

**MINUTES AND REPORT OF THE AUDIT SUB-COMMITTEE  
HELD ON THE 1 MARCH 2012**

\* Councillor S Bott – Chairman  
\* Councillor Hunter – Vice Chairman  
\* Councillor Wheatley  
\* Councillor A Bott  
0 Councillor Welland

\* Present            # Absent & No Apology Received            0 Apology for Absence            L Late

373. MINUTES

The Minutes of the Meeting held on 3 November 2011 were signed by the Chairman as a correct record.

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

No petitions/statements/questions had been received from members of the public in accordance with Standing Order No 80.

375. DISCLOSURE OF PERSONAL AND PREJUDICIAL INTERESTS

Members declared no Personal or Prejudicial Interest in relation to any item on the agenda for this meeting, which is required to be disclosed by Local Authorities (Model Code of Conduct) Order 2007 No.1159.

376. WORK PROGRAMME

Members reviewed the sub-committee's work programme, including outstanding action points, for the past year and received all risk assessments and reports undertaken to-date in accordance with the work programme. In addition, Members reviewed the content of the work programme and agreed the risk assessments that should be reviewed in the next year and who should take responsibility for each of them and amended the work programme accordingly (copies of the amended work programme, all risk assessments and reports attached to record minutes).

Members recommended the amended work programme to the next Policy & Management Committee. Members further agreed that copies of all risk assessments and reports undertaken in accordance with the work programme should be forwarded to all Members of the Council in order to inform the Council's annual review of the effectiveness of systems of internal control.

In reviewing the risk assessment about the Town Council's reputation Members indicated that a year had passed since the last local election and that all Members particularly the newer ones would benefit from some additional training. It was proposed that the training should cover the following areas: dealing with the media, code of conduct, the putative power of general competence, and visioning & business planning. Members agreed to make this a specific recommendation to the next Policy & Management Committee.

377. BANK RECONCILIATIONS

Members agreed that the Chairman should sign the tabled bank reconciliations for Godalming Town Council and Godalming Joint Burial Committee.

378. TRANSFER PROCESS OF ACCOUNTING PACKAGE

Members noted a report from the Responsible Finance Officer relating to the process undertaken relating to the transfer and update of the financial data from RBS DOS to RBS Windows.

379. REVIEW OF THE EFFECTIVENESS OF THE SYSTEMS OF INTERNAL CONTROL FOR GODALMING TOWN COUNCIL

In accordance with the Accounts and Audit (England) Regulations 2011 all bodies are required to undertake a review of the effectiveness of the systems of control annually by 31 March each year. Members noted that this Sub-Committee was undertaking an initial review so as to be able to inform the review undertaken by Full Council. Members agreed that the Committee's work programme (Minute 376-11 above) dealt adequately with the internal systems of control and agreed to address specifically the question of the effectiveness of audit.

Members agreed that the following response to the questions posed and agreed that these responses should be recommended to the Policy & Management Committee for onward recommendation to Full Council:

- the scope of the internal audit had been discussed with the Internal Auditor in order to ensure that all the relevant risks were covered and all Members had received a copy of the agreed Internal Audit Plan presented to Policy & Management Committee on 17 November 2011 (Minute 254-11 refers);
- the Internal Auditor is sufficiently independent, objective and unbiased evidenced by the fact that Mulberry and Co is an external accountancy firm trading independently. Mulberry and Co had a particular specialism in Town and Parish Councils. Members noted that it is good practice to change the Internal Auditor every 3-5 years and that Mulberry & Co is about to start its fourth year as the Council's Internal Auditor;
- 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;
- the relevant responsibilities of Members, Clerk, RFO are clearly defined in the job descriptions for the Clerk and the RFO and the terms of reference of the Audit Sub-Committee. However, Members agreed that this clarity might be improved by the forthcoming review of Standing Orders agreed by the Policy & Management Committee (Minute 368-11 refers);
- the Sub-Committee was made aware of the timetable of when the internal and external audits would take place and when the reports from these would be expected. The next Internal Audit is to be conducted on 22 May 2012 and reported to the next Audit Sub-Committee at a meeting to be held on 21 June 2012 – the Sub-Committee's observations will then accompany the Internal Audit Report to the Policy & Management on 28 June 2012. An Extraordinary Full Council meeting will need to be called for immediately after the Policy Management & Management meeting on 28 June 2012 so that Full Council might formally agree the annual return. The annual return is to be sent to the External Auditor by 6 July 2012 and expected to be received back by 30 September 2012. The annual return will be

considered at the next scheduled meeting following its receipt from the External Auditor. The Committee noted that, with the demise of the Audit Commission, the external audit arrangements for the Committee's accounts for the year ending 31 March 2012 had been unclear but recent correspondence from BDO indicated that BDO would be continuing in this role although no formal communication to that effect had been received. The timetable for external audit is prescribed under the Accounts and Audit (England) Regulations 2011;

- the Audit Sub-Committee meeting on 1 March 2012 received the responses of the Joint Burial Committee relating to the effectiveness of the systems of audit;

#### Internal Audit Process

- the work of the Internal Auditor is reviewed regularly; initially by officers, then in detail by the Audit Sub-Committee. Findings and recommendations of the Audit Sub-Committee are reported to the Policy & Management Committee;
- the reports on the work of the Internal Auditor were presented to the Policy & Management Committee; the most recent having been received on 17 November 2011 (Minute 254-11 refers);
- the reviews and risk assessments undertaken from the Work Programme by the Audit Sub-Committee on behalf of Godalming Town Council and the Godalming Joint Burial Committee were reported to the Policy & Management Committee on 23 June 2011 and 17 November 2011;
- that the Annual reports from the Internal Auditor are presented to the Policy & Management Committee and noted that the last Annual Report was received on 23 June 2011;

#### External Audit Process

- the Annual Reports from the External Auditor relating to Godalming Town Council are presented to the Policy & Management Committee, the most recent being received at Policy and Management on 17 November 2011 (Minute 255-11 refers);
- if there were recommendations from the External Auditor then Members would ensure that they were implemented. Recommendations were considered at the Policy & Management meeting on 17 November 2011 (Minute 255-11 refers). Members had discussed a reminder of the legislative requirements around the keeping of the minutes because some of the copy minutes submitted for audit purposes were not initialled by the Committee Chairman. The recommendation in 2010 for the Godalming Joint Burial Committee had been implemented (JBC Minute 50-10 refers).

### 380. REVIEW OF THE EFFECTIVENESS OF THE SYSTEMS OF AUDIT FOR GODALMING JOINT BURIAL COMMITTEE

Members received and noted the report and minutes from the Godalming Joint Burial Committee (JBC), which met on the 12 January 2012, relating to the effectiveness of the systems of audit for Godalming Joint Burial Committee. Members specifically noted the observation from the JBC that the Audit Sub-Committee should include a member of the JBC and agreed to make a recommendation to the Policy & Management Committee to that effect.

381. DATE OF NEXT MEETING

The next meeting of the Audit Sub-Committee is scheduled to be held in the Council Chamber on Thursday, 21 June 2012 at 6.30 pm.

382. ANNOUNCEMENTS

There were no announcements.