

GODALMING TOWN COUNCIL

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Godalming
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10 April 2026

I HEREBY SUMMON YOU to attend the **AUDIT COMMITTEE** Meeting to be held in the meeting room at 107-109 High Street, Godalming on THURSDAY, 16 APRIL 2026 at 6.30pm.

Andy Jeffery

Andy Jeffery
Chief Executive Officer

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 5 February 2026, 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. CCLA BALANCE REPORTING ERROR AND NEW PROCEDURE

Members will be aware that at the meeting of the Policy & Management Committee held on 29 January, the CCLA balance was reported as £1,050,000.00.

Subsequently, it was identified that the correct balance at that time was £1,150,000.00.

The discrepancy was reported to Council (Min No. 570-25), together with confirmation that:

- the source of the error had been identified;
- supporting statements confirming the correct balance were provided; and
- a revised reporting procedure had been introduced.

Council resolved that the matter be referred to the Audit Committee.

Nature of the Issue

The discrepancy arose from an error in the reporting of the CCLA balance within committee documentation. The Committee is advised that:

- the error related solely to reporting, not to the underlying funds;
- there was no loss or misappropriation of monies; and
- account balances and transactions were correct and fully evidenced.

Action taken

Following identification of the issue, the reporting process has been strengthened.

The revised procedure now requires that:

- bank and CCLA statements are presented to Members alongside the Accounts Paid and Schedule of Payments reports;
- reported balances are directly supported by primary documentation; and
- Members are able to verify closing balances independently.

This introduces an additional level of transparency and verification within the reporting process.

Internal control considerations

The revised arrangements:

- improve the audit trail supporting reported balances;
- reduce reliance on a single stage of data reporting; and
- enable Member oversight and verification at the point of decision-making.

These changes are considered to represent an appropriate strengthening of existing controls.

Conclusion

The reporting error has been identified, explained, and addressed. Revised procedures are now in place to reduce the likelihood of recurrence and to improve assurance to Members.

Recommendation

The Committee is **RECOMMENDED** to:

- note the report; and
- consider whether it is satisfied that the revised reporting procedure provides sufficient assurance, or whether any further measures are required.

9. REVIEW SYSTEM OF INTERNAL CONTROL

Members to consider a report from the Responsible Finance Officer (report attached for the information of Members) and to consider what recommendations they will make to Full Council.

10. ANNUAL GOVERNANCE STATEMENT

The Annual Governance Statement is attached for the information of Members. Members are required to consider the answers to the questions posed by the Statement and to make recommendations to Full Council as to how it should respond to those questions. Members to note that minute numbers from this meeting will be inserted before final Annual Governance Statement is considered by Full Council.

11. ACCOUNTING STATEMENTS 2025/26

Members to consider the Town Council's Accounting Statements for the Financial Year Ended 31 March 2026 (copy of Section 2 of the Annual Return to be tabled at the meeting). Members to note that prior to presentation to Full Council on 4 June 2026, the figures will subject to confirmation by the Internal Audit to be held on 24 April.

12. MANAGEMENT OF DEBT 2025/26

The Council adopted the Credit Control Policy at Full Council on 19 November 2015 (Min No. 271-15 refers). The policy was reviewed by this committee on 21 January 2021 and changed to a procedure (Min No. 324-20 refers). The procedure allows for a staged process to recover overdue invoices. This process has been found to be very effective and has minimised the number of irrecoverable debts incurred by the Council.

Financial Regulation 13.3 requires any sums found to be irrecoverable to be reported to the Policy & Management Committee so that they can be written off in the current financial year.

At the P&M meeting of 23 April 2026, the Responsible Finance Officer will be seeking a write off of £40, which is an outstanding debt of a former market trader. The Council has been notified that the company has been placed into administration, and from information received there is little expectation of GTC recovering this debt without incurring administrative costs greater than the debt.

13. TREASURY & INVESTMENT STRATEGY

The Council's Treasury & Investment Strategy was adopted by Full Council on the 8 May 2025. The Audit Committee is requested to review the policy and if appropriate make recommendations for amendments for consideration by Full Council on the 14 May 2026. [The Treasury & Investment Policy](#) is available on the Council's website.

14. DATE OF NEXT MEETING

The next meeting of the Audit Committee is scheduled to be held in the Council Chamber on Thursday, 28 May 2026 at 7.20pm or at the conclusion of the preceding Policy & Management Committee, whichever is later.

