

GODALMING TOWN COUNCIL

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Municipal Buildings
Bridge Street
Godalming
Surrey GU7 1HT

12 April 2019

I HEREBY SUMMON YOU to attend the **AUDIT COMMITTEE** Meeting to be held in the Council Chamber, Municipal Buildings, Godalming on THURSDAY, 18 APRIL 2019 at 6.30 pm.

Andy Jeffery
Town Clerk

Committee Members: Councillor Bolton – Chairman
Councillor Pinches – Vice Chairman
Councillor Noyce
Councillor Wainwright
Councillor Follows

AGENDA

1. MINUTES

To approve as a correct record the minutes of the meeting held on the 24 January 2019, a copy of which has been circulated previously.

2. APOLOGIES FOR ABSENCE

3. 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 5.

4. 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.

5. 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).

6. BANK RECONCILIATION

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

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

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

7. REVIEW OF THE EFFECTIVENESS 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 and the Godalming Joint Burial Committee.

8. INTERNAL AUDITOR'S REPORT

Members to consider the report of an internal audit conducted on 15 April 2019 by the Council's Internal Auditor Mulberry & Co; the report will be circulated to Members as soon as it is received, but will be formally tabled at the meeting.

9. ANNUAL GOVERNANCE STATEMENT

The Annual Governance Statement is attached (not yet completed) for the information of Members and 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.

10. ACCOUNTING STATEMENTS 2018/19

Members to consider the Town Council's Accounting Statements for the Financial Year Ended 31 March 2019 (copy of Section 2 of the Annual Return is attached for the information of Members).

11. CREDIT CONTROL & BAD DEBTS

The Council adopted the Credit Policy at Full Council on 19 November 2015 (Min No. 271-15 refers). This allowed for a staged process to recover overdue invoices. This process has been found to be very effective and has minimised the amount of irrecoverable debts incurred by the Council.

Financial Regulation 9.6 requires any sums found to be irrecoverable to be reported to the Council so that they can be written off in the current financial year. The Responsible Finance Officer requested two debtor write offs in the 2018-19 financial year totalling £3,745.55 (Min No. 172-18 refers). The first debt of £313.55 had been lodged with the small claims tribunal in 2017-18 and been provided for in the accounts so had no impact. The second was an invoice erroneously raised.

12. REVIEW OF RISK ASSESSMENT – PHYSICAL & INFORMATION SECURITY

Members to consider the updated risk assessment on Physical & Information Security (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 Council Chamber on Thursday, 23 May 2019 at 8.00pm, or at the conclusion of the preceding Policy & Management Committee, whichever is later.

14. ANNOUNCEMENTS

Brought forward by permission of the Chairman. 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 Andrew Bolton/RFO	26 July 2018	Latest Bank recs reviewed at each Meeting of Audit Committee	Chairman to review and sign at each meeting of the Audit Committee.	Ongoing
Internal Control – Meeting 1					
Income Controls	Cllr Andrew Bolton	26 July 2018	Conducted 26 July 2018 – no issues identified	Annual review to be completed by July 2019	
Payment Controls	Cllr Andrew Bolton	26 July 2018	Conducted 26 July 2018 – no issues identified	Annual review to be completed by July 2019	
Payroll Controls	Cllr Andrew Bolton	26 July 2018	Conducted 26 July 2018 – issue with Employee pension contributions identified. RFO reported actions taken to resolve.	Annual review to be completed by July 2019	
Petty Cash	Cllr Andrew Bolton	26 July 2018	Conducted 26 July 2018 – no issues identified	Annual review to be completed by July 2019	
Proper Book-keeping	Cllr Andrew Bolton	26 July 2018	Conducted 26 July 2018 – no issues identified	Annual review to be completed by July 2019	
VAT Controls	Cllr Andrew Bolton	26 July 2018	Conducted 26 July 2018 – no issues identified	Annual review to be completed by July 2019	

