



## MULBERRY & CO

Chartered Certified Accountants  
Registered Auditors  
& Chartered Tax Advisors

9 Pound Lane  
Godalming  
Surrey, GU7 1BX

t + 44(0)1483 423054  
e office@mulberryandco.co.uk  
w www.mulberryandco.co.uk

Our Ref: MARK/GOD003

Mr A Jeffery  
Godalming Joint Burial Committee  
107-109 High Street  
Godalming  
Surrey  
GU7 1AQ

5<sup>th</sup> May 2022

Dear Andy

**Re: Godalming Joint Burial Committee**  
**Internal Audit Year Ended 31<sup>st</sup> March 2022**

### **Executive Summary**

Following completion of our interim internal audit on the 27<sup>th</sup> of September and our final audit on the 4<sup>th</sup> May 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.**

Our report is presented in the same order as the assertions on the internal auditor report within the published AGAR. The start of each section details the nature of the assertion to be verified, followed by recommended minimum testing requirements. Each section is then concluded with an opinion as to whether the assertion has been met or not.

### **Interim Audit Summary**

Our sample testing did not uncover any errors or misstatements that require reporting to the external auditor, nor did we identify any significant weaknesses in the internal controls such that public money would be put at risk. 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. The existence of an audit committee with its own detailed scope of works, testing & reporting regimen is very much best practice and is to be applauded. I would recommend the continuance of this into the future.

It is therefore our opinion that the systems and internal procedures at Godalming Joint Burial Committee are well established, and followed.

### **Final audit Summary**

We have reviewed the AGAR and underling documentation and we are of the opinion the AGAR is ready for approval by committee and submission to the external auditor.

## Regulation

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. In addition to this, a smaller authority is required by Regulation 5(1) of the Accounts and Audit Regulations 2015 to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.”

Internal auditing is an independent, objective assurance activity designed to improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The purpose of internal audit is to review and report to the authority on whether its systems of financial and other internal controls over its activities and operating procedures are effective.

Internal audit’s function is to test and report to the authority on whether its specific system of internal control is adequate and working satisfactorily.

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.

## Independence & Competence

Your audit was conducted by Mark Mulberry of Mulberry & Co. We confirm we are independent from the management of the financial controls and procedures of the committee and neither the internal auditor or the firm have any conflicts of interest with the audit client, nor do they provide any management or financial assistance to the client.

Your auditor is a qualified practicing accountant with over 20 years’ experience as a registered statutory auditor.

## Engagement Letter

An engagement letter was issued In September 2021 covering the 2021/22 internal audit assignment. Copies of this document are available on request.

## Planning & Inherent Risk Assessment

The scope and plan of works including fee structure was issued to the committee on the 1st September 2020 under separate cover. Copies of this document are available on request. In summary, our work will address each of the internal control objectives as stated on the Annual Internal Audit Report of the AGAR.

- There have been no instances of breaches of regulations in the past
- The client uses an industry approved financial reporting package
- The client regularly carries out reconciliations and documents these
- There is regular reporting to committee
- The management team are experienced and informed
- Records are neatly maintained and referenced
- The client is aware of current regulations and practices
- There has been no instance of high staff turnover

It is my opinion that the inherent risk of error or misstatement is low and the controls of the committee can be relied upon and as such substantive testing of individual transactions is not required. Testing to be carried out will be “walk through testing” on sample data to encompass the period of the committee year under review.

Contents

- A. BOOKS OF ACCOUNT (INTERIM AUDIT)..... 4
- B. FINANCIAL REGULATIONS, GOVERNANCE & PAYMENTS (INTERIM & FINAL AUDIT) ..... 4
- C. RISK MANAGEMENT & INSURANCE (INTERIM AUDIT) ..... 4
- D. BUDGET, PRECEPT & RESERVES (INTERIM & FINAL AUDIT) ..... 4
- E. INCOME (INTERIM & FINAL AUDIT) ..... 4
- F. PETTY CASH (INTERIM AUDIT)..... 5
- G. PAYROLL (INTERIM & FINAL AUDIT) ..... 5
- H. ASSETS AND INVESTMENTS (INTERIM & FINAL AUDIT) ..... 5
- I. BANK & CASH (INTERIM & FINAL AUDIT)..... 5
- J. YEAR END ACCOUNTS (FINAL AUDIT) ..... 6

**A. BOOKS OF ACCOUNT (INTERIM AUDIT)****Internal audit requirement**

*Appropriate accounting records have been properly kept throughout the financial year.*

**B. FINANCIAL REGULATIONS, GOVERNANCE & PAYMENTS (INTERIM & FINAL AUDIT)****Internal audit requirement**

*This Joint Committee's financial regulations have been met, payments were approved and VAT was appropriately accounted for.*

**Final Audit**

I have reviewed the expenditure list which is broadly similar to the prior year after accounting for one of expenditure items. I also reviewed the cashbook for evidence of netting off and significant journal entries, the individual entries were in accordance with the heading under which they were posted and corrections/transfers where evident were bonafide. We found no evidence of breaches of financial regulations in the sample testing completed.

**Section Conclusion**

I am of the opinion that the control assertion has been met.

**C. RISK MANAGEMENT & INSURANCE (INTERIM AUDIT)****Internal audit requirement**

*This joint committee assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.*

**D. BUDGET, PRECEPT & RESERVES (INTERIM & FINAL AUDIT)****Internal audit requirement**

*The annual taxation or levy or funding requirements resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.*

**Final Audit**

The council has £273,709 of total reserves of which earmarked reserves are £233,741 and £39,968 are general reserves. In respect of general reserves, rule of thumb calculations would suggest that 50% of precept as adjusted for local conditions would be reasonable being circa £25k.

