

# Annual Internal Audit Report 2022/23

## GODALMING TOWN COUNCIL

www.godalming-tc.gov.uk PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS

During the financial year ended 31 March 2023, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2022/23 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> none
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H. Asset and investments registers were complete and accurate and properly maintained.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I. Periodic bank account reconciliations were properly carried out during the year.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
K. If the authority certified itself as exempt from a limited assurance review in 2021/22, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> N/A
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2022-23 AGAR period, were public rights in relation to the 2021-22 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
N. The authority has complied with the publication requirements for 2021/22 AGAR (see AGAR Page 1 Guidance Notes).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>O. (For local councils only)</b> Trust funds (including charitable) – The council met its responsibilities as a trustee.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> Not applicable

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

20/09/2022

17/04/2023

DD/MM/YYYY

Name of person who carried out the internal audit

Mulberry & Co

SIGNATURE OF INTERNAL AUDITOR

Signature of person who carried out the internal audit



SIGNATURE REQUIRED

Date

17/04/2023

\*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

\*\*Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).



## Section 1 – Annual Governance Statement 2022/23

We acknowledge as the members of:

### GODALMING TOWN COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2023, that:

	Agreed		'Yes' means that this authority:
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	✓		has only done what it has the legal power to do and has complied with Proper Practices in doing so.
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	✓		during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		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.
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		responded to matters brought to its attention by internal and external audit.
8. 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.	✓		disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
			✓
			has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.

**\*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.**

This Annual Governance Statement was approved at a meeting of the authority on:

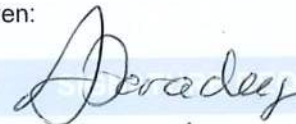
27/04/2023

and recorded as minute reference:

MIN 621-22

Signed by the Chairman and Clerk of the meeting where approval was given:

Chairman



Clerk



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## Section 2 – Accounting Statements 2022/23 for

### GODALMING TOWN COUNCIL

	Year ending		Notes and guidance
	31 March 2022 £	31 March 2023 £	
1. Balances brought forward	519,501	764,098	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	769,225	928,755	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	428,417	269,160	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	420,299	536,234	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	77,703	77,703	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	455,043	494,538	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	764,098	853,538	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	752,200	836,759	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – <b>To agree with bank reconciliation.</b>
9. Total fixed assets plus long term investments and assets	1,980,004	1,985,356	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	1,415,083	1,382,692	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust funds (including charitable)		✓		The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.
11b. Disclosure note re Trust funds (including charitable)			✓	The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2023 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

RC Mong

Date

17/04/2023

I confirm that these Accounting Statements were approved by this authority on this date:

27/04/2023

as recorded in minute reference:

MIN 622-22

Signed by Chairman of the meeting where the Accounting Statements were approved

Haraday

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**Godalming Town Council**

**Bank - Cash and Investment Reconciliation as at 31 March 2023**

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**Confirmed Bank & Investment Balances**

Bank Statement Balances

31/03/2023	HSBC Current Account	33,553.36
31/03/2023	HSBC Deposit Account	653,206.01
20/09/2021	Imprest Account	0.00
31/03/2023	CCLA Deposit Account	150,000.00

**836,759.37**

Other Cash & Bank Balances

**0.00**

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**836,759.37**

Receipts not on Bank Statement

**0.00**

---

**836,759.37**

**Closing Balance**

All Cash & Bank Accounts

1	HSBC Current Account	33,553.36
2	HSBC Deposit Account	653,206.01
3	Imprest	0.00
4	CCLA Deposit Account	150,000.00
	Other Cash & Bank Balances	0.00
	<b>Total Cash &amp; Bank Balances</b>	<b>836,759.37</b>

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**Bank Reconciliation Statement as at 31/03/2023  
for Cashbook 1 - HSBC Current Account**

<u>Bank Statement Account Name (s)</u>	<u>Statement Date</u>	<u>Page No</u>	<u>Balances</u>
HSBC Current Account	31/03/2023	910	33,553.36
			<u>33,553.36</u>
<u>Unpresented Cheques (Minus)</u>		<u>Amount</u>	
		0.00	
			<u>0.00</u>
			33,553.36
<u>Receipts not Banked/Cleared (Plus)</u>			
		0.00	
			<u>0.00</u>
			33,553.36
			<u>33,553.36</u>
			Balance per Cash Book is :-
			33,553.36
			Difference Excluding Adjustments is :-
			0.00
<u>Adjustments to Reconciliation</u>			
28/11/2019		0.00	
06/12/2019		0.00	
			<u>0.00</u>
			<u>0.00</u>
			Unreconciled Difference is :-
			0.00

RCTong 3/4/23  
RFO



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11 APR 2023

Contact tel 03457 60 60 60  
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 Text phone 03457 125 563  
 used by deaf or speech impaired customers  
[www.hsbc.co.uk](http://www.hsbc.co.uk)