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
Miscellaneous – Meeting 2					
External Auditor's Report	RFO	20 September 2018	Annual report received 20 September 2018. Onward Recommendation to Full Council on 10 January 2019	Annual report to be received around Oct 2019. Onward Recommendation to Full Council	
Asset Control	Cllr Nick Pinches/RFO	20 September 2018	Conducted 20 September 2018 - to be reviewed in 12 months	Annual review to be completed by October 2019	
Review of Ongoing Suppliers	RFO /Facilities Supervisor/TC	Ongoing	Recently reviewed: - HR Services reviewed 2016/17 -Legal Services Reviewed 2017 -Advertising contract reviewed 2017 - Internal auditors reviewed Oct 2017 - Insurance providers reviewed March 2018	Ongoing task.	
Financial Regulations	RFO	20 September 2018	Review of Financial Regulations completed at by this Committee 20 Sept 2018 and agreed by Full Council on 15 Nov 2018	Annual review to be completed by October 2019	
Procedures	Cllr Nick Pinches	Ongoing	Financial procedures as updated agreed by this Committee on 6 October 2016 Other key processes agreed by the Committee on 16 March 2017	List of procedures completed.	
Budgetary Controls	Cllr Richard Wainwright	24 January 2019	Conducted 24 January 2019 - to be reviewed in 12 months	Annual review to be completed by January 2020	

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
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Risk Management – Meeting 3					
Risk Assessment - Business Continuity	Cllr Paul Follows/RFO	24 January 2019	Needs a risk assessment performed and Scheme of Delegation incorporated	Outstanding	To complete a risk assessment and incorporate Scheme of Delegation - bring to next meeting on 18 April 2019 Deferred until next meeting on 18 July 2019
Risk Assessment - Environmental	Cllr Paul Follows/RFO	24 January 2019	An Environment Sustainability Policy needs to be developed	Outstanding	An Environment Sustainability Policy needs to be developed - bring to next meeting on 18 April 2019 Deferred until next meeting on 18 July 2019
Risk Assessment - Legal	Cllr Julie Noyce/RFO	24 January 2019	To be reviewed annually	Annual review to be completed by January 2020	
Risk Assessment – Physical & Information Security	Cllr Paul Follows/RFO	24 January 2019	Cllr Follows & Wainwright to provide RFO with information required from IT providers	Outstanding	Cllr Follows & Wainwright to provide RFO with information required from IT providers developed - bring to next meeting on 18 April 2019 On this agenda
Risk Assessment - Reputation	Cllr Julie Noyce/RFO	24 January 2019	To be reviewed annually	Annual review to be completed by January 2020	
Risk Assessment - Health & Safety	Cllr Paul Follows/RFO	24 January 2019	To be reviewed annually	Annual review to be completed by January 2020	RFO to organise Manual handling training & Workplace Assessments for full time staff RFO to give oral update
Risk Assessment - Financial	Cllr Richard Wainwright /RFO	24 January 2019	To be reviewed annually	Annual review to be completed by January 2020	
Insurance	Town Clerk/RFO	Market test of insurers completed and reported to P&M on 22 March 2018	To be reviewed annually	On going	

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
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Year End – Meeting 4					
Internal Auditor's Reports	RFO	24 January 2019	Interim audit report received and responses given. To be onward recommended to next Full Council meeting	On this agenda	
Management of Debt (particularly Bad Debt)	RFO	23 April 2018	To be reviewed annually	On this agenda	
Review of Effectiveness of Internal Control	Cllr Andrew Bolton /RFO	23 April 2018	To be reviewed annually	On this agenda	
Annual Governance Statement	Cllr Andrew Bolton /RFO	23 April 2018	To be reviewed annually	On this agenda	
Annual Accounting Statements	Cllr Andrew Bolton /RFO	23 April 2018	To be reviewed annually	On this agenda	

7. REVIEW OF THE EFFECTIVENESS OF INTERNAL CONTROL FOR GODALMING TOWN COUNCIL AND GODALMING JOINT BURIAL COMMITTEE

Background

1. Paragraph 4 of the Accounts and Audit (England) Regulations 2011 says the following:

4. (1) The relevant body is responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body's functions and which includes arrangements for the management of risk.

(2) The relevant body must conduct a review at least once in a year of the effectiveness of its system of internal control.

(3) The findings of the review referred to in paragraph (2) must be considered—

(a) in the case of a larger relevant body, by the members of the body meeting as a whole or by a committee, and

(b) in the case of a smaller relevant body, by the members of the body meeting as a whole, and

following the review, the body or committee must approve an annual governance statement, prepared in accordance with proper practices in relation to internal control.

