

GODALMING TOWN COUNCIL

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Municipal Buildings
Bridge Street
Godalming
Surrey GU7 1HT

27 May 2016

I HEREBY SUMMON YOU to attend the **AUDIT COMMITTEE** Meeting to be held in the Council Chamber, Municipal Buildings, Godalming on THURSDAY, 2 JUNE 2016 at 7.00 pm.

Louise P Goodfellow
Town Clerk

Committee Members: Councillor Thornton
Councillor Pinches
Councillor Noyce
Councillor Williams
Councillor Purkiss

AGENDA

1. TO ELECT A CHAIRMAN

To receive nominations for the Chairman of the Committee and to elect said Chairman.

2. TO ELECT A VICE-CHAIRMAN

To receive nominations for the Vice-Chairman of the Committee and to elect said Vice-Chairman.

3. MINUTES

To approve as a correct record the minutes of the Extraordinary Meeting held on the 9 May 2016, a copy of which has been circulated previously.

4. APOLOGIES FOR ABSENCE

5. PETITIONS/STATEMENTS/QUESTIONS FROM MEMBERS OF THE PUBLIC

The Chairman to allow members of the public to ask questions, or make a statement or present a petition. This forum to be conducted in accordance with Standing Order 4.

6. DISCLOSABLE PECUNIARY INTERESTS AND NON-PECUNIARY INTERESTS

To receive from Members any declarations of interests in relation to any items included on the Agenda for this meeting required to be disclosed by the Localism Act 2011 and the Godalming Members' Code of Conduct.

Members of the Public have the right to attend all meetings of the Town Council and its Committees and are welcome.

7. WORK PROGRAMME

Members to consider the Committee's Work Programme and to note progress on the items therein.

8. BANK RECONCILIATION

Due to the proximity of this meeting in relation to the last one, there are no bank reconciliations to table.

9. ASSET REGISTER

Members to consider the Town Council's asset register (attached for the information of Members) and to note that it has been updated to reflect the work carried out on the Wilfrid Noyce Centre.

10. INCOME CONTROLS

Members to receive the report on the review of income controls (report attached for the information of Members).

11. PAYMENT CONTROLS

Members to receive the report on the review of payment controls (report attached for the information of Members).

12. PAYROLL CONTROLS

Members to receive the report on the review of payroll controls (report attached for the information of Members).

13. PETTY CASH

Members to receive the report on the review of petty cash (report attached for the information of Members).

14. PROPER BOOKKEEPING

Members to receive the report on the review of bookkeeping (report attached for the information of Members).

15. VAT CONTROLS

Members to receive the report on the review of VAT controls (report attached for the information of Members).

16. BUSINESS CONTINUITY PLAN

Members to consider a draft business continuity plan (plan attached for the information of Members).

17. DATE OF NEXT MEETING

The next meeting of the Audit Committee is scheduled to be held on Thursday, 6 October 2016 at 7.00pm in the Council Chamber.

18. ANNOUNCEMENTS

Brought forward by permission of the Chairman. Requests to be submitted prior to commencement of the meeting.

WORK PROGRAMME REVIEW LIST – 2014/15

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
Asset Control	Cllr Nick Williams/RFO	June 2012	Asset registers checked and agreed. To be reviewed March 2015 – review still outstanding (TC to chase)	To be reviewed each year Report on the Agenda for this meeting	
Standing Orders	Cllr Nick Williams/TC/RFO	19 November 2015	Standing Orders reviewed & adopted by Full Council on 19 November 2015.	Annual review required to be completed by 31 March 2017	
Income Controls	Cllr Nick Pinches	31/10/2014	Conducted 31 October 2014 to be reviewed in 12 months	Report on the Agenda for this meeting	
Payment Controls	Cllr Nick Pinches	31/10/2014	Conducted 31 October 2014. BACS payments issues still outstanding. To be reviewed in 12 months.	Report on the Agenda for this meeting	
Payroll Controls	Cllr Nick Pinches	31/10/2014	Conducted 31 October 2014 to be reviewed in 12 months	Report on the Agenda for this meeting	
Petty Cash	Cllr Nick Pinches	31/10/2014	Conducted 31 October 2014 to be reviewed in 12 months	Report on the Agenda for this meeting	
Proper Book-keeping	Cllr Nick Pinches	31/10/2014	Conducted 31 October 2014 to be reviewed in 12 months	Report on the Agenda for this meeting	

