	L	H	Fidelity Guarantee in place for the sum of £500,000. Safe used for storage of all petty cash, postage stamps, cheque book, unbanked cheques, mayoral chain of office etc. in alarmed office. Office keys strictly restricted to nominated personnel.
	Financial controls and records	L	M	Monthly reconciliation prepared by RFO, checked by Town Clerk and reported to Finance Committee. Three signatures (the Clerk plus two members) on cheques or internet banking has been retained for good practice. Two nominated Councillors conduct a review prior to F&GP Committee meetings, our Internal Auditor checks procedures and External Auditors review our accounts.
	Compliance with HMRC Regulations	L	M	VAT payments and claims calculated by RFO and checked by Clerk. Internal and external auditor provides double check. Use of VAT Help Line when necessary to answer queries. Appropriate systems in place to comply with new legislation on VAT rules and mandatory submissions of VAT Returns to HMRC electronically (effective from 1 October 2019)
	Sound budgeting to underlie annual precept	L	M	Finance & General Purposes Committee and Full Council receive detailed budget vs. actual reports. Precept derived directly from this and prior committee review of needs.
	Compliance with borrowing restrictions	L	L	Advice sought from Surrey ALC as appropriate

Liability	Risk to third party, property or individuals	M	M	Public Liability Insurance held amounting to £10m cover. Open spaces checked regularly. Playgrounds, equipment and trees checked regularly. Incidents fully investigated if damage reported.
	Legal liability as consequence of asset ownership (especially playgrounds)	H	H	Daily and weekly reports of inspections of multi-purpose court, playgrounds and skateboard park and all other equipment as stated in the Asset Register. Annual playground checks made to RoSPA criteria.
	Compliance with HM Revenue and Customs Requirements	L	M	Regular advice available from HMRC, VAT Helpline and Sage etc. Internal and external auditors carry out annual checks.
	Safety of Staff and visitors	L	M	Regular Health & Safety Risk Assessment checks of Council Offices particularly before public events. Fire Risk Assessments undertaken by accredited Fire Protection Company at Council Offices and Innes Pavilion and modifications completed, as required. HTC Officers trained in accredited Fire Safety Training programme, covering new legislation. Panic alarm installed with feed to Surrey Police. Additional security measure put in place following advice received from the Surrey Police Crime Reduction Officer in December 2016.
Legal Liability	Confirmation that activities are within legal powers	L	H	Town Clerk clarifies legal position on any new proposal. Legal advice sought where necessary.
	Proper and timely reporting via the Minutes	L	M	Full Council meets every six weeks and receives and reviews cycle of minutes. Minutes made available to press and public via web site.
	General Data Protection (GDPR)	L	L	Although not a legal requirement, for good practice, a Data Protection Officer (DPO) has been appointed to ensure full compliance with current legislation.
	Proper document control	L	M	Leases and legal documents locked in secure cabinets. Other data storage to comply with Data Protection Act and successor legislation (General Data Protection Regulations).
Admin	Data integrity and resilience	M	H	Broadband used for all internet traffic, real-time virus scans on all workstations and the dedicated server, and use of up to date virus libraries. All data is backed up continuously to a remote back-up service.
Councillor Propriety	Registers of Interests	L	H	Members' Register of Disclosable Pecuniary Interests completed by all members and reviewed regularly. Available for public inspection on website or by prior appointment.

Adopted by Horley Town Council 12 February 2019

Next Review Date: February 2020



HORLEY TOWN COUNCIL INTERNAL CONTROL REVIEW 2018/19

Background

The Accounts and Audit (England) Regulations 2011, *Regulation 4 (2)* requires “the Council to conduct an annual review of the effectiveness of its system of internal control which includes the arrangements for the management of risk.”

An effective system of internal control is split into three parts:

- 1. Risk Assessment**
- 2. Control or procedures in place to mitigate the risks identified**
- 3. System for testing the adequacy of internal controls (Internal Audit)**

Risk Assessment

The Council’s Finance Committee conducted a full risk assessment on 22 January 2019. In that risk assessment, it reviewed financial controls, inter alia:

- Risk of consequential loss of income
- Loss of cash through theft or dishonesty
- Financial controls and records
- Compliance with HM Customs and Excise Regulations
- Sound budgeting to underlie annual precept
- Compliance with borrowing restrictions
- Business continuity
- General Data Protection Regulations (GDPR)
- Protection of physical assets
- Safety of staff and visitors
- Security of buildings, equipment etc.