(4) The relevant body must ensure that the statement referred to in paragraph (3) accompanies—

(a) any statement of accounts it is obliged to prepare in accordance with regulation 7, or

(b) any accounting statement it is obliged to prepare in accordance with regulation 12.

(Members to note that for the purposes of the Accounts and Audit Regulations Godalming Town Council and the Godalming Joint Burial Committee are both smaller relevant bodies.)

2. It is part of the role of this 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. This Committee also undertakes that work on behalf of the Godalming Joint Burial Committee, although as previously discussed in that case the relationship is different – this Committee is not a committee of the Joint Burial Committee but Councillor Noyce does represent the JBC on this Committee.

3. It is the practice of Godalming Town Council and of the Godalming Joint Burial Committee to undertake reviews of the effectiveness of internal control by 31 March each year. 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 of these is this report and will inform the reviews to be undertaken by Full Council on 25 April 2019 and the Godalming Joint Burial Committee on 30 May

2019. The second is on this agenda when this Committee reviews the annual governance statement alongside the statement of accounts.

Effectiveness of Systems of Internal Control

4. Members are asked to consider whether this 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. The scope of Audit has not changed since Mulberry & Co were first appointed although additional reviews have been performed as and when considered necessary.

- **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 had 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 in the 2017/18 financial year which resulted in Mulberry & Co being reappointed. However, in order to ensure familiarity does not become an issue, the person performing the audit has changed since the 2016/17 financial year.

- **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 Mark Mulberry (the Internal Auditor) is a Chartered Certified Accountant and Registered Auditor and his colleague Mike Platten is similarly qualified;

- **Relationships**

Are the relevant responsibilities of Members, Clerk and RFO clearly defined?

- The relevant responsibilities of Members, Clerk and RFO are clearly defined in the job description for the Clerk and RFO 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 internal audit was conducted on the 9 November 2018 and reported at the Audit Committee meeting on the 24 January 2019. The Committee's observations then accompanied the Internal Audit Report to the Full Council on the 9 March 2019. At its meeting on the 25 April 2019 Full Council should formally agree the annual return including the statement of accounts and the annual governance statement. The annual return is to be sent to the External Auditor thereafter and the expectation is that it should be received back by the 30 September 2019. 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 24 January 2019.

Are the reviews and risk assessments undertaken from the Work Programme by the Audit Committee on behalf of the Joint Burial Committee reported to the Committee?

- The Godalming Joint Burial Committee performed its own risk assessments at its meeting on the 28 February 2019.

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 7 March 2019 (Min No. 399-18 refers) and on the 10 January 2019 (Min No. 313-18 refers).

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

- The Annual Reports from the Internal Auditor are usually 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 9 November 2018.

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 2017-18 financial year.

During the 2018-19 financial year, the Council went out to market to appoint their Internal Audit function for the 2018-19 financial year onwards. As a result of this exercise, Mulberry & Co was reappointed.

PK Littlejohn LLP will be the External Auditor for Godalming Town Council for the 2018-19 financial year and BDO will be the External Auditor for the Godalming Joint Burial Committee.

Characteristics of the Review

8. Finally the Committee 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.

9. ANNUAL GOVERNANCE STATEMENT

The Audit Committee to consider the Town Council's Annual Governance Statement for the Financial Year ended 31 March 2019 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 <i>Godalming Town Council</i>	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	Use RBS accounting software – Officers have received training on the use of it. Increased the frequency of budget monitoring – detailed reports to each ordinary meeting of the Policy & Management Committee.
2	We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	YES	Adequate systems of internal control maintained as evidenced by the work programme of the Audit Committee and on this agenda. By the introduction of new systems and control (e.g. introduction of automated booking system with improved controls over revenue completeness; development of Fixed Asset Policy). Assurances of Internal Audit reports Performed a separate review of the effectiveness of the Council's systems of internal control as recorded in the minutes.
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	We employ competent staff and maintain an adequate budget for external professional advice augmented as required for specific additional advice. Staff attend sector specific conferences to ensure they are kept abreast of changes in the law (e.g. The Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulation 2017. We are also fully compliant with the Transparency Code after a detailed review from the interim Internal Audit review.