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
Review of Ongoing Suppliers	Cllr Nick Pinches /Facilities Manager/TC	August 2014	Report received from Office Secretary relating to the change of stationery suppliers as a more lucrative supplier has been found. Further suppliers to be reviewed as an ongoing task and reported to next meeting of the Audit Committee by Cllr Thornton. Received updated Gas and Electricity review of charges renegotiated. Utility suppliers switched in August 2014. GTC uses a broker to ensure it is made aware of the best available deal.	Ongoing task.	
VAT Controls	Cllr Nick Pinches	31/10/2014	Conducted 31 October 2014 to be reviewed in 12 months	Report on the Agenda for this meeting	
Bank Reconciliation	Cllr David Hunter/RFO	Ongoing	Latest Bank recs reviewed at each Meeting of Audit Committee	Chairman to review and sign at each meeting of the Audit Committee.	Ongoing
Financial Regulations	Previously Cllr Kirsty Walden – need to reallocate	New Financial Regulations adopted 15 January 2015	Review of Financial Regulations completed at by this Committee 10 March 2016 and agreed by Full Council on 31 March 2016	Annual review required to be completed by 31 March 2017	
Procedures	Previously Cllr Kirsty Walden – need to reallocate	Ongoing	Financial procedures as drafted to date agreed by this Committee on 8 October 2015.	List of procedures completed..	Procedures for Payment of Suppliers and Payroll need to be updated to reflect movement to payment by BACS to be reported 6 October 2016.

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
Budgetary Controls	Previously Cllr Kirsty Walden – need to reallocate	May 2015	<p>Two recommendations made on 13 November 2014 completed in May 2015</p> <ol style="list-style-type: none"> 1. An additional user licence to access the RBS finance management system with the associated training is purchased to allow staff to access up to date income and expenditure information. 2. That a full time financial administrator is engaged as a matter of priority. 	Completed May 2015 To be reviewed for 6 October 2016 meeting	
Risk Management					
Business Continuity	Cllr Nick Williams/TC/RFO	8 October 2015	<p>Updated Business Continuity Plan considered & agreed on 8 October 2015</p> <p>In accordance with decision of P&M Committee Town Clerk has placed order for remote server with GTC's IT support contractor. Installation yet to commence. File storage will therefore be remote with a back-up copy held in GTC's offices. The need to take & send back-ups off site will end.</p> <p>Recent collapse of GTC's website indicates that business continuity plans need to be expanded to address the specific point of back up & continuity of GTC's website. To be address as part of Website item below in June 2016</p>	Report on the Agenda for this meeting	

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
Environmental	Cllr Nick Williams/TC/RFO	February 2014	To be reviewed annually	Review outstanding but TC/RFO does not deem it high priority because of duplication elsewhere.	
Legal	Cllr Nick Williams/TC/RFO	31/03/2013	Town Clerk reported orally on 10 March 2016 that Penningtons would be retained for all ongoing work but that new solicitors would be considered for new work – e.g. employments issues – noting that urgency sometimes made it expedient to instruct the usual solicitors on new matters.	To be reviewed for 6 October 2016 meeting	
Physical/Security	TC/RFO/Previously Cllr David Hunter – need to reallocate	24/01/2013	Reviewed and presented to meeting 24 January 2013.	Review outstanding	
Reputation	Cllr Julie Noyce/TC/RFO	10/03/2016	No outstanding issues. To be reviewed in Feb 2015	To be next reviewed for 16 March 2017	
Website	Previously Cllr Kirsty Walden – need to reallocate		New website planned as project for 2016	Business Continuity Plan to be updated to cover risks to website – on agenda for this meeting	

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
Health & Safety	Previously Cllr David Hunter – need to reallocate /TC/RFO	June 2015	<p>Health & Safety Risk assessments reviewed.</p> <p>TC to ensure announcements at meetings to ensure adequate 'In case of fire' information is given to the public (also to cover recording of meetings).</p> <p>2015 February Appraisals identified additional training needs in particular Manual Handling training for new staff and refresher training for existing staff.</p> <p>Fire Risk Assessment for BWP deferred to be completed alongside Fire Safety Plan for the newly refurbished WNCC – to be reported 10 March 2016</p>	Review outstanding to be reported 6 October 2016	
Financial Risks	Previously Cllr Kirsty Walden – need to reallocate /TC/RFO	4 June 2015	Report received 4 June 2015	Review outstanding to be reported 6 October 2016	
Insurance	Town Clerk	10 March 2016	Review complete 10 March 2016. TC reported orall.	On going	
Management of Debt (particularly Bad Debt)	RFO	Draft Credit Control Policy considered & agreed on 8 October 2015. Adopted by Full Council 19 November 2015. First judgement obtained in GTC's favour February 2016		Review required after 1 year of operation – report 16 March 2017	

