

**MINUTES AND REPORT OF THE AUDIT COMMITTEE
HELD ON THE 8 OCTOBER 2015**

* Councillor Hunter – Chairman
0 Councillor Walden – Vice Chairman
* Councillor Noyce
* Councillor Williams
* Councillor Pinches

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

216. MINUTES

The Minutes of the Meeting held on 4 June 2015 were signed by the Chairman as a correct record.

217. APOLOGIES FOR ABSENCE

Apologies for absence were received and recorded as above.

218. 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 4.

219. 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.

220. WORK PROGRAMME

Members consider the work programme and noted the oral updates from the Town Clerk – these updates are noted on the version of the work programme attached to the record minutes.

221. BANK RECONCILIATION

The Responsible Finance Officer tabled the current bank reconciliations for the information of Members.

Members agreed that the Chairman should sign the bank reconciliations tabled.

222. BUSINESS CONTINUITY PLAN

Members agreed an updated business continuity plan (plan attached to the record minutes).

223. CREDIT CONTROL POLICY

Members agreed a draft credit control policy and resolved to recommend it to Full Council for adoption.

224. CONCLUSION OF EXTERNAL AUDIT & APPROVAL OF ANNUAL RETURN

Members received the completed Annual Return for the financial year ending 31 March 2015 and the accompanying report from the External Auditor for Godalming Town Council.

Members noted that the external audit for the year ending 31 March 2015 was completed on 28 August 2015 and received on 7 September 2015, and that there were no matters which came to the auditor's attention which gave the auditor cause for concern that relevant legislation and regulatory requirements had not been met. The Notice of Conclusion of Audit had been displayed on the Town Council's Notice Board for at least 14 days as required by the Accounts and Audit Regulations 2011.

One issue was drawn to the Council's attention by the auditor – and the Council was recommended to take action upon it to ensure that the Council acts within its statutory and regulatory framework. The issue was stated as being "Although a precept was set by the due date, and the council did prepare a budget to support this, the budget did not appear to take into consideration the level of reserves held by the Council when calculating the precept figure." The auditor's report considered by Members expanded upon why this issue would be important.

However, the Town Clerk as RFO was unable to explain with any certainty why the issue was raised at all (and since it was raised as a minor issue and did not impact upon the audit opinion she had not gone to the expense of seeking clarification from the external auditor). It was unclear which financial year the comment related to. In any event Members who were part of the previous administration would have known that in considering the budget and precept for each of the financial years 2014/15 and 2015/16 Members considered a projection of reserves in each year and this is evidenced by the agenda papers and record minutes for the relevant Policy & Management Committee and Full Council meetings in each of January 2014 and January 2015. Put simply the external auditor's assertion was incorrect. The only reasonable explanation is that somehow the Town Clerk neglected to supply the necessary evidence to the external auditor – if so the external auditor did not query the absence of any such evidence or test the assertion before issuing the report.

Members concurred with the Town Clerk's assertion that no further action is required as a result of the audit report.

Members noted the conclusion of the external audit and the audit report and agreed to forward all to Full Council for the approval of the Annual Return.

225. DATE OF NEXT MEETING

The next meeting of the Audit Committee is scheduled to be held on Thursday, 10 March 2016 at 7.30pm in the Council Chamber, or at the conclusion of the Planning & Environment Committee, whichever is the later.

226. ANNOUNCEMENTS

There were no announcements.