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.	YES	Relevant notices displayed outside the Town Council offices as per the Accounts and Audit Regulations. The notices are also now 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 are all available for inspection in the Council's offices and on-going programme of risk analysis as part of the Audit Committee's work programme. Insurance schedule updated to reflect new building valuations.
6	We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	YES	Report of the Internal Auditor was received by the Audit Committee on 24 January 2019. Report of the External Auditor was received by the Audit Committee on the 20 September 2018. A further report from the Internal Auditor is on the agenda for this meeting.
7	We took appropriate action on all matters raised in reports from internal and external audit.	YES	Minutes Full Council 313-18 & 399-18
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.
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.

Section 1 – Annual Governance Statement 2018/19

We acknowledge as the members of:

ENTER NAME OF AUTHORITY

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.			<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.			<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>
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.			<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>
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.			<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>
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.			<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.			<i>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.</i>
7. We took appropriate action on all matters raised in reports from internal and external audit.			<i>responded to matters brought to its attention by internal and external audit.</i>
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.			<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>
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 <i>has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>

*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:

DD/MM/YY

and recorded as minute reference:

MINUTE REFERENCE

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

Chairman

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

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

ENTER NAME OF AUTHORITY

	Year ending		Notes and guidance
	31 March 2018 £	31 March 2019 £	
			<i>Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.</i>
1. Balances brought forward			<i>Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.</i>
2. (+) Precept or Rates and Levies			<i>Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.</i>
3. (+) Total other receipts			<i>Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.</i>
4. (-) Staff costs			<i>Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.</i>
5. (-) Loan interest/capital repayments			<i>Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).</i>
6. (-) All other payments			<i>Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).</i>
7. (=) Balances carried forward			<i>Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).</i>
8. Total value of cash and short term investments			<i>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.</i>
9. Total fixed assets plus long term investments and assets			<i>The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.</i>
10. Total borrowings			<i>The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).</i>
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	<i>The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.</i>
			<i>N.B. The figures in the accounting statements above do not include any Trust transactions.</i>

I certify that for the year ended 31 March 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

SIGNATURE REQUIRED

Date

DD/MM/YY

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

DD/MM/YY

as recorded in minute reference:

MINUTE REFERENCE

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

SIGNATURE REQUIRED

Godalming Town Council: Audit Committee | Risk Assessments


Major Risk Area: Physical and Information (Logical) Security

Risk Area Summary:

A physical and information security risk assessment assesses the likelihood of Godalming Town Council suffering a breach in these areas

Risk Description (What Could Happen?)	Impact	Scenario Description (How Could it Happen?)	Likelihood	Control Measure(s)	Action(s) (Inc. Who and When)
Break-in or unauthorised entry to Town Council premises	M	Criminal/malicious activity	M	<ul style="list-style-type: none"> • Alarm systems where appropriate • Good quality locks on all doors • Good control of keys • Introduced Slave and Master key system • Controlled entry system whereby visitors buzz to be let into main office • Maintain Business Continuity Plan to minimise impact of damage to computer & paper systems • Test of back up to be done to ensure it works • Adequate insurance • Maintain the fabric of our buildings to ensure the effectiveness of security measures • Minimise the use of personal information/data on physical media • Computers and information storage media are appropriately physically and logically protected 	<ul style="list-style-type: none"> • Slave and master key system so that security is maintained, and keys cannot be copied but allow officers a skeleton key for all properties. • JBC plot registers have been transferred to computer and a non-tear paper record for everyday office use. • Our IT Providers have tested our back up to ensure it works (Once Every 4yr Session) • Facilities Manager to conduct regular inspection of all premises to identify any maintenance issues and take appropriate action to rectify any deficiencies identified • CCTV cameras installed at WNC as preventative measure against malicious damage. • New gates and anti-climb paint on roof at WNC as preventative measure against malicious damage.