Godalming Town Council

Schedule of Assets

2015/16

Insurance values

Asset Details							Location Details			Usage Details					2015-16	
Ref No	Description Land/Other Allotments	Identification	Date Acquired	Supplier	Original Cost	Useful Life	Location	Present Use	Custodian	How Often Used	Date Valued	Market Current Value £	Current Charge	Disposal/ Discharge	Insurance Value £	B / Sheet Asset Value £
2015/16																
Statutory																
1	George Rd		1.9 Acres	-	Unknown	Indefinitely	George Rd	Allotment	Allotment Assn	Everyday	23.08.01	400,000	Scale of Charges	-	400,000	1
2	More Rd		3.99 Acres	-	Unknown	Indefinitely	More Rd	Allotment	Allotment Assn	Everyday	23.08.01	2,750,000	Scale of Charges	-	2,750,000	1
3	Busbridge Lane		2 Acres	-	Unknown	Indefinitely	Busbridge Lane	Allotment	Allotment Assn	Everyday	23.08.01	925,000	Scale of Charges	-	925,000	1
4	Aaarons Hill		.46 Acres	-	Unknown	Indefinitely	Aaarons Hill	Allotment	Allotment Assn	Everyday	23.08.01	12,000	Scale of Charges	-	12,000	1
5	Meadrow		2.47 Acres	-	Unknown	Indefinitely	Meadrow	Allotment	Allotment Assn	Everyday	23.08.01	20,000	Scale of Charges	-	20,000	1
Non Statutory																
6	The Burys			-	Unknown	Indefinitely	The Burys	Allotment	GTC	Everyday	23.08.01	5,000	Scale of Charges	-	5,000	1
7	Peperharrow Road			-	Unknown	Indefinitely	Peperharrow Road	Allotment	GTC	Everyday	23.08.01	260,000	Scale of Charges	-	260,000	1
Other																
8	Chalk Road			-	Unknown	Indefinitely	Corner Chalk Rd	Land	GTC		Aug-05	250		N/A	250	1
9	Old Drift Way			-	Unknown	Indefinitely	Land at Bridge Rd	Land	GTC		Aug-05	5,000		N/A	5,000	1
Property																
post code																
Buildings																
10	GU7 1AZ	The Square		-		Indefinitely	High Street, Godalming	Vacant		Vacant	31.03.08	1,732,000	12,000 per annum	-	2,145,233	1
11	GU7 1DP	The Old Town Hall		-		Indefinitely	High Street, Godalming	Office, Meeting	GTC	Everyday		563,000	Scale of Charges	-	600,934	1
12	GU7 3NZ	Broadwater Pk Community Centre		-		Indefinitely	Summers Road Farncombe	Community Centre	GTC	Everyday		945,000	Scale of Charges	-	1,008,674	1
13	GU7 1DY	Wilfrid Noyce Community Centre Bandstand	28/07/2005	WBC	N/A	Leasehold	Crown Court, Godalming Bandstand	Community Centre	GTC	Everyday		1,152,000	Scale of Charges	-	1,229,621	1,056,438
Other																
14	The Pound			-	Unknown		Brighton Road	Land	GTC		Aug-05	13,500		-	13,500	1
15	The War Memorial			-	Unknown		War Memorial	War Memorial	GTC		Aug-05	32,500		-	32,500	1
Furniture & Equipment																
16	GU7 1HT	Municipal Buildings				Written Off	Municipal Buildings	Council Offices	WBC	Mostly Wkdays but some Wknds		88,377		N/A	119,274	1
17	GU7 3NZ	BWP Community Centre				Written Off	BWP Community Centre	Community Centre	GTC	Summers Road Farncombe		15,331			18,729	1
18	GU7 1DP	Old Town Hall				Written Off	Old Town Hall	Council Offices/Community Centre	GTC	High Street, Godalming		12,626			15,104	1
19	GU7 1DY	W N Community Centre new lease WN for 125 years	28/07/2005 31/05/2011			Written Off	W N Community Centre	Community Centre	GTC	Crown Court, Godalming		17,392			17,975	1
20	GU7	Museum								Museum		2,971			2,971	2971
Civic Regalia																
Schedule																
21	Photographs	Silver plate				Gift	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Mar-08	}			}	
22	Photographs	Miscellany				Gift	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Mar-08	}			}	
23	Photographs	Mayoress' Chair	2006			Gift	Mayors Chamber WBC	Furniture	GTC	Civic Functions	Mar-08	}			}	
24		Deputy Mayors Badge	1953			Gift	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Mar-08	}			}	
25		Seal registers	1946-74			Record	Surrey History Centre		GTC		Mar-08	}			}	
26		Deputy Mayoress' Chain Badge	1988			Gift	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Mar-08	}			}	
27	Photographs	Pictures					WBC	Paintings	GTC	Everyday	Mar-08	}	0		}	
28	Photographs	Paintings					WBC	Paintings	GTC	Everyday	Mar-08	178750			242,985	178,750
29		Christmas Lights	2007		£15,000	5 years	JBC Chapel building	Christmas Lights		November-December	Dec-06	15,454			35,113	1
Written Off																
30		Christmas Infrastructure Seats	2006/7 prior 1998			Gift	Outside GTC offices	Seat	GTC	Everyday		1,375			7,121	1
		Seats	2004			Gift	Outside Doctors surgery	Seat	GTC							
							GOR Eashing		JBC	Disposed of by scraping 2010						
							Bus Shelters 2	St John 's Rd	GTC						18,532	
								The Square	GTC							
31		Bus Shelters							GTC			4,080			4,080	1
32		Oak Gates	prior 1998				Allotments	Gates	GTC	Everyday	Unknown	1,185			1,185	1
								the Bury's, Meadrow								
33		CCTV pepperpot	2006/7		£2,500		Pepperpot	CCTV	GTC	Everyday	2006	2,500			2,805	2500
34		Gift from Joigny- Painting	2005				TC office or BWP	Painting	GTC	Everyday	2005	500 guesstimate			500	500
												9,155,791		10,004,792	1,241,182	