Control Systems

The Council has manual reconciliations in place to detect error. Duties are segregated between staff for the operation of its banking systems, and in turn two councillors authorise payments in addition to the Clerk (three signatories in total). Members review summaries of receipts and payments, preventing or detecting budget overspends and unauthorised expenditure. Insurance cover is reviewed periodically.

Internal Audit

An independent Auditor is in place to check that the internal controls are in place. The scope of internal audit, independence, competence, planning and reporting are shown overleaf.

Audit Programme Content

The Local Councils Governance and Accountability Guidelines have been taken into account in establishing the range of audit work and level of testing. Audit work has been programmed under the following five areas:

Corporate Governance - This has included a review of the Council's system of administrative control for providing information and instruction to Councillors and staff in relation to their responsibilities and compliance with legal and statutory requirements.

Accounting Practices – The Audit review has assessed the systems for recording and controlling day-to-day accounting transactions. It has included a review of controls covering the recording of income and expenditure, computerised accounting systems, petty cash and budgetary control practices. Attention has also been paid to control procedures relating to periodic income and expenditure and the accounting process associated with reconciling the SCRIBE system to Local Government accounting requirements.

Expenditure - In the main, work has been conducted reviewing the Council's systems of incurring, validating and authorising payments. Other work included an assessment of system controls covering payroll, General Power of Competence expenditure and miscellaneous payments including expenses.

Income - The Council's systems for requesting, receiving and controlling income has been reviewed in relation to accuracy of postings, banking arrangements and debtor control.

Annual Accounts - Work on the 2018/2019 annual accounts will include validation of the accuracy of the final accounting papers and preparation of supporting documentation required by the external auditor.

LIST OF AUDIT PROGRAMMES

Corporate Governance

- A1 - Control environment
- A2 - Legality
- A3 - Risk management and insurance
- A4 - Fraud and corruption
- A5 - Committee papers and Minutes
- A6 - Assets and investments

Accounting Practices

- B1 - Books of accounts
- B2 - Bank reconciliation
- B3 - Petty cash
- B4 - Budgetary control
- B5 - Reserves/cash balances

Expenditure

- C1 - Accounts for payment
- C2 - Payroll
- C3 - General Power of Competence
- C4 - Capital
- C5 - Miscellaneous income and expenses

Income

- D1 - Receipts and banking arrangements
- D2 - Precept and grants
- D3 - Main areas of expected income
- D4 - Miscellaneous income

Annual Accounts

- E1 -Year-end controls
- E2 -Year-end accounts

Other

- F1 - Salary Payments and PAYE in Real Time (RTI)
- F2 - Langshott Allotments and s106 reclaims
- F3 - Café Pavilion Project
- F4 - Community Infrastructure Levy CIL

Annual review of the effectiveness of internal control and the management of risk 2018/19

Expected Standard	Evidence of Achievement	Yes or No	Areas for Development
1. Scope of internal audit	<p>Terms of reference for internal audit were approved by Full Council on 27.11.07</p> <p>Internal audit work takes into account both the Council's risk assessment and wider internal control arrangements</p> <p>Internal audit work covers the Council's anti-fraud and corruption arrangements</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>	No development necessary
2. Independence	<p>Internal audit has direct access to those charged with governance (see Financial Regulations)</p> <p>Reports are made in own name to management</p> <p>Internal Audit does not have any other role within the Council</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>	No development necessary
3. Competence	<p>There is no evidence of a failure to carry out internal audit work ethically, with integrity and objectivity</p>	<p>Yes</p>	No development necessary
4. Relationships	<p>All responsible officers (Clerk/RFO and Finance Chairman) are consulted on the internal audit plan.</p> <p>Respective responsibilities for officers and internal audit are defined in relation to internal control, risk management and fraud and corruption matters (job descriptions and engagement letter)</p> <p>The responsibilities of council members are understood; training of members is carried out as necessary</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>	No development necessary

5. Audit Planning and Reporting	The annual Internal Audit Plan properly takes account of all the risks facing the Council and has been approved by the Council following the adoption of the Risk Assessment and Management Paper 2018-2019.	Yes	No development necessary

Horley Town Council has considered the effectiveness of the Internal Audit control including the arrangements for the management of risk. The review took place by the Internal Audit Review Sub-Committee on 8 February 2019 and the paper was approved at the Full Council meeting to be held on 12 February 2019.

Adopted by Horley Town Council 12 February 2019

Next Review Date: February 2020