

**MINUTES AND REPORT OF THE AUDIT SUB-COMMITTEE
HELD ON THE 7 MARCH 2013**

*	Councillor S Bott – Chairman
*	Councillor Hunter – Vice Chairman
0	Councillor Cosser
*	Councillor A Bott
0	Councillor Thornton

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

375. MINUTES

The Minutes of the Meeting held on 24 January 2013 were signed by the Chairman as a correct record.

376. 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.

377. DISCLOSABLE PECUNIARY INTERESTS AND NON-PECUNIARY INTERESTS

Members made no declarations of interest in relation to any item on the agenda for this meeting, which is required to be disclosed by the Localism Act 2011 and the Godalming Members' Code of Conduct.

378. WORK PROGRAMME

Members received the reports undertaken to date on the work programme including Review of Financial Regulations, Comparison of Gas and Electricity suppliers, Budgetary Review, Making Payments, Budgetary Control/Monitoring, Banking Receipts Physical Security and assessed the progress for the remainder.

Physical Security

Members recommended that a new device endorsed by Surrey Police relating to door access, that can be attached to individuals' computers, be considered when the cost review was undertaken regarding video access to the offices.

Review of Financial Regulations

Members recommended nine amendments to the current financial regulations (copy of the reports and updated Work Programme attached to record minutes).

379. REVIEW OF THE EFFECTIVENESS OF INTERNAL AUDIT FOR GODALMING TOWN COUNCIL AND JOINT BURIAL COMMITTEE

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 the following responses to the questions posed and agreed that these 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 10 January 2013 (Minute 294-12 refers);
- 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 noted that it is good practice to change the Internal Auditor every 6-10 years and that Mulberry & Co is about to start its fifth 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.
- 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 in May 2013 and reported to the next Audit Sub-Committee at a meeting to be held on 13 June 2013; the Sub-Committee's observations will then accompany the Internal Audit Report to the Policy & Management Committee on 20 June 2013. The Policy & Management Committee will then report to the Full Council meeting on 27 June 2013 so that Full Council might formally agree the annual return. The Joint Burial Committee will consider their annual return at its meeting on the 27 June 2013. The annual returns are to be sent to the External Auditor in July 2013 and the expectation is that it should be received back by 30 September 2013. The annual return will be considered at the next scheduled meeting following its receipt from the External Auditor.

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 reported on 10 January 2013 (Minute 294-12 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 28 June 2012 and 10 January 2013 and 21 February 2013.
- 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 28 June 2012.

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 & Management Committee on 18 October 2012 (Minute 185-12 refers);
- if there were recommendations from the External Auditor then Members would ensure that they were implemented. Recommendations were considered at the Policy & Management Committee meeting on 18 October 2012 (Minute 185-12 refers) and Full Council (204/205-12). Members agreed that the working party appointed to undertake a full review of the NALC Model Standing Orders against Godalming Town Council's standing orders should be convened during the week after Remembrance Sunday.

Characteristics of the Review

Can it be Seen as a Catalyst for Change?

Evidence Work Programme and Reviews undertaken to assess Risk and the areas that are developed from these reviews

Does it Add Value?

The follow up actions that are taken from the work programme to make improvements to enhance our services.

Is it Forward Looking?

Identifies risks and incorporates them into the Work Programme which is reviewed and updated at each meeting of the Audit sub committee to ensure it is forward looking and meeting events e.g. Website added under Reputation

Is it Challenging?

It 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 Internal audit to complete its work?

Good communication lines

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

- Members considered the questions posed to Godalming Town Council and agreed that these responses should be recommended to the Godalming Joint Burial Committee, but amended to reflect the correct minute references, relating to the effectiveness of the systems of audit for Godalming Joint Burial Committee.

381. BANK RECONCILIATION

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

Members agreed that the Chairman should sign the bank reconciliation as tabled.

382. DATE OF NEXT MEETING

The next meeting of the Audit Sub-Committee is scheduled to be held on Thursday, 13 June 2013 at 6.30 pm in the Council Chamber.

383. ANNOUNCEMENTS

There were no announcements.