**1 March to 31 March 2023**

## Your Statement

**Account Name**  
 Godalming Town Council General Account

**Sortcode Account Number Sheet Number**  
 40-22-12 31377981 910

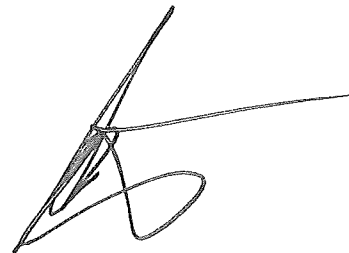
### Your BUSINESS CURRENT ACCOUNT details

Date	Payment type and details	Paid out	Paid in	Balance
	<b>BALANCE BROUGHT FORWARD</b>			<b>44,950.74</b>
BP	PR328			
	BIB MULTIPLE BENEF			
	BIB BACS PAYMENT	13,730.48		
CR	PIKE M			
	COMMUNITY STORE		50.00	
BP	HOUSEHOLD HE			
	HOU001-INV GTC5296		80.00	
CR	POLLAK M			
	5313 BILLYTONG		95.00	
CR	Surrey Youth Theat			
	Syt Feb		446.85	
CR	WITLEY PARISH COUN			
	GTC5352		1,377.00	
CR	S Barololong			
	WN3234		141.75	
BP	Novus BH Mag			
	GTC5356		142.50	33,553.36
<b>31 Mar 23</b>	<b>BALANCE CARRIED FORWARD</b>			<b>33,553.36</b>

### Information about the Financial Services Compensation Scheme

Most deposits made by HSBC Business customers are eligible for protection under the Financial Services Compensation Scheme (FSCS). For further information about the compensation provided by the FSCS, refer to the FSCS website at [fscs.org.uk](http://fscs.org.uk), call into your nearest branch or call your telephone banking service. Further details can be found on the FSCS Information Sheet and Exclusions List which is available on our website ([hsbc.co.uk/fscs/](http://hsbc.co.uk/fscs/)).

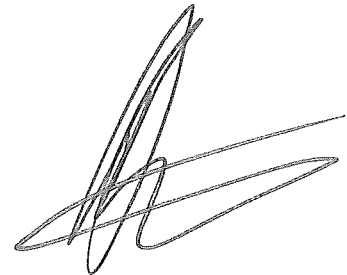
<b>Credit Interest Rates</b>	<i>balance</i>	<i>AER variable</i>	<b>Debit Interest Rates</b>	<i>balance</i>	<i>EAR variable</i>
Credit interest is not applied			Debit interest		21.34%



Bank Reconciliation Statement as at 31/03/2023  
for Cashbook 2 - HSBC Deposit Account

<u>Bank Statement Account Name (s)</u>	<u>Statement Date</u>	<u>Page No</u>	<u>Balances</u>
HSBC Deposit Account	31/03/2023	212	653,206.01
			<u>653,206.01</u>
<u>Unpresented Cheques (Minus)</u>		<u>Amount</u>	
		0.00	
			<u>0.00</u>
			653,206.01
<u>Receipts not Banked/Cleared (Plus)</u>			
		0.00	
			<u>0.00</u>
			653,206.01
		<b>Balance per Cash Book is :-</b>	<b>653,206.01</b>
		<b>Difference is :-</b>	<b>0.00</b>

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11 APR 2023

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J21D4101IHTMCA0000090832001001 378 000

The Town Clerk  
 Godalming Town Council  
 107-109 High Street  
 Godalming  
 GU7 1AQ



## Your Statement

### Account Summary

Opening Balance	753,206.01
Payments In	0.00
Payments Out	100,000.00
Closing Balance	653,206.01

**Interest Rate - Valid as at end date of the statement period**  
 1.30% AER

**1 March to 31 March 2023**

**International Bank Account Number**

GB52HBUK40221263663035

**Branch Identifier Code**

HBUKGB4132B

**Account Name**  
 Godalming Town Council

**Sortcode**      **Account Number**      **Sheet Number**  
 40-22-12      63663035      212

### Your BUSINESS DEPOSIT ACCOUNT details

Date	Payment type and details	Paid out	Paid in	Balance
<b>28 Feb 23</b>	<b>BALANCE BROUGHT FORWARD</b>			<b>753,206.01</b>
03 Mar 23	TFR 402212 31377981 INTERNET TRANSFER	25,000.00		728,206.01
21 Mar 23	TFR 402212 31377981 INTERNET TRANSFER	25,000.00		703,206.01
24 Mar 23	TFR 402212 31377981 INTERNET TRANSFER	25,000.00		678,206.01
29 Mar 23	TFR 402212 31377981 INTERNET TRANSFER	25,000.00		653,206.01
<b>31 Mar 23</b>	<b>BALANCE CARRIED FORWARD</b>			<b>653,206.01</b>

### Information about the Financial Services Compensation Scheme

Most deposits made by HSBC Business customers are eligible for protection under the Financial Services Compensation Scheme (FSCS). For further information about the compensation provided by the FSCS, refer to the FSCS website at [fscs.org.uk](http://fscs.org.uk), call into your nearest branch or call your telephone banking service. Further details can be found on the FSCS Information Sheet and Exclusions List which is available on our website ([hsbc.co.uk/fscs/](http://hsbc.co.uk/fscs/)).



