

GODALMING TOWN COUNCIL

Tel: 01483 523575
E-Mail: office@godalming-tc.gov.uk
Website: www.godalming-tc.gov.uk

107-109 High Street
Godalming
Surrey
GU7 1AQ

20 June 2025

I HEREBY SUMMON YOU to attend the **AUDIT COMMITTEE** Meeting to be held in Committee Room 1, Waverley Borough Council, The Burys, Godalming on THURSDAY, 10 JULY 2025 at 6.30pm.

Andy Jeffery

Andy Jeffery
Town Clerk

If you wish to speak at this meeting please contact Godalming Town Council on 01483 523575 or email office@godalming-tc.gov.uk

Committee Members: Councillor C Downey – Vice Chair
Councillor Martin
Councillor Steel
Councillor Thomson – Chair
Councillor Williams

AGENDA

1. **MINUTES**

To approve as a correct record the minutes of the meeting held on the 22 May 2025, a copy of which has been circulated previously.

2. **APOLOGIES FOR ABSENCE**

3. **DISCLOSABLE PECUNIARY INTERESTS AND OTHER REGISTERABLE 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.

4. **PETITIONS/STATEMENTS/QUESTIONS FROM MEMBERS OF THE PUBLIC**

The Chair to invite members of the public to make representations, ask or answer questions and give evidence in respect of the business on the agenda or other matters not on the agenda. This forum to be conducted in accordance with Standing Order 5.

5. **QUESTIONS BY MEMBERS**

To consider any questions from Councillors in accordance with Standing Order 6.

6. WORK PROGRAMME

Members to consider the Committee's Work Programme and to note progress on the items therein (copy attached for the information of Members).

7. BANK RECONCILIATION

The Responsible Finance Officer to table the current Bank Reconciliation for the information of Members.

Members to agree that the Chair should sign the bank reconciliation tabled.

8. INCOME CONTROLS

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

9. PAYMENT CONTROLS

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

10. PAYROLL CONTROLS

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

11. PROPER BOOKKEEPING

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

12. VAT CONTROLS

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

13. DATE OF NEXT MEETING

The next meeting of the Audit Committee is scheduled to be held in the Meeting Room at 107-109 High Street, Godalming on Thursday, 11 September 2025 at 6.30pm.

14. ANNOUNCEMENTS

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

AUDIT COMMITTEE WORK PROGRAMME

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
Bank Reconciliation	Cllr Thompson/RFO	18 April 2024	Latest bank recs reviewed at each meeting of Audit Committee	Chair to review and sign at each meeting of the Audit Committee	Ongoing
Internal Control – Meeting 1					
Income Controls	Cllr Thompson	18 July 2024	Conducted 3 June 2024 – no issues identified	Annual review to be completed by July 2025	
Payment Controls	Cllr Thompson	18 July 2024	Conducted 30 May 2024 – no issues identified	Annual review to be completed by July 2025	
Payroll Controls	Cllr Thompson	18 July 2024	Conducted 30 May & 3 June 2024 – no issues identified	Annual review to be completed by July 2025	
Proper Book-keeping	Cllr Thompson	18 July 2024	Conducted 30 May & 3 June 2024 – no issues identified	Annual review to be completed by July 2025	
VAT Controls	Cllr Thompson	18 July 2024	Conducted 30 May & 3 June 2024 – no issues identified	Annual review to be completed by July 2025	
Miscellaneous – Meeting 2					
External Auditor's Report	RFO	12 September 2024	Considered by Full Council on 5 September 2024	Annual review to be completed by September 2025	Awaiting Auditor's Report 2024/25
Asset Control	Cllr Thomson/RFO	12 September 2024	Building revaluations required to remain compliant with Fixed Asset Policy	Revaluation Completed march 2024. Next revaluation due 2030	

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
Review of Suppliers	RFO /TC	Ongoing Insurance contract reviewed for 2024/25.	Review suppliers to ensure best value for money being achieved		
Financial Regulations	RFO	12 September 2024	New Model Financial Regulations reviewed by this committee September 2024	Update received March 2025. Approved by Full Council 8 May 2025	
Procedures	RFO	Ongoing SOP's for Facilities function written and being updated by Operations & Compliance Officer.	Creating a Standard Operating Procedures File for each position	SOP for Community & Communications Officer completed MARCH 2025.	Annual review of SOP'S
Budgetary Controls	Cllr C Downey	12 September 2024	To be reviewed in 12 months	Next review due Sept 2025	
Risk Management – Meeting 3					
Risk Management Strategy	RFO	14 September 2023	Review of the Risk Management Strategy to be completed by this Committee	Annual review to be completed by February 2025	
Insurance	RFO	18 April 2024	To be reviewed in detail at each contract renewal	Current Insurance based on 3-year contract due for reviewed for renewal for April 2027	.
Risk Assessment – Re-use of Land at Nightingale Cemetery	Cllr Steel / RFO	1 February 2024		Digitisation of Nightingale Cemetery record completed	Risk assessment to be produced as part of application for Faculty. Due to Godalming Minister being interregnum unable to progress Faculty. Expected to be able to take this forward Autumn 2025.