Surrey History Society

hold a packet number their reference 2253/517 containing relevant papers
They also hold seal registers 1946-74.

Additional Information

Deputy Mayor's chain donated by Charterhouse in 1988.

Lamp (donated by Mayen) and seat outside Council Offices

Seat millennium bench donated by Godalming Baptist Church

Mayoress' Chair (as per schedule) 17th October 2006

Minute F and GP 6 Jan 1977 min 112/76

Silver Key donated to

Major C Fletcher by TC on donation of Cricket Club to town

Family returned key to Town in 1966 when he died

Seat Underhill Close/Brighton Road????

f and GP 8/9/1983 min 88/83

£250 6ft teak seat set in concrete

Other includes, gifts, civic gowns etc and items in Museum

Godalming Town Council Audit Committee: Internal Review

Area of Review: **Income Controls - 2016**

Test	Success yes/no	Notes
A) Ensure that precept is received on time and is the amount agreed in the budget.	Y	Remittance advice from WBC seen & checked. Includes 50% of precept as per budget & due on 1 April 2016 but also £11,460 Council Tax Support Grant – unhelpfully WBC does not identify these separately. Journal done to move CT Support Grant from Precept code to Grants code
B) Ensure that rents from Cemetery Lodges, The Square and Allotments are received regularly.	Y/N	All JBC lodge income received but this review identified that the rent for Nightingale Chapel was not being regularly invoiced for & diarising and allocating responsibility for this income was required. FA invoiced for 2015/16 academic year immediately and for 2016/17 in September. TC to speak to tenant. Allotments not yet invoiced 2016/17 but all rents received 2015/16. The Square – circumstances documented elsewhere
C) Ensure bank interest is received.	Y	None received 2016/17 to date – Received quarterly in 2015/16
D) Ensure sales invoices are correctly made out and VAT accounted for where applicable.	Y	See table of invoices checked
E) Ensure monies received meet invoices raised and are banked properly.	Y	ditto
F) Ensure receipts are properly recorded in the cash book.	Y	ditto
G) Ensure VAT is correctly analysed and that VAT returns are prepared promptly in order to bank any repayment due.		The question duplicates the review of VAT controls
H) Ensure that more than one person is present when significant amounts of cash are received and counted.	Y	Cannot guarantee that more than one person will be present when cash is received – but the customer will always be given a receipt. Where large cash sums (e.g. income from Mayor's quiz) money will always be counted by two people.

Date review carried out: 26 May 2016

By: Town Clerk

Signed: *Louise P Goodfellow*

Invoices Checked 2016/17

Invoice No	Amount	Correct Fee	Correct VAT	Correct Addition	Posted to Ledger	Paid	Banked
3346GTC	£117.60	✓	✓	✓	✓	✓	✓
3353GTC	£24	✓	✓	✓	Not yet	Not yet	N/A
3358GTC	£84	✓	✓	✓	✓	Not yet	N/A
880WN	£180	✓	✓	✓	✓	Not yet	N/A
886WN	£108	✓	✓	✓	✓	Not yet	N/A
888WN	£112.44	✓	✓	* should be £112.32	✓	✓	✓
3322BW	£154.44	✓	✓	✓	✓	✓	✓
3327BW	£16.82 (CN)	✓	✓	✓	✓	Not yet	N/A
3346BW	£42	✓	✓	✓	✓	✓	✓
3366BW	£362.88	✓	✓	✓	✓	Not yet	N/A