Bank Reconciliation Statement as at 31/03/2023  
for Cashbook 4 - CCLA Deposit Account

<u>Bank Statement Account Name (s)</u>	<u>Statement Date</u>	<u>Page No</u>	<u>Balances</u>
CCLA Deposit Account	31/03/2023		150,000.00
			<u>150,000.00</u>
<u>Unpresented Cheques (Minus)</u>		<u>Amount</u>	
		0.00	
			<u>0.00</u>
			150,000.00
<u>Receipts not Banked/Cleared (Plus)</u>			
		0.00	
			<u>0.00</u>
			150,000.00
		<b>Balance per Cash Book is :-</b>	<b>150,000.00</b>
		<b>Difference is :-</b>	<b>0.00</b>

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RFO



**STATEMENT**

Mrs R C Tong  
Godalming Town Council  
Municipal Buildings  
Bridge Street  
GODALMING  
Surrey  
GU7 1HT

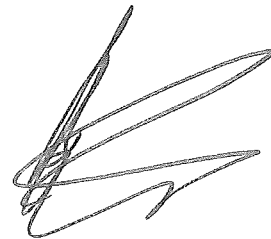
**CLIENT:** GODALMING TOWN COUNCIL

**ACCOUNT NAME:**

**ACCOUNT NUMBER:** 0129430001PC

Statement at 31 March 2023

Date	Description	Value of shares sold £	Value of shares bought £	Balance of shares held £	Share Class
01/03/23	Brought Forward			150,000.00	
31/03/23	Carried Forward			150,000.00	



Statement of Dividends paid during the month to 31 March 2023

Date	Receiving Account	Amount Paid £
31-03-23	Nominated bank account	507.45

**Explanation of variances 2022/23**

Name of smaller authority: Godalming Town Council

Insert figures from Section 2 of the AGAR in all Blue highlighted boxes

Now, please provide full explanations, including numerical values, for the following that will be flagged in the green boxes where relevant:

- variances of more than 15% between totals for individual boxes (except variances of less than £500);
- a breakdown of approved reserves on the next tab if the total reserves (Box 7) figure is more than twice the annual precept value (Box 2).

	2022 £	2023 £	Variance £	Variance %	Explanation Required?	DO NOT OVERWRITE THE BOXES HIGHLIGHTED IN RED/GREEN	Explanation (must include narrative and supporting figures)
1 Balances Brought Forward	519,501	764,098					
2 Precept or Rates and Levies	769,225	928,255	159,030	20.74%	YES		Explanation of % variance from PY opening balance not required - Balance brought forward agrees
	0	103,000	103,000	#DIV/0!			After public consultation, commenced a free to access Youth Service
	0	21,220	21,220	#DIV/0!			3% inflation allowance based on CPI
	0	35,510	35,510	#DIV/0!			£14.4k part time Administration Assistant; £20.9k part time Grounds Assistant
3 Total Other Receipts	428,417	269,160	-159,257	37.17%	YES		
	174,961	24,957	-150,004	85.74%			Less developments in area
	19,591	25,023	5,432	27.73%			2021/22 - £3.5k Council Support Grant, £4k Outbreak Mgmt Grant, £3k Household Support Grant, £9k RHSS Grant, 2022/23 - £1.7k Council Support Grant, £6.8k Youth Holiday Programme, £8k Apprenticeship Grant, £9.0k
	63,565	66,794	-1,771	2.56%			Welcome Back Fund, £1.2k Local Regeneration Grant
	18,263	18,199	-84	0.46%			
	66,662	57,521	-8,131	12.36%			
	41,464	31,275	-10,189	24.57%			£6.8k reduction in Museum SJA funding from WBC
	127	5,614	5,487	4320.47%			£10k decrease in Community Store donations as can now receive donations directly
	39,776	39,776	0	0.00%			Increase in interest rates
4 Staff Costs	420,259	536,234	115,935	27.58%	YES		
	355,282	393,572	38,290	7.96%			£14.4k part time Administration Assistant; £20.9k part time Grounds Assistant, offset by Comaker vacancy
	851	1,537	586	61.82%			New Service
	0	97,694	97,694	#DIV/0!			Curator position vacant for several months
	64,067	53,232	-10,835	16.91%			
5 Loan Interest/Capital Repayment	77,703	77,703	0	0.00%	NO		
6 All Other Payments	455,043	484,538	39,495	8.68%	NO		
7 Balances Carried Forward	764,098	853,538	89,440	11.71%	NO		
8 Total Cash and Short Term Investments	752,200	836,759	84,559	11.24%	NO		
9 Total Fixed Assets plus Other Long Term Investments and Assets	1,390,004	1,385,356	5,352	0.27%	NO		
10 Total Borrowings	1,415,083	1,382,692	-32,391	2.29%	NO		
Excessive Reserves Ratio	0.8933	0.9190					