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
Risk	RFO	Ongoing	Identify areas to review to ensure risk is being managed appropriately within the Council	Ongoing	
Year End – Meeting 4					
Internal Auditor's Reports	RFO	23 April 2025	To be reviewed at next interim audit	Ongoing	
Management of Debt (particularly Bad Debt)	RFO	8 April 2024	To be reviewed annually	Annual review to be completed by April 2026	
Review of Effectiveness of Internal Control	Cllr Thompson /RFO	8 April 2024	To be reviewed annually	Annual review to be completed by April 2026	
Annual Governance Statement	Cllr Thompson /RFO	8 April 2024	To be reviewed annually	Annual review to be completed by April 2026	
Annual Accounting Statements	Cllr Thompson /RFO	8 April 2024	To be reviewed annually	Annual review to be completed by April 2026	
Review of Credit Control Procedures	RFO	18 April 2024	To be reviewed at least every three years	Next review to be completed by April 2027	
Review of Council Banking Arrangements	Cllr Thompson /RFO	20 July 2023 Full Council Min 117-23	To be reviewed each Administration	Next review to be completed after May 2027	
Review of Treasury & Investment Policy	Cllr Thompson /RFO	8 April 2024	To be reviewed annually	Annual review to be completed by April 2026	

Godalming Town Council Audit Committee: Internal Review

Area of Review: **Income Controls – 2025/26**

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 and checked. Includes 50% of precept as per budget and received on 4 April 2025.
B)	Ensure that rents from Cemetery Lodges, The Square and Allotments are received regularly.	Y	Cemeteries Lodge income received by direct debit each month (bank statement sighted for April and May 2025). Allotments not yet invoiced for 2025/26 but all rents received 2024/25. The Square – car park rent being received monthly and main rent quarterly.
C)	Ensure bank interest is received.	Y	CCLA and HSBC accounts now both paying interest. Amount varies but correctly accounted for in financial system.
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 that more than one person is present when significant amounts of cash are received and counted.	N/A	No longer deal in cash bar one market trader who pays £40 per week. Other insignificant ad hoc cash receipts noted such as street collections.

Date review carried out: 27 June 2025

By: Cllr Ruth Thomson

Invoices Checked 2025/26

Invoice No	Amount	Correct Fee	Correct VAT	Correct Addition	Posted to Ledger	Paid	Banked
CEM 677	£2205	Y	Y	Y	Y	Y	Y
WN 3845	£540	Y	Y	Y	Y	Y	Y
BW 4998	£369	Y	Y	Y	Y	Y	Y
GTC 6126*	£80	Y	Y	Y	Y	N	N
WN 3876	£806.40	Y	Y	Y	Y	Y	Y
CEM 693	£755	Y	Y	Y	Y	Y	Y
BW 5006	£76.95	Y	Y	Y	Y	Y	Y
PP 1544	£670.80	Y	Y	Y	Y	N	N
WN 3900	£289.80	Y	Y	Y	Y	N	N

GODALMING TOWN COUNCIL AUDIT REVIEW

INTERNAL REVIEW

AC 10.07.25
Agenda Item 9

Area of Review: **Checking random payments**

Test	1	2	3	4	5	6	7	8	9	10
Payment ID	PR 009	PR 0015	PR 008	PR 0012	PR 015	PR 007	PR 008	PR 007	PR 007	PR 014
Payee	Daniel Lake	Absolute Security	Fargo	Sarah Hall	Invisible Ink	Kevin Bowles	Tom Manning	RFK Cleaning	TSG Music	Sam Watts
Amount	£540.00	£414.47	£493.74	£1,897.84	£72.00	£125.99	£418.86	£269.08	£150.00	£99.58
Date	13-May-25	27-Feb-25	13-May-25	12-May-25	01-Jun-25	24-Apr-25	04-Feb-25	25-Apr-25	03-Apr-25	30-May-25
A) Check that there is payment authority from 2 Councillors.	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
B) Check that invoice being paid has been passed by instigator of requisition.	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
C) Check that invoice has been entered correctly on system, including VAT.	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
D) Check that payment is within reasonable time period.	Y	N (77 days)	Y	Y	Y	Y	Y	Y	Y	Y
E) Confirm payment has has gone through the bank.	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