Risk Description (What Could Happen?)	Impact	Scenario Description (How Could it Happen?)	Likelihood	Control Measure(s)	Action(s) (Inc. Who and When)
Assault on Member of Staff or Councillor	M	Criminal/malicious activity	L	<ul style="list-style-type: none"> • Maintain lone-working policy and ensure staff are aware of it and follow its guidance • Include Councillors within lone-working policy if on GTC business • Controlled entry system whereby visitors buzz to be let into main office 	Lone Working Policy adopted (Adopted 15 November 2018) Committee work programme for regular review. (Ad Hoc / When Required)
Data loss or data/privacy breach	H	Criminal/malicious activity Accidental release of personal data/information	M	<ul style="list-style-type: none"> • Computers and information storage media are appropriately physically and logically protected. • Suppliers of information services are subject to procurement checks and ongoing assurance activity (January 2019) • Review of assurance activities/additional questions at audit committee • Personal email accounts should not be used by staff or councillors under any circumstances • Data protection training for all staff and councillors • Data retention schedule for information 	Data Protection Policy (Adopted 26 April 2018) Reviews/checks of suppliers of information services. (Ad hoc/When required) (Last checked January 2019) Confirmation of last assurance checks/questions should be attached to RA. Town Clerk to arrange training for staff (Immediately for current or new staff, refresher training for each 4yr term) Training for Members as required on Data Protection/use of Council provided email accounts. (Ad hoc/As required) Need to review use of Council email accounts, its password policy and its current 'single-factor' status. (2019)

From: Paul Follows | Central & Ockford Ward paul.follows@godalming-tc.gov.uk 
Subject: Assurance for Physical and Information Security RA.
Date: 10 April 2019 at 22:14
To: Paul Follows | Central & Ockford Ward paul.follows@godalming-tc.gov.uk



Saved for Physical and Information Security RA.

I do not propose any action needs to be taken from these responses (pending agreement with rest of audit committee) as any additional coverage would likely not meet a reasonable cost/benefit analysis. However I recommend any outcomes/questions from assurance activities in this area be logged against the RA when they are undertaken.

This whole RA will be subject to the new RA scoring process at next review and these questions and responses should be considered at that point.

Cllr. Paul David Follows
Godalming | Central and Ockford
Waverley Borough / Godalming Town Council

T: 07946 288824
E: paul.follows@waverley.gov.uk

Begin forwarded message:

From: Rita Tong | Godalming Town Council <finance@godalming-tc.gov.uk>
Subject: RE: Questions for IT Provider
Date: 29 January 2019 at 10:24:12 GMT
To: Paul Follows | Central & Ockford Ward <paul.follows@godalming-tc.gov.uk>, Richard Wainwright | Binscombe Ward <richard.wainwright@godalming-tc.gov.uk>

Dear Paul / Richard

Please find answers to your questions below:

With regards to backups – what is the committed recovery point objective (RPO), and recovery time objective (RTO) provided by the contract (the SLA)?

None – the SLA specifies that any issue raised must be responded to within 8 hours but does not cover RTO. However, when our server crashed in early 2018, we had one weeks email back within 8 hours, and were fully operational within 48 hours (w: drive back within 24, specialist applications within 48).

As a public body, ensuring enabling IT services are recovered in times of civic emergency is critical. This is likely to coincide with service disruption to you (for multiple clients). How do you prioritise the recovery of our services in this scenario? What impact would this have on Godalming Town Council against the SLA above?

We would be given priority, but actually, would really be dependent on other services being up and running (e.g. electricity, broadband), which our outside ISS's control.

Are they certified to any internationally recognised standards or schemes (such as ISO27001, ISO22301) and if they are who is their assessing body? There are loads of different schemes, if they have any can you just ask for certificates copies?

No. The cost involved for gaining such certification is not considered worthwhile for the size of organisations ISS support.

What is the uptime/availability of their primary and backup data centres?
Ideally just need to know the Data-centre tier they class each one as and (if they will tell) where they are?

with them, where they are:

Primary server is at Docklands, Global 2 (https://www.backboneconnect.co.uk/data-centres/london_docklands_datacentre_global_switch_2/) which is a Tier III+ facility. Back up server is in Cranleigh, and GTC has a third back up on site. Email backup is in Hull.

Physical security at Docklands – must give 24 hours notice of intended site visit, must have photo ID, must only go in working hours, will be chaperoned.

Physical security at Cranleigh – each room at ISS is independently lockable, and each room has its own monitored alarm.

Other point to note – GTC has its own private server – no one client is on our server.

Hope I got the information you require.

Kind regards

Rita Tong

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GODALMING TOWN COUNCIL

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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 _____

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