GODALMING TOWN COUNCIL AUDIT REVIEW

INTERNAL REVIEW

Area of Review: **Checking random cheque payments -**

Test	1	2	3	4	5	6	7	8	9
Cheque No	105455	105459	105465	105471	105474	105477	105481	105484	105486
Payee	Despark	SS P&P Scouts	SLCC	****	Cara	Workstation	Scout Council	DE Gardner	HMRC
Amount	£10,800.00	£2,226.00	£250.00	£30.00	£2,039.12	£15.98	£10.00	£1,920.00	£5,454.75
Date	12-Apr-16	14-Apr-16	15-Apr-16	27-Apr-16	14-Apr-16	05-May-16	13-May-16	17-May-16	23-May-16
A) Check that cheque stub carries intelligible initials of 2 Councillors.	✓	✓	✓	✓	✓	✓	✓	✓	✓
B) Check that invoice being paid bears initials of 2 Councillors.	✓	✓	✓	✓	✓	✓	✓	✓	✓
C) Check that invoice being paid has been passed by instigator of requisition.	✓	✓	✓	✓	✓	✓	✓	✓	✓
D) Check whether purchase order is attached to invoice	N/A Contract in place	N/A Grant	N/A Other documenta tion in place	N/A Refund Deposit	N/A Contract in place	No	N/A Other documentat ion in place	N/A Contract in place	N/A legal requiremen t
E) Check that invoice has been entered correctly on system, including VAT.	✓	✓	✓	✓	✓	✓	✓	✓	✓
F) Check that payment is within reasonable time period.	✓	✓	✓	✓	✓	✓	✓	✓	✓
G) Check whether cheque has gone through the bank.	19-Apr-16	09-May-16	06-May-16	Not yet	19-May-16	19-May-16	Not yet	Not yet	Not yet
H) If not in current month, is it allowed for in bank reconciliation				Yes			N/A	N/A	N/A

Date review carried out: 26 May 2016

By: Town Clerk

Signed: *Louise P Goodfellow*

GODALMING TOWN COUNCIL AUDIT REVIEW

INTERNAL REVIEW

Area of Review: **Checking random BACS payments-**

Test	1	2	3	4	5	6	7	8	9
Payment ID	PR1.1	PR1.3	PR1.6	PR1.10	PR2.7	PR2.9	PR2.15	PR2.17	PR2.18
Payee	****	Brennan	CIPFA	Leedsheath	Country Service	Darren Pepe	Marshall Design	Penningtons	Rayners
Amount	£497.72	£1,902.00	£310.00	£318.00	£348.00	£250.00	£2,922.00	£12,036.00	£4,118.30
Date	30-Apr-16	30-Apr-16	30-Apr-16	30-Apr-16	13-May-16	13-May-16	13-May-16	13-May-16	13-May-16
A) Check that payment authority carries intelligible initials of 2 Councillors.	✓	✓	✓	✓	✓	✓	✓	✓	✓
B) Check that invoice being paid bears initials of 2 Councillors.	✓	✓	✓	✓	✓	✓	✓	✓	✓
C) Check that invoice being paid has been passed by instigator of requisition.	✓	✓	✓	✓	✓	✓	✓	✓	✓
D) Check whether purchase order is attached to invoice	N/A Expenses Claim	N/A Contract in place	N/A Other documenta tion in place	No - order placed by Gees	N/A Contract in place	No	No	N/A Contract in place	No
E) Check that invoice has been entered correctly on system, including VAT.	✓	✓	✓	✓	✓	✓	✓	✓	✓
F) Check that payment is within reasonable time period.	✓	✓	✓	✓	✓	✓	✓	✓	✓
G) Confirm payment has has gone through the bank.	30-Apr-16	30-Apr-16	30-Apr-16	30-Apr-16	13-May-16	13-May-16	13-May-16	13-May-16	13-May-16
H) If not in current month, is it allowed for in bank reconciliation									

Date review carried out: 26 May 2016

By: Town Clerk

Signed: *Louise P Goodfellow*

Godalming Town Council Audit Committee: Internal Review

Area of Review: Payroll 2016/17

Test	Success yes/ no	Notes
A) Whether all employees are in employment scheme payroll system?	Y	All employees, including casual employees (but not self-employed contractors) are on payroll
B) Whether all employees have contracts of employment?	Y	Contracts of employment exist for all staff and are kept by TC in a locked filing cabinet.
C) How wages are prepared?	Y	See attached written process – which has to be updated for payment by BACS
D) Whether correct PAYE codes are being used?	Y	PAYE codes picked up annually from HMRC notifications on-line. In year changes prompted by employee (with HMRC letter), All employees who have main employment elsewhere are BR code.
E) Whether PAYE records are being kept correctly?	Y	System generated and no queries from HMRC
F) Whether net pay paid correctly?	Y/N	2014 - 2016 incorrect NI deductions for three employees – error was picked up by internal controls
G) Whether P32's are submitted and filed correctly? Does the payment to HMRC match the FPS submission to HMRC?	Y	P32s superceded by the FPS on-line system FPS amounts for April & May 2016 checked
H) Whether HMRC paid correctly and on time?	Y	Amounts & payments for April & May 2016 checked.
I) Whether PAYE cheques are seen going through the bank?	Y	Chq 105469 for £5,360.73 cleared on 10 May 2016
J) Whether P45's, where applicable, are filed correctly?	N/A	No leavers year to date or last year.