Date review carried out: 27 June 2025

By: Cllr Ruth Thomson

Godalming Town Council Audit Committee: Internal Review

Area of Review: **Payroll 2025/26**

Test		Success Yes/No	Notes
A)	Whether all employees are in payroll system? Whether there are any ghost employees?		All employees, including casual employees (but not self-employed contractors) are on payroll. No unidentified people found on the payroll.
B)	Whether all employees have contracts of employment?		Contracts of employment exist for all staff and are kept by TC in locked filing cabinets. Contracts for three employees checked (EW, NS, HR).
C)	How wages are prepared?		Payroll April–June run under existing procedure. From July a new process using an external payroll processor provider will be used. Current process document to be updated to reflect this change.
D)	Whether correct PAYE codes are being used?		PAYE codes picked up annually from HMRC notifications online. In-year changes prompted by employee and/or HMRC email notification.
E)	Whether PAYE records are being kept correctly?		System generated and no queries from HMRC for April & May 2025.
F)	Whether net pay paid correctly?		Net pay per payroll reports agreed to bank statements for May 2025 payroll
G)	Does the payment to HMRC match the FPS submission to HMRC?		FPS amount for May 2025 checked, immaterial difference associated with maternity pay.
H)	Whether HMRC paid correctly and on time?		Amounts and payment for May 2025 checked. HMRC payment by variable direct debit
I)	Whether P45's, where applicable, are filed correctly?		One leaver in June 2025, P45 checked correct
J)	Are all employees in the Local Government Pension Scheme? And if not, is there written evidence of their opting out?		All staff eligible are for the scheme. Several part-time employees are not required to be enrolled and have not elected to be enrolled.
K)	Are contribution rates (EE & ER) applied correctly?		SCC check at year end. Confirmed ER rate was correct at 17.7%. Several employees rate checked.
L)	Are correct payments made to Pension Authority?		Checked May 2025 payment.
M)	How are annual pay awards advised?		NALC advised new rates on 23 October 2024 for the 2024/25 year. Full Council approved increase on 21 November 2024 (Min No 330-24 refers). Full year backdated increase applied in December 2024 for pay run. JNC Youth Pay agreement advised in January 2025, Full year backdated increase applied in the February 2024 pay run.

Date review carried out 27 June 2025

By: Cllr Ruth Thomson

Godalming Town Council Audit Committee: Internal Review

Area of Review: **Proper Bookkeeping –2025/26**

Test	Success	Notes
Is there a procedure for checking that goods and services are received as ordered?	Y	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 and certify suppliers' invoices. RFO/FM 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 system in place for issuing sales invoices and/or receipts.	Y	Risk of not issuing all income due. Mitigation is budget monitoring and booking is linked to invoicing. Markets and Festivals managed via spreadsheet monitoring
Ensure proper procedure for recording and checking sales invoices.	Y	RFO/FM checks each invoice when printed for obvious errors. Booking system has many automatic checks which eliminates many potential errors.
Ensure system for monitoring and ensuring prompt payment of sales invoices.	Y	Although a system is in place, it has not been done regularly due to resourcing and capacity and competency issues over the previous 11 months, resulting in same aged debt. Agreed a debt purge in June.
Ensure proper system for paying-in funds received.	Y	Banking as required– items recorded on schedule.
Ensure proper filing system for sales-ledger paperwork.	Y	Files checked.
Ensure cash book is up-to date.	Y	Sighted electronic YTD Cashbook.
Ensure bank reconciliations are carried out properly.	Y	Evidence in the files; RFO/FM carries out reconciliations monthly; these are signed by Chairman of the Audit Committee at each meeting of the Committee.

Date review carried out: 27 June 2025

By: Cllr Ruth Thomson

Godalming Town Council Audit Committee: Internal Review

Area of Review: **VAT 2025/26**

Test		Success Yes/No	Notes
A)	Whether VAT records are properly maintained?	Y	RBS maintains VAT accounts. The current RFO (interim) sense checks VAT amounts prior to posting invoices. The VAT control account in the nominal ledger is reconciled to the VAT module. It is possible to post manually to the VAT control account in the nominal ledger however the system will flag a warning.
	Whether GTC registered to submit VAT records online?	Y	Evidence of electronic submission sighted.
C)	Whether VAT forms are submitted correctly?	Y	Evidence of electronic submission sighted
D)	Whether VAT paid correctly and on time?	Y	GTC receives refunds. Q4 2024/25 refund of £31,156.04 was received on 25/04/2025.

Date review carried out: 27 June 2025

By: Cllr Ruth Thomson

The process for VAT submissions has changed since October 2020. 'Making Tax Digital' requires that accounting packages digitally submit VAT returns directly to HMRC. Unlike PAYE digital submissions, the Council does not get any email verification of a VAT submission. However, the HMRC portal does record each submission.

GODALMING TOWN COUNCIL

Disclosure by a Member¹ of a disclosable pecuniary interest or other registerable interest (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 registerable interest (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 Interests	Other Registerable Interests (Non-Pecuniary Interests)	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 registerable interest (non-pecuniary interest) is defined by Section 9 of the Godalming Members' Code of Conduct.