



## MULBERRY & CO

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Our Ref: MARK/GOD003

Mr A Jeffery  
Godalming Joint Burial Committee  
Municipal Buildings  
Bridge Street  
Godalming  
Surrey  
GU7 1HT

25<sup>th</sup> November 2019

Dear Andy

**Re: Godalming Joint Burial Committee  
Internal Audit Year Ended 31<sup>st</sup> March 2020**

Following completion of our interim internal audit on the 25<sup>th</sup> November we enclose our report for your kind attention and presentation to the Committee. The audit was conducted in accordance with current practices and guidelines and testing was risk based. Whilst we have not tested all transactions, our samples have where appropriate covered the entire year to date. Where appropriate **recommendations for future action are shown in bold text and summarised in the tables at the end of the report.**

The Accounts and Audit Regulations 2015 require smaller authorities, each financial year, to conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement in accordance with proper practices in relation to accounts. The internal audit reports should therefore be made available to all members to support and inform them when they considering the authority's approval of the annual governance statement.

**Interim Audit – Summary Findings**

At the interim visit we reviewed and performed tests on the following areas:

- Review of the Financial Regulations & Standing Orders
- Review of the Risk Assessments
- Review of the Budgeting Process
- Proper Bookkeeping – review of the use of the accounts package.
- Review of salaries
- Review of fixed asset register

It is our opinion that the systems and internal procedures at Godalming Town Committee are well established, and followed. The RFO is very experienced and ensures the Committee follows best practice regulations. It is clear the Committee takes governance, policies and procedures very seriously and I am pleased to report that overall the systems and procedures you have in place are fit for purpose.

I would like to thank Rita and her team for their assistance and whilst my report may contain recommendations to change these are not indicative of any significant failings, but rather are pointers to improving upon an already well ordered system.

## **A. BOOKS OF ACCOUNT (INTERIM AUDIT)**

The JBC is administered as a company on the RBS accounting system hosted at Godalming Town Council. The Committee continues to use RBS and now uses the Rialtus suite. This is an industry specific accounting package. The RBS system is used daily to report and record the financial transactions of the Committee.

There are a number of access users. The system is cloud based and access is required by secure log on to the local machine and a separate password for the cloud system.

- RFO -full access all areas
- Clerk – Read only all areas
- Facilities – read write to bookings
- Support services – read write to bookings.

Every month, a month end close down is performed by the RFO, various reports are printed and filed in hard copy, these include but are not limited to; income and expenditure against budget, bank reconciliations and other reports as fit.

The cashbooks are routinely printed and are retrospectively accessible. The system requires the population of key data fields to enable the user to record a transaction. This is a clear and easy to follow system and a review of the cashbook shows that all data fields are being entered, the reports are easy to read and logically filed.

My walk through audit testing of receipts and a payments chosen at random from month six, showed that supporting documentation could be easily located from records. I make no recommendation to change in this system.

I tested opening balances as at 1/4/19 and confirmed they could be agreed back to the audited accounts for 2018/19.

The JBC is up to date with VAT returns. I confirmed that the return for period to 30 September 2019 has been submitted to HMRC, and I was able to prove that figures in the return could be agreed to reports derived directly from the RBS system, and that the VAT return reconciled to the VAT control account.

Overall, I have the impression that the accounting systems are well ordered and routinely maintained and as such I make no recommendation to change.

I am of the opinion that the control assertion of “Appropriate accounting records have been properly kept throughout the financial year” has been met.

## **B. FINANCIAL REGULATIONS, GOVERNANCE & PAYMENTS (INTERIM & FINAL AUDIT)**

### **Interim Audit**

I confirmed from discussion with officers at Godalming Town Council (TC) that the JBC follows the standing orders and financial regulations of the Town Council.

The Council internal audit report shows that regulations are routinely followed and that they are fit for a council of that size. As such they are entirely suitable for the JBC.

The JBC grants authority to spend via the annual budget process, payments are made so long as there is available budget. It is clear there are robust systems, policies and regulations in place and the JBC takes seriously its responsibility in this regard. I reviewed a sample of expenditure transactions and was able to confirm the following:

- Cashbook entry could be agreed back to an invoice from the supplier

- Approval for the payment was recorded in a minute of a meeting of the JBC
- Signature of two committee members was viewed on each invoice tested
- Signature of 2 councillors seen on cheque stub

I am of the opinion the Committee is following its own regulations and that any changes to financial regulations are to be considered minor and no indicative of errors in the system. I am therefore of the opinion that the control assertion "This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for", has been met.

### **C. RISK MANAGEMENT & INSURANCE (INTERIM & FINAL AUDIT)**

#### **Interim Audit**

I confirmed the JBC has a valid insurance certificate.

We discussed assertion 8 of the AGAR and whether or not this had any impact on the Committee.

*"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 am of the opinion that the control objective of "This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.", has been met

### **D. BUDGET, PRECEPT & RESERVES (INTERIM & FINAL AUDIT)**

#### **Interim Audit**

I confirmed that the 2020-21 budget and precept setting process was underway at the time of the audit, the November 2019 minutes show discussion of the same.

Councillors receive regular reports on budget against actuals via reports to the Policy and Management Committee.

The Committee has well developed reserves, which are properly recorded.

I am of the opinion that the control objective of "The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.", has been met.

### **E. INCOME (INTERIM & FINAL AUDIT)**

#### **Interim Audit**

Fees and charges are reviewed annually by the JBC.

I will conduct further income testing at the year end visit

### **F. PETTY CASH (INTERIM & FINAL AUDIT)**

No petty cash

### **G. PAYROLL (INTERIM & FINAL AUDIT)**

#### **Interim Audit**

There are no material payroll costs, administrative costs are paid to Godalming Town Council.

## **H. ASSETS AND INVESTMENTS (INTERIM & FINAL AUDIT)**

### **Interim Audit**

The fixed asset register is maintained on excel, additions and disposals have been agreed to a schedule prepared by the RFO and have been correctly added at cost, or written off the asset register as obsolete.

I am of the opinion that the control objective of "Asset and investments registers were complete and accurate and properly maintained.", has been met.

## **I. BANK & CASH (INTERIM & FINAL AUDIT)**

### **Interim Audit**

The JBC has two bank accounts. The bank reconciliations for both accounts are properly prepared and presented to committee for verification and approval on a regular basis.

I confirmed that reconciliations are completed promptly at the end of each month. There were no errors, and I confirmed that the reconciliation and bank statements had been signed by the reviewing member of the committee.

I am of the opinion that bank and cash balances are properly shown on the AGAR and that the control objective of "Periodic and year-end bank account reconciliations were properly carried out.", has been met.

## **J. YEAR END ACCOUNTS (FINAL AUDIT)**

TBC at the year end

## **K. TRUSTEESHIP (INTERIM AUDIT)**

No trusts.

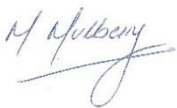
## **L: EXERCISE OF PUBLIC RIGHTS - INSPECTION OF ACCOUNTS (FINAL AUDIT)**

Not applicable to the Burial Committee

Should you have any queries please do not hesitate to contact me, attention.

Kind regards

Yours sincerely



**Mark Mulberry**