K) Whether GTC registered to submit PAYE records on line?	Y	The question is now superfluous.
L) Whether a Pension Scheme is operated?	Y	New questions re pensions added
M) Are all employees in the Local Government Pension Scheme? And if not is there written evidence of their opting out>	Y	
N) Are contribution rates (EE & ER) applied correctly	Y	But need to build in to monthly payroll checks. NB SCC check at year end
O) Are correct payments made to Pension Authority	Y	Payment £3,792.78 to SCC tracked through BACS 13 May 2016
P) Whether salary advances are ever made?	Y	Never been considered
Q) How are annual pay awards advised?		Notification from NALC/SLCC and taken through P&M Committee for permission to pay. Notification letters signed by TC except TC's which is signed by Chairman of P&M.

NB – Town Clerk is an integral part of the controls for the payroll process and therefore this check needs to undertaken again by a third party within the next 10 months

Date review carried out 26 May 2016:

By: Town Clerk

Signed: *Louise P Goodfellow*

MONTHLY PAYROLL PROCESS

Process	Do By
1. Email all staff asking for any information regarding payroll for the month e.g. Farmers Market, new deductions, payroll adjustments	15 th of the month
2. Log onto Sage 50 Payroll and set processing date to the 25th	
3. Check HMRC secure mail box for any tax code changes and apply	
4. Process any new employees (see separate process instructions)	
5. Process payroll data and check payments online	
6. Print draft payslips report ~2015_Laser (2 per A4 Sheet) (see separate process instructions)	
7. Get Town Clerk's authorisation to proceed with payment.	
8. Print final payslips (see separate process instructions)	
9. Print following reports- Payment Summary Part 1, Payment Summary Part 2, Pensions – Current, Pensions – Employee and Pensions – Employer (see separate process instructions)	
10. Complete payroll journal in draft	
11. Write cheques and get signed by two Councillors	22 nd of the month
12. Distribute cheques to staff	22 nd of the month
13. Take back-up of payroll	
14. Update records (Select all employees / Payroll / Update Records)	
15. Print P32 report (see separate process instructions)	
16. Process any leavers and print P45	
17. Process Full Payment Submission (E-submissions / Full Payment Submission)	25 th of the month
18. Take final back up of payroll for the month	
19. Complete Surrey Pension contribution Form (see separate process instructions)	
20. Write cheques for Union Fees, Pension Contribution and HMRC PAYE/NIC	
21. Post payroll journal	End of month

Godalming Town Council Audit Committee: Internal Review

Area of Review: **Checking Petty Cash 2016**

Test	Success Y/N	Notes
A) Ensure key to Petty Cash is secure. Is Petty Cash kept securely?	Y	Petty cash kept in locked tin in locked & alarmed strongroom (one key to tin kept by Fin Admin; second in locked key cabinet)
B) Ensure petty cash vouchers are correctly authorised and within budget limits.	Y	Vouchers for recent claims checked – all compliant.
C) Ensure VAT and addition is correct on voucher.	Y	VAT not relevant to petty cash because not reclaimable
D) Ensure Petty Cash is reimbursed correctly.	Y	File demonstrates the correct reimbursement
E) Ensure vouchers are entered correctly in cash book.	Y	File demonstrates that vouchers have been entered correctly in cash book
F) Ensure Petty Cash is checked regularly.	Y	Checked monthly by an officer other than the Finance Administrator; by the Internal Auditor twice annually and by the Town Clerk as part of this review

NB – Town Clerk is part of the controls for the Petty Cash process and therefore this check needs to be undertaken again by a third party within the next 10 months