The committees' general reserves are a little high but not excessive.

**Section Conclusion**

I am of the opinion that the control objective has been met.

**E. INCOME (INTERIM & FINAL AUDIT)****Internal audit requirement**

*Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.*

**Final Audit**

The income from local taxation/levy was tested to sales invoices and has been correctly disclosed in box two of the AGAR.

All other income has been correctly shown in box 3 of the AGAR.

I have reviewed the income list which is broadly similar to the prior year after accounting for one of income items. I also reviewed the cashbook for evidence of netting off and significant journal entries, the individual entries were in accordance with the heading under which they were posted and corrections/transfers where evident were bonafide. We found no evidence of breaches of financial regulations in the sample testing completed.

**I remind the committee that as part of the host body's financial regulations (para 9.3) it must review its annual rents & charges and minute this appropriately.**

There is no evidence to suggest the JBC should be registered for VAT.

#### **Section Conclusion**

I am of the opinion that the control objective of has been met.

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

##### **Internal audit requirement**

*Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.*

No petty cash

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

##### **Internal audit requirement**

*Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.*

No payroll.

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

##### **Internal audit requirement**

*Asset and investments registers were complete and accurate and properly maintained.*

##### **Final Audit**

The fixed asset register has been maintained in an Excel spreadsheet and agreed to the AGAR. The asset register was up to date with all relevant assets as at the current financial year end and could be agreed to the AGAR.

#### **Section Conclusion**

I am of the opinion that the control objective has been met.

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

##### **Internal audit requirement**

*Periodic and year-end bank account reconciliations were properly carried out.*

##### **Final Audit**

At the year-end date the committee had a reconciled bank position which has been signed in accordance with financial regulations. I have verified the March reconciliation and am under no doubt regulations are properly followed in respect of reconciling the bank.

I have reviewed the reconciliation there were no outstanding payments and no outstanding lodgements. I have also tested the cut off and can confirm payments and invoices are shown in the correct period.

The committee has three bank accounts, with total holdings of £278,647. The movement year on year in bank and cash balances of £4,470 is below the threshold to report on the list of significant variances.

#### Section Conclusion

I am of the opinion that that the control objective has been met.

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

##### **Internal audit requirement**

*Accounting statements prepared during the year were prepared on the correct accounting basis agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.*

The committee, at its meeting to sign off the year-end accounts, must discuss the Annual Governance Statement and record this activity in the minutes of the meeting. Based on the internal audit finding, I recommend using the table below as the basis for that discussion. THIS MUST BE A SEPARATE AGENDA ITEM TO THE SIGNING OF THE ANNUAL ACCOUNTS.

#### Section 1 – Annual Governance Statement

	Annual Governance Statement	'Yes' means that this authority	Suggested response based on evidence
1	We approved the accounting statements prepared in accordance with the guidance notes within this return.	<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>	<b>YES</b> – income & expenditure accounts follow latest Accounts and Audit Regulations and practitioners guide recommendations.
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>	<b>YES</b> – there is regular reporting of financial transactions and accounting summaries, offering the opportunity for scrutiny.
3	We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with generally accepted good practice that could have a significant financial effect on the ability of the body to conduct its business or on its finances and have reported our financial results to our host authority for inclusion in their accounts.	<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>	<b>YES</b> – the Clerk is experienced and advises the committee in respect of its legal powers.
4	We carried out an assessment of the risks facing the body 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>	<b>YES</b> – the committee has a risk management scheme and appropriate external insurance.

5	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>	<b>YES</b> – the committee has appointed an independent and competent internal auditor has completed two audits during the year.
6	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>	<b>YES</b> – where matters are raised, action taken by committee is recorded in the minutes.
7	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>	<b>YES</b> – no matters were raised during the internal audit visits.

### Section 2 – Accounting Statements

Agar Box Number		2020/21	2021/22	Auditor Notes
1	Balances brought forward	197,275	269,043	Agrees to cfwd
2	Precept or Rates and Levies	58,115	40,000	Agrees to third party evidence provided to auditor
3	Total other receipts	164,780	189,972	Agrees to underlying records – adjustments made for reallocation of income and expenditure to report gross
4	Staff costs	0	0	Agrees to underlying records
5	Loan interest/capital repayments	0	0	Agreed no loans
6	All other Payments	151,127	225,306	Agrees to underlying records – adjustments made for reallocation of income and expenditure to report gross
7	Balances carried forward	269,043	273,709	Cast correctly agrees to balance sheet
8	Total value of cash and short term investments	274,177	278,647	Agrees to reconciliation
9	Total fixed assets plus long term investments and assets	933,506	971,629	Agrees to register and additions
10	Total borrowings	0	0	Agreed no loans
11	For Local Councils Only) Disclosure note re Trust funds (including charitable)	YES	NO	N/A
				✓

The year-end accounts have been correctly prepared on the income & expenditure basis with the box 7 & 8 reconciliation, properly carried out.

The AGAR correctly casts and cross casts and the comparatives have been correctly copied over from the prior year.

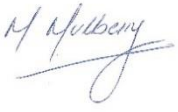
**Section Conclusion**

I am of the opinion the control objective has been met.



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

Kind regards  
Yours sincerely

A handwritten signature in black ink, appearing to read 'M Mulberry', with a long horizontal flourish extending to the right.

**Mark Mulberry**