15. 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	11 September 2025	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	10 July 2025 (Min No 108-25)	Reviewed 10 July 2025 – no issues identified	Annual review to be completed by July 2026	
Payment Controls	Cllr Thompson	10 July 2025 (Min No 109-25)	Reviewed 10 July 2025 – no issues identified	Annual review to be completed by July 2026	
Payroll Controls	Cllr Thompson	11 September 2025 Min Nos 110-25 & 272-25)	Reviewed 11 Sept 2025 – amendments completed	Annual review to be completed by July 2026	
Proper Book-keeping	Cllr Thompson	10 July 2025 (Min No 111-25)	Reviewed 11 Sept 2025 – no issues identified	Annual review to be completed by July 2026	
VAT Controls	Cllr Thompson	10 July 2025 (Min No 112-25)	Reviewed 10 July 2025 – no issues identified	Annual review to be completed by July 2026	
Miscellaneous – Meeting 2					
External Auditor's Report	RFO	8 August 2025	Considered by Full Council on 4 September 2025	Annual review to be completed by September 2025	
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	17 April 2025	Financial Regulations updated by this committee 17 April 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	11 September 2025 (Min No 273-25)	To be reviewed in 12 months	Next review due Sept 2026	
Risk Management – Meeting 3					
Risk Management Strategy	RFO	15 May 2025		Approved by Full Council 15 May 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 it was not possible to progress Faculty. With new incumbent in post Nov 2025, work on Faculty application resumed.

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	29 August 2025 - Interim Audit (Min No 274-25)	To be reviewed at next interim audit	Ongoing	Due on next agenda
Management of Debt (particularly Bad Debt)	RFO	17 April 2025 (Min No 579-24)	To be reviewed annually	Annual review to be completed by April 2026	
Review of Effectiveness of Internal Control	Cllr Thompson /RFO	17 April 2025 (Min No 580-24)	To be reviewed annually – Item on this agenda	Annual review to be completed by April 2026	
Annual Governance Statement	Cllr Thompson /RFO	17 April 2025 (Min No 581-24)	To be reviewed annually – Item on this agenda	Annual review to be completed by April 2026	
Annual Accounting Statements	Cllr Thompson /RFO	17 April 2025 (Min No 582-24)	To be reviewed annually – Item on this agenda	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	17 April 2025 (Min No 583-24)	To be reviewed annually – Item on this agenda	Annual review to be completed by April 2026	

11. REVIEW OF THE EFFECTIVENESS OF INTERNAL CONTROL FOR GODALMING TOWN COUNCIL

Background

1. Paragraph 3 of the Accounts and Audit (England) Regulations 2015 says the following:
 - 3 *A relevant authority must ensure that it has a sound system of internal control which—*
 - (a) *facilitates the effective exercise of its functions and the achievement of its aims and objectives;*
 - (b) *ensures that the financial and operational management of the authority is effective; and*
 - (c) *includes effective arrangements for the management of risk.*
2. It is part of the role of the Audit Committee to undertake a rolling programme of work that goes to inform the Council's review of the effectiveness of its system of internal control and the work programme forms part of the Council's evidence base.
3. It is the normal practice of Godalming Town Council to undertake reviews of the effectiveness of internal control covering the financial year end to 31 March. In addition to its ongoing reviews this committee will undertake two formal reviews, which together make up the "review of the effectiveness of systems of internal control". The first is on this agenda when this committee reviews the answers to annual governance statement. The second will be on 28 May when this committee will review the statement of accounts. The Annual Governance Statement and the Annual Statement of Accounts will proceed to Full Council on the 4 June 2026.

Effectiveness of Systems of Internal Control

4. Members are asked to consider whether the Audit Committee's work programme deals adequately with the internal systems of control?
5. Members are further asked to address specifically the question of the effectiveness of audit and to do that by considering the questions and suggested responses shown below:
 - **Scope of Audit**

Has the scope of the internal audit been discussed with the Internal Auditor to ensure that all the relevant risks are covered?

The scope of the internal audit had been discussed with the Internal Auditor in order to ensure that all the relevant risks were covered. Each year the Internal Auditor reviews the accounting statements and then focuses on a different element of the Governance Statement, with all elements being covered in a 4-year rolling programme.
 - **Independence**

Is the Internal Auditor sufficiently independent, objective and unbiased?

The Internal Auditor is sufficiently independent, objective and unbiased evidenced by the fact that Mulberry & Co is an external accountancy firm trading independently. Mulberry & Co has a particular specialism in town and parish

councils. Members to note that it is good practice to change the Internal Auditor and Godalming Town Council performed a market test, which resulted in Mulberry & Co being reappointed. However, in order to ensure familiarity does not become an issue, the person performing the audit is changed periodically (person one performed the financial years 2019/20 and 2020/21, person two in the 2021/22 financial year and person three in 2022/23, 2024/25 & 2025/26; person three will step down from the role for financial year 2026/27).