Date review carried out: 26 May 2016

By: Town Clerk

Signed: *Louise P Goodfellow*

Godalming Town Council Audit Committee: Internal Review

Area of Review: Proper Book-keeping –2016

Test	Success	Notes
Ensure proper procedure for requisitioning items. Is there a procedure for checking that goods and services are received as ordered.	Y	There is a purchase order system but not consistently used. However, officers certify on invoices that goods/services have been received and query invoices where this is not the case.
Ensure proper procedure for checking suppliers' invoices and identifying VAT.	Y	As above – officers check & certify suppliers' invoices. FA checks VAT accuracy
Ensure proper procedure for recording suppliers' invoices	Y	Documented in financial procedures
Ensure proper procedure for making and checking payments.	Y	Completion of payment grid on each invoice – also payment checks carried out as part of this review – elsewhere on agenda – indicate procedure applied consistently
Ensure proper filing system for purchase-ledger paperwork.	Y	Invoices filed alphabetically
Ensure proper system for issuing sales invoices and/or receipts.	Y	Different officers have responsibility for different sales invoices – but each stamped "PAID" as income is received.
Ensure proper procedure for recording and checking sales invoices.	Y	FA checks as each invoice is entered on to RBS
Ensure proper system for monitoring and ensuring prompt payment of sales invoices.	Y	See Credit Control process as considered by this Committee on 8 October 2015 and adopted by Full Council on 19 November 2015.
Ensure proper system for paying-in funds received.	Y	Weekly banking – items recorded on schedule (Cash banked more promptly)
Ensure proper filing system for sales-ledger paperwork.	Y	Files checked
Ensure cash book is up-to date.	Y	Not checked

Ensure bank reconciliations are carried out properly.	Y	Evidence in the files FA carries out reconciliations monthly; these are checked & signed by the RFO & signed by Chairman of the Audit Committee at each meeting of the Committee
Ensure petty cash tin balance is checked and agrees with paperwork and receipts.	Y	Checked

Date review carried out: 26 May 2016

By: Town Clerk

Signed: *Louise P Goodfellow*

Godalming Town Council Audit Committee: Internal Review

Area of Review: VAT 2016

Test	Success Y/N	Notes
A) Whether VAT records are properly maintained?	Y	RBS maintains VAT accounts
B) Whether GTC and JBC registered to submit VAT records on line?	Y	
C) Whether VAT forms are submitted correctly?	Y	Printouts of submissions to HMRC
D) Whether VAT paid correctly and on time?	Y	GTC receives refunds – on 25/04/16 £53,301 received form HMRC
E) Whether VAT rate has been correctly amended to 20%?		

Date review carried out: 26 May 2016

By: Town Clerk

Signed: *Louise P Goodfellow*

16. BUSINESS CONTINUITY PLAN

1. **Plan for the Loss of Godalming TC offices**

In the first instance this plan assumes a relatively localised emergency that renders the GTC offices unusable and requires GTC to resume its normal activities from another site. In the event of a widespread emergency it is assumed that GTC will suspend normal activities for some time – with the important exception that the Godalming Joint Burial Committee must maintain a service at all times. This plan assumes that one or more GTC staff is available to execute the plan – it does not cover what would happen if both the offices and all staff were lost.

Alternative Premises

GTC has control of a number of premises within Godalming that would provide suitable temporary accommodation for Town Council staff. These premises are, the Old Town Hall (Pepperpot), the Wilfrid Noyce Centre and Broadwater Park Community Centre. In normal circumstances all these locations have a power supply, telephone line, Internet access, lavatories and kitchen facilities. The Broadwater Park Community Centre is also equipped with a fax/printer and basic supplies of stationery.

Sets of keys to all three premises are kept away from the main offices – the Centre Manager has keys to Broadwater Park Community Centre and the Town Clerk and the Deputy Town Clerk each carry a master key to The Pepperpot and the Wilfrid Noyce Centre. (Note that it would be appropriate if necessary to employ a locksmith to affect access to any of the three premises though the two community centres are equipped with burglar alarms and this course of action would be inadvisable without the codes to disable the alarm(s).)

Should access to the GTC offices be unavailable the Town Clerk (or in her absence the Deputy Town Clerk) will nominate which premises will be used and inform all staff. Note that if the loss of access to the Town Council offices is short-term then the Town Clerk may propose that staff work from home for a day or two.

In the event of the long-term unavailability of the Council Chamber the Town Clerk will also identify alternative premises for Council and Committee meetings and let Councillors know as appropriate.

Computers & Other Equipment

GTC is heavily dependent upon information technology, however, all software and data is held off-site. In the event of loss of the GTC offices or prolonged unavailability of the offices computers, new computers and other equipment would need to be purchased. Three members of staff are in possession of laptop computers issued by GTC and these are routinely kept at the officers' homes. It is assumed that these would be available for use in an emergency. The Council's IT support contractor retains securely all necessary passwords and is contracted (with an 8 hour response time) to respond to a request for assistance and will source and support new computers. The contractor will also facilitate access to the remote server from officers' own devices if, in the short-term that is expedient.

Details of the GTC's normal suppliers are to be found on the MyOffice contacts list (MyOffice uses a remote server and is accessible to any GTC employee at any location or computer using the internet and with the correct login details). Financial regulations should be followed as far as possible – though, in an emergency, speed of delivery may be allowed to outweigh lowest cost. Official order pads are only kept at the office and in an emergency orders would need to be placed without official orders; the Town Clerk and the Deputy Town Clerk each

hold a £500 imprest to enable the purchase of items from suppliers who will not agree to invoice the Town Council.

