

# GODALMING TOWN COUNCIL

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10 June 2011

I HEREBY SUMMON YOU to attend the **AUDIT SUB COMMITTEE** Meeting to be held in the Council Chamber, Municipal Buildings, Godalming on THURSDAY, 16 JUNE 2011 at 7.15 pm or at the conclusion of the Planning & Environment Committee, whichever is later.

Louise P Goodfellow  
Town Clerk

Committee Members: Councillor S Bott – Chairman  
Councillor Hunter – Vice Chairman  
Councillor Wheatley  
Councillor A Bott  
Councillor Welland

## AGENDA

### 1. MINUTES

To approve as a correct record the minutes of the meeting held on the 17 March 2011, a copy of which has been circulated previously.

### 2. APOLOGIES FOR ABSENCE

### 3. PETITIONS/STATEMENTS/QUESTIONS FROM MEMBERS OF THE PUBLIC

The Chairman to allow members of the public to ask questions, or make a statement or present a petition. This forum to be conducted in accordance with Standing Order 80.

### 4. DISCLOSURE OF PERSONAL AND PREJUDICIAL INTERESTS

To receive from Members, in relation to any items included on the agenda for this meeting, disclosure of any interests which are required to be disclosed by the Local Authorities (Model Code of Conduct) Order 2007 No.1159.

Members are requested to disclose, in accordance with the Code of Conduct, both the existence and nature of any "Personal" or "Prejudicial" interests that they may have in relation to matters for consideration on this agenda.

#### Personal Interests

- (1) Subject to sub-paragraphs (2) to (5) below, where a Member has a personal interest in any business of the Town Council and attends a meeting of the Council at which the business is considered, the Member must disclose to that meeting the existence

Members of the Public have the right to attend all meetings of the Town Council and its Committees and are welcome.

and nature of that interest at the commencement of that consideration, or when the interest becomes apparent.

- (2) Where the Member has a personal interest in any business of the Town Council which relates to or is likely to affect a person described in paragraph 8(1)(a)(i) or 8(1)(a)(ii)(aa) of the Code of Conduct, the Member needs only disclose to the meeting the existence and nature of that interest when s/he addresses the meeting on that business.
- (3) Where the Member has a personal interest in any business of the Town Council of the type mentioned in paragraph 8(1)(a)(viii) of the Code of Conduct, the Member need not disclose the nature or existence of that interest to the meeting if the interest was registered more than three years before the date of the meeting.
- (4) Sub-paragraph (1) only applies where the Member is aware or ought reasonably to be aware of the existence of the personal interest.
- (5) Where a Member has a personal interest but, by virtue of paragraph 14 of the Code of Conduct, sensitive information relating to it is not registered in the Town Council's register of members' interests, the Member must indicate to the meeting that s/he has a personal interest, but need not disclose the sensitive information to the meeting

#### Prejudicial Interests

Where a Member has a personal interest in any business of the Town Council that Member also has a prejudicial interest in that business where the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice that Member's judgement of the public interest. Where a Member has a prejudicial interest that Member must withdraw from the room or chamber where a meeting considering the business is being held.

#### 5. INTERNAL AUDIT FOR GODALMING TOWN COUNCIL AND GODALMING JOINT BURIAL COMMITTEE

Both the internal audits for GTC and JBC were conducted and completed on Thursday 25 May 2011 by the internal auditor Mulberry and Co.

Members are asked to agree the Internal Audit report and recommend it to both Policy & Resources Committee and Godalming Joint Burial Committee (a copy of the report and letter that relates to both is attached for the information of Members).

Members are also asked to agree Section 1 the Accounting Statement (Members to note that the Fixed assets are to be restated as advised), Section 4 Annual Internal Audit Report and consider the answers to the questions posed at Section 2 of the Annual Governance Statements for Godalming Town Council and Godalming Joint Burial Committee and recommend the following answers to the Policy & Management Meeting on Thursday, 23 June 2011:

	Question	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 <b>and</b> corruption and reviewed its effectiveness.	YES	Detailed evidence from the work programme of the Audit Sub-Committee as recorded in the minutes of the Sub-Committee and reported to the P&M Committee on 31 March 2011 (Minutes 379 & 64-11 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 Sub-Committee on 17 March 2011 (Minute 361-11 & 64-11)
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 and still in place at the time of the Audit Sub-Committee's meeting
5	We have carried out an assessment of the risks facing the council <b>and</b> 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 Sub Committee's work programme. All previously reported to P&M Committee on 31 March 2011 (Minute 361-11 & 64-11 refers)
6	We have maintained throughout the year an adequate and effective system of internal audit of the council accounting records and control systems <b>and</b> carried out a review of its effectiveness.	YES	Review of the effectiveness of internal audit undertaken by the P&M Committee on 31 March 2011 (Minute 380-11 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 204-11 & 65-11 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 <b>and</b> , if required, independent examination or audit.	N/A	This Council manages no trust funds.
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6. WORK PROGRAMME

Members to review the work programme including action points for the coming year and agree who should take responsibility for each aspect of the schedule. (A copy of the work programme from the last meeting is attached for the information of Members.)

7. BANK RECONCILIATION

The Responsible Finance Officer is unable to table the current Bank Reconciliations for the commencement of the year to date for either Godalming Town Council or Godalming Joint Burial Committee due to the upgrading of the accounting package. A further report relating to this follows in item 9.

8. REVIEW OF SUPPLIERS

Now that the new Facilities & Cemeteries Manager is in post the process of reviewing suppliers has commenced. It is fortunate that many contracts (usually being of a 2 or 5 year duration) are coming to the end of their term. It will therefore be an ongoing process to review suppliers as contracts are ending. Those that are bound by the tender process will automatically be brought to committee in accordance with Financial Regulations for agreement; the remainder will be subject to review as and when appropriate (copy reviews already undertaken are attached for the information of Members).

9. RBS ACCOUNTING SOLUTIONS MIGRATION

The financial year for 2010-11 has now been finalised and the end of year Internal Audit completed. The accounting year has been changed to 2011-12 and all the necessary journal entries completed for the commencement of the financial year. RBS have been contacted and are in the process of upgrading the accounting package from DOS to Windows in readiness for the upgrade to take place. Unfortunately this means that no accounts can be put on the computer system until this upgrade has been completed. As has already been discussed at previous meetings, due to the pressures of meeting deadlines for statutory returns and audits there is a fine window of opportunity for this upgrade to take place. It is hoped that the work will be finished by the end of June as it is crucial to get the 3 months accounts outstanding for both Godalming Town Council and Godalming Joint Burial Committee inputted onto the system immediately this has been finalised, in order that the VAT return can be prepared to meet the statutory deadline.

10. DATE OF NEXT MEETING

The next meeting of the Audit Sub Committee is scheduled to be held on Thursday, 3 October 2011 at 6.30 pm in the Town Clerk's office.

11. ANNOUNCEMENTS

Brought forward by permission of the Chairman. Requests to be submitted prior to commencement of the meeting.