- **Competence**

Does the Internal Auditor have sufficient knowledge to be able to carry out the audit?

The Internal Auditor has sufficient knowledge to be able to carry out the audit as demonstrated by the fact that the Internal Auditor is a Chartered Certified Accountant and Registered Auditor.

- **Relationships**

Are the relevant responsibilities of Members, CEO/RFO clearly defined?

The relevant responsibilities of Members, CEO/RFO are clearly defined in the job description of the CEO and the terms of reference of the Audit Committee. There are also clear definitions of responsibility in Financial Regulations which are reviewed at least annually.

- **Audit Planning & Reporting**

Is the body aware of a timetable of when the internal and external audits will take place and when the reports from these will be expected?

The committee is made aware of the timetable of when the internal and external audits will take place and when the reports from these would be expected. The last interim internal audit was conducted on the 9 January 2026, reported to Audit Committee on 5 February 2026 and to Full Council on 12 February 2026.

The final Internal Audit is scheduled for 8 May 2026 and will be reported at the Audit Committee meeting on 28 May 2026. The annual return including the statement of accounts and the annual governance statement will be considered by Full Council at its meeting on the 4 June 2026 when it should be formally agreed. The annual return will then be sent to the External Auditor with the expectation that it should be received back by 30 September 2026. The annual return will be considered at the next scheduled meeting following its receipt from the External Auditor.

Internal Audit Process

6. The Committee is further asked to consider the following questions and suggested responses with regard to internal audit arrangements.

Is the work of the Internal Audit reviewed regularly?

- The work of the Internal Auditor is reviewed regularly, initially by Officers, then in detail by the Audit Committee. Findings and recommendations of the Audit Committee are reported to Full Council.

Are the reports on the work of the Internal Auditor presented to the committee?

- The reports on the work of the Internal Auditor are presented to the Audit Committee; the most recent included on Audit Committee meeting dated the 5 February 2026.

Does the Audit Committee provide regular reports relating to its recommendations and the agreed Work Programme to the Full Council?

- The Audit Committee reported to Full Council on the 8 May 2025 (Min No. 646-24 refers), 13 November 2025 (Min Nos 351-25) and 12 February 2025 (Min No. 527-25 refers).

Are the annual reports from the Internal Auditor presented to the committee?

- The Annual Reports from the Internal Auditor are presented to the Audit Committee and then received by Full Council (see above for dates).

External Audit Process

7. The committee is further asked to consider the following questions and suggested responses with regard to external audit arrangements.

Are the annual reports from the External Auditor presented to the committee?

- The Annual Reports from the External Auditor relating to Godalming Town Council are presented to the Audit Committee, the most recent being brought to Full Council on the 4 September 2025 (Min No 250-25 refers).

Does the committee ensure that recommendations from the External Auditor are implemented?

- If there are recommendations from the External Auditor, then Members ensure that they are implemented. There were no recommendations for the 2024/25 financial year.

PK Littlejohn LLP will be the External Auditor for Godalming Town Council for the 2025/26 financial year.

Characteristics of the Review

8. Finally, the Council is asked to consider the following questions and suggested responses about the overall characteristics of this review.

Can it be seen as a Catalyst for Change?

- Yes, the evidence being the Work Programme and the reviews undertaken to assess risk and the areas that are developed from these reviews.

Does it Add Value?

- Yes, value is provided by the follow-up actions that are taken from the work programme to make improvements to enhance our services and reduce risk.

Is it Forward Looking?

- Yes, the review identifies risks and incorporates them into the Audit Committee's Work Programme, which is reviewed and updated at each meeting of the committee to ensure it is forward looking and meeting events.

Is it Challenging?

- Yes, the Audit Committee has created its own Work Programme identifying areas and risks over and above the norm that are considered and are reviewed on a regular basis to ensure compliance, and to allow Members to take ownership of the risks and how they are managed to meet best practice.

Are the right resources available for the Internal Auditor to complete its work?

- Sufficient budget exists to meet internal audit fees (and additional professional fees budget and/or reserves should unexpected circumstances demand more internal audit input is available if required). Good communication lines exist between the Internal Auditor and the Council's Officers and contracted staff.

10. ANNUAL GOVERNANCE STATEMENT

The Audit Committee to consider the Town Council's Annual Governance Statement for the Financial Year ended 31 March 2026 specifically considering the answers to the questions posed by the Annual Governance Statement. The proposed answers are shown below and are recommended to the Audit Committee.

