

**MINUTES AND REPORT OF THE AUDIT COMMITTEE  
HELD ON THE 12 JUNE 2014**

\* Councillor Hunter – Chairman  
0 Councillor Thornton – Vice Chairman  
\* Councillor Noyce  
\* Councillor Robinson  
\* Councillor Williams

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

59. MINUTES

The Minutes of the Meeting held on 6 March 2014 were signed by the Chairman as a correct record.

60. 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.

61. 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.

62. WORK PROGRAMME

Members reviewed the work programme, including action points, for the year and reviewed who should take responsibility for each aspect of the programme in the light of the changes made to the membership of the Committee. In addition they noted that as the current Responsible Finance Officer was retiring in July her responsibilities on the work schedule would need to be allocated to someone else after that time (copies attached for the information of Members).

Members noted that the worn carpet in the general office was due to be replaced. Contact had been made with Waverley Borough Council in the first instance for quotes regarding decorating. It had been noted that it was sensible to have the room decorated at the same time as replacing the worn carpet thus reducing the upheaval within the general office. A provision had been made in the current budget for this.

A report relating to the renegotiated rates for Gas and Electricity was tabled showing the current savings being achieved.

Members noted that changes recommended by NALC relating to electronic payments still had to be agreed and new systems to be devised when more information was available.

63. 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 tabled.

64. INTERNAL AUDIT

Members noted that both the internal audit reports for Godalming Town Council and Godalming Joint Burial Committee were conducted on 2 June 2014 by Mulberry and Co.

Members noted that a typo on the Internal auditors report needed to be changed to reflect Audit Committee not Audit sub-committee page 4/35.

Members noted the following points forward:

That the Joint Burial Committee transferred £25,000 to the Godalming Town Council account for payment of their administration charge. This has been signed by the Joint Burial committee Chairman and accepted by the Internal Auditor as dealt with (copy attached to record minutes).

The Bank of England Stock held by the Joint Burial Committee has not been updated as there is no material change in the rates.

A copy of the letter sent to the H M Revenue and Customs relating to tax codes for staff has now been sent (copy attached for record minutes).

Members RECEIVED and ADOPTED the Internal Auditor's Report (a copy of report is attached to record minutes) and considered the recommendations contained therein and recommended the report and its recommendations to Full Council and Godalming Joint Burial Committee on 2 June 2014.

65. ANNUAL RETURN (INCLUDING ANNUAL GOVERNANCE STATEMENT) FOR THE YEAR ENDING 31 MARCH 2014

Members were asked to agree Section 4 of the Annual Return being the Annual Internal Audit Report (for both Godalming Town Council and Godalming Joint Burial Committee) and considered the answers to the questions the Annual Return being posed at Section 2 of the Annual Governance Statements for each body. The subsequent answers were recommended to Full Council and Godalming Joint Burial Committee on Thursday, 26 June 2014, copies of all sections attached for the information of Members.

	Question <i>Godalming Town Council</i>	Recommended Answer	Evidence
1	We have approved the accounting statements which have been prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices	YES	Assurances from the Internal Auditor and officers (the Town Clerk & the Responsible Finance Officer)
2	We have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	YES	Detailed evidence from the work programme of the Audit Committee as recorded in the minutes to Full Council on 27 <sup>th</sup> March 2014 Minutes 414-

			13 refer).Also assurances in the Internal Audit Reports
3	We have taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice, which could have a significant financial effect on the ability of the council to conduct its business or on its finances.	YES	The specific risk analysis – considered by Audit Committee on 27th March 2014 (Minutes 414-13,415-13 ,417-13, 418-13 refer)
4	We have provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	YES	Relevant notices displayed as per the Accounts and Audit Regulations.
5	We have carried out an assessment of the risks facing the council and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	YES	Risk Assessments all available for inspection in the Council's offices and on-going programme of risk analysis as part of the Audit Committee's work programme on 27 <sup>th</sup> March 2014 (Minute 381-13 refers)
6	We have maintained throughout the year an adequate and effective system of internal audit of the council accounting records and control systems and carried out a review of its effectiveness.	YES	Review of the effectiveness of internal audit undertaken by the Audit Committee on 27 <sup>th</sup> March 2014 (Minute 418-13 refers). Also assurances in the Internal Audit Reports
7	We have taken appropriate action on all matters raised in reports from internal and external audit.	YES	Minute Full Council 96-13 & 245-13 and Audit 202-13 refers
8	We have considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the council and, where appropriate have included them in the accounting statements.	YES	Annual provision made in reserves for election expenses; against a potential liability in respect of The Square. See annual statement of accounts.
9	Trust funds (including charitable) – in our capacity as the sole managing trustee we have discharged our responsibility in relation to the accountability for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	N/A	This Council manages no trust funds.

	Question <i>Godalming Joint Burial Burial Committee</i>	Recommended Answer	Evidence
1	We have approved the accounting statements which have been prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices	YES	Assurances from the Internal Auditor and officers (the Town Clerk & the Responsible Finance Officer)
2	We have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	YES	Detailed evidence from the work programme of the Audit Committee as recorded in the minutes and reported to the JBC on 27 March 2014 (Minute 415-13 refer). Also assurances in the Internal Audit Reports
3	We have taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice, which could have a significant financial effect on the ability of the council to conduct its business or on its finances.	YES	The specific risk analysis – considered by Audit Committee on Committee on 27 <sup>th</sup> March 2014 (Minute 417-13 & 418-13 refer) and JBC 54-13
4	We have provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	YES	Relevant notices displayed as per the Accounts and Audit Regulations.
5	We have carried out an assessment of the risks facing the council and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	YES	Risk Assessments all available for inspection in the Council's offices and on-going programme of risk analysis as part of the Audit Committee's work programme. on 6 <sup>th</sup> March 2014 (Minute 381-13 refers) All previously reported to P&M Committee and JBC Committee (Minute 54-13)
6	We have maintained throughout the year an adequate and effective system of internal audit of the council accounting records and control systems and carried out a review of its effectiveness.	YES	Review of the effectiveness of internal audit undertaken by the JBC Committee on 27 <sup>th</sup> March 2014 (Minute 55-13 refers). Also assurances in the Internal Audit Reports minute Audit Committee 386-13.
7	We have taken appropriate action on all matters raised in reports from internal and external audit.	YES	JBC Minute 33-13, 53-13

8	We have considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the council and, where appropriate have included them in the accounting statements.	YES	Annual provision made in reserves for liability in respect of Memorials and Memorial inspections. See annual statement of accounts.

66. RECEIPTS TAKEN BY PHONE OR VIRTUAL TERMINAL

As agreed at the meetings of Audit Committee 6th March 2014 and Full Council 27th March 2014 (Minutes 384-14 and 414-14 refer) regarding the setting up of the Sagepay system to allow the Town Council to take receipts by card over the phone, Members noted that progress was being made. However, certain checks still needed to be undertaken both with the provider and user before the system could become live and these were being progressed. (A copy of the Merchant's Operating agreement is attached for the information of Members).

67. DATE OF NEXT MEETING

The next meeting of the Audit Committee is scheduled to be held on Thursday, 9<sup>th</sup> October 2014 at 6.30 pm in the Council Chamber.

68. ANNOUNCEMENTS

There were no announcements.