Information

It is assumed that in the event of a loss of Godalming Town Council offices all paper records would be lost too. Correspondence, reports, agendas and minutes generated by the office in the last 18 years is saved electronically. Most older statutory and otherwise historically significant records have been relocated at the Surrey History Centre. However, some significant and irreplaceable records are kept at the office being most of the Joint Burial Committee records; the Godalming Town Council minute books from 1974 and many deeds and leases and current arrangements in respect of preserving these records remain inadequate.

Town Council diaries, e-mails and contact information are maintained on the MyOffice system and this data is held on a remote server. It is assumed that the likelihood of the MyOffice system failing at the same time as a loss of the GTC offices is sufficiently remote as not to require any additional planning. However, the loss of the MyOffice server is considered below at point 3.

The Town Council's website is also hosted remotely and it is assumed that the website service would be maintained if the offices were lost.

Currently most electronic data and documents held by the Town Council is held on the remote server. (Staff should not save documents etc. to individual computers.) The server is backed up every day by the server's host and is retained there. A second back up is made daily and stored on a device in GTC offices.

If financial vouchers etc. were lost, financial transactions would be reconstructed by reference to the electronic record, bank accounts and other records stored electronically by the Finance Administrator. The absence of the vouchers would make audits and VAT inspections a challenge but this difficulty does not warrant making and keeping copies of such vouchers.

2. Loss of a GTC Building not the Town Council

It is assumed that in the event of a loss of one of the Council's community buildings all services from that building will be ended and that planning for the replacement of the building will take place at that time. It is not planned for here.

3. Failure of Information Technology

In normal operation GTC is dependent upon the use of Information Technology and experience demonstrates that there are multiple opportunities for failure. This plan weighs the relatively high risk of short-term (up to eight hours) loss of IT against the costs of trying to put systems in place to mitigate it.

Failure of hardware and or software is covered by an IT support contract with an eight hour response time (in practice response times are usually significantly faster than that). It is possible to contract for a two hour response time but it is felt that the risks do not justify the additional cost. The only significant adverse consequence of a eight hour IT failure would be (if it occurred on a Friday) the failure to despatch an agenda within the statutory timescale.

Power failure at GTC offices is low risk because (sharing the building with Waverley Borough Council) the council has the benefit of a generator. Loss of broadband locally is higher risk and at this time outside officers' control – and without broadband there are no telephones. It is assumed that loss of broadband will be temporary and officers with laptops have the choice of relocating to somewhere where there is broadband access and continuing to work on the

remote server from that alternative location. Experience demonstrates that housekeeping of paper files etc is appropriate use of officers' time when an IT failure is short term.

A more problematic failure is failure of internet access local to the remote server because all officers at any location would lose access to all work. The host of the remote server is exploring opportunities for co-locating its servers to improve their resilience. At this time this is a risk that it outside GTC's control.

Loss of access to the MyOffice server on a temporary basis would mean a loss of the ability to send e-mails. On a longer term basis GTC e-mail addresses could be redirected (by the IT support contractor) to another e-mail server. MyOffice saves significant data to local computers and therefore contact and diary information would remain accessible and could be migrated to another system.

Experience shows that hosting of the GTC website is an area of vulnerability. While the new website is under development it is difficult to make specific plans for its resilience. However, these plans will include contracting for the ongoing maintenance and security of the site and ensuring that adequate back up of the site is maintained.

GODALMING TOWN COUNCIL

Disclosure by a Member¹ of a disclosable pecuniary interest or a non-pecuniary interest in a matter under consideration at a meeting (S.31 (4) Localism Act 2011 and the adopted Godalming Members' Code of Conduct).

As required by the Localism Act 2011 and the adopted Godalming Members' Code of Conduct, **I HEREBY DISCLOSE**, for the information of the authority that I have [a disclosable pecuniary interest]² [a non-pecuniary interest]³ in the following matter:-

COMMITTEE: _____

DATE: _____

NAME OF COUNCILLOR: _____

Please use the form below to state in which agenda items you have an interest.

Agenda No.	Subject	Disclosable Pecuniary Interest	Non-Pecuniary Interest	Reason

Signed _____

Dated _____

¹ "Member" includes co-opted member, member of a committee, joint committee or sub-committee

² A disclosable pecuniary interest is defined by the Relevant Authorities (Disclosable Pecuniary Interests) regulations 2012/1464 and relate to employment, office, trade, profession or vocation, sponsorship, contracts, beneficial interests in land, licences to occupy land, corporate tenancies and securities

³ A non-pecuniary interest is defined by Section 5 (4) of the Godalming Members' Code of Conduct.