	Statement Godalming Town Council	Recommended Answer	Evidence
1	We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	YES	<p>Use RBS accounting software – Officers have received training on the use of it. The budget is monitored at each ordinary meeting of the Policy & Management Committee.</p> <p>Budgeting: FY 2025/26 Min Nos (P&M) 359-24 (draft budget proposal) & FC 378-24 (budget approved) FY 2026/27 Min No (P&M) 399-25 (revised estimate & draft Budget), (FC) 421-25 (budget approved)</p> <p>Budget Monitoring: Min Nos (P&M) 36-25, 151-25, 230-25, 294-25, 333-25, 457-25, 571-25 and 608-25.</p> <p>Bank Reconciliations: Min Nos (Audit) 576-24, 107-25, 271-25 and 513-25</p>
2	We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	YES	<p>Standing Orders: Min No 22-25 Financial Regulations: Min Nos (Audit) 577-24 & (FC) 22-25. Treasury & investment Policy (Audit) 578-24, (FC) 22-25 Management of Debt (Audit) 579-24.</p> <p>Payment Authority: Min No (FC) 25-23 Corporate Credit Card: Credit Limit set to £10,000 and payment made by direct debit each month. Min No 178-23, with the Youth Service card having a limit of £2,000 Min No 334-24.</p> <p>Financial Risk Assessment: Min No (Audit) 515-25.</p> <p>Bank Mandate: Min No (FC) 177-23.</p> <p>Salaries: Set as part of budgeting (refer Assertion 1).</p> <p>Pay award agreement refer Min No (P&M) 202-25.</p> <p>Internal Controls: Min Nos (Audit) 108-25, 109-25, 110 -25, 111-25, 112-25, 272-25 and XXX-25 (16 April).</p> <p>We maintain a fixed asset register of GTC owned assets.</p>

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 smaller authority to conduct its business or manage its finances.	YES	General Power of Competence: Min No (FC) 16-23. Compliance with Laws, Regulations & Proper Practice: GTC has membership with multiple organisations who advise of changes in law, regulations & proper practice eg. SALC, SLCC, NALC, Citation, Worknest.
4	We provided a proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	YES	Relevant notices displayed outside the Town Council offices as per the Accounts & Audit Regulations. The notices are also displayed on our website. In addition, ad hoc queries during the year are addressed fully.
5	We carried out an assessment of the risks facing this smaller authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	YES	Risk Assessments: Min Nos (Audit) 515-25, 516-25, 517-25 and 518-25. Insurance: Min Nos (Audit) 575-24 and XXX-25 (16 April 2026) .
6	We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	YES	Internal Audit: Min Nos (Audit) 578-24, 274-25 and 514-25. External Audit: Min No (FC) 250-25.
7	We took appropriate action on all matters raised in reports from internal and external audit.	YES	Internal Audit: Min Nos (Audit) 578-24, 274-25 and 514-25. External Audit: Min No (FC) 250-25.
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 smaller authority and, where appropriate have included them in the accounting statements.	YES	Annual provision made in reserves for election expenses; ear-marked reserves are used to provide for other potential commitments. There is no litigation in progress and no known potential litigation. There is nothing the Council is aware of that could have a financial impact that is not already included in the accounts.
9	(For local council 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.	N/A	This Council manages no trust funds.

10	We have taken the necessary steps to meet the requirements of Assertion 10 – Digital and Data Compliance	YES	<p>Min No (Audit) 517-25</p> <p>GTC has taken steps for:</p> <ul style="list-style-type: none"> • the provision of authority-domain email accounts; • completion of WCAG accessibility compliance checks; • scheduled re-assessment of accessibility; • review and re-adoption of GDPR policies; and • adoption of an updated IT Policy. <p><u>IT Governance</u> – The Council has produced an updated IT, Cyber Security & Acceptable Use Policy, aligned with the SAPPP Practitioners’ Guide template and reflecting modern working arrangements including Microsoft 365, SharePoint, remote working, and external IT support.</p> <p><u>Email Management</u> – every Officer and Councillor has an @godalming-tc.gov.uk email.</p> <p><u>Website Accessibility Compliance</u> – Godalming Town Council has reviewed and adopted appropriate GDPR governance arrangements, policies and procedures: Min No (P&M) 459-25 & (FC) 531-25.</p> <p><u>Publication and Transparency Requirements</u> – The Council continues to meet its publication duties under:</p> <ul style="list-style-type: none"> • the Freedom of Information Act 2000; • the Transparency Code for Smaller Authorities; and • the Website Accessibility regulations.
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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.