

**MINUTES AND REPORT OF THE AUDIT SUB COMMITTEE
HELD ON THE 16 JUNE 2011**

* Councillor S Bott – Chairman
* Councillor Hunter – Vice Chairman
* Councillor Wheatley
* Councillor A Bott
0 Councillor Welland

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

65. MINUTES

The Minutes of the Meeting held on 17 March 2011 were signed by the Chairman as a correct record.

66. 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 80.

67. DISCLOSURE OF PERSONAL AND PREJUDICIAL INTERESTS

Members declared no Personal or Prejudicial Interest in relation to any item on the agenda for this meeting, which is required to be disclosed by Local Authorities (Model Code of Conduct) Order 2007 No.1159.

68. INTERNAL AUDIT FOR GODALMING TOWN COUNCIL AND GODALMING JOINT BURIAL COMMITTEE

Both the internal audits for Godalming Town Council and the Godalming Joint Burial Committee were conducted and completed on Thursday, 25 May 2011 by the internal auditor Mulberry and Co.

Members agreed the attached Internal Audit report and recommended it to both Policy & Management Committee and Godalming Joint Burial Committee (a copy of the report and letter that relates to both is attached to record minutes).

Members received assurance relating to the accounting statements from both the Responsible Finance Officer and the Internal Auditor and agreed that Section 1 the Accounting Statement (noting that the Fixed assets had been restated as advised) and Section 4 Annual Internal Audit Report be accepted. The Committee considered the answers to the questions posed at Section 2 of the Annual Governance Statements for Godalming Town Council and Godalming Joint Burial Committee and recommended 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 and 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 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 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 and 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 and , if required, independent examination or audit.	N/A	This Council manages no trust funds.

69. WORK PROGRAMME

Members reviewed the work programme including action points for the coming year and agreed who should take responsibility for each aspect of the schedule (a copy of the agreed work programme is attached to record minutes).

70. BANK RECONCILIATION

Members heard that the Responsible Finance Officer had been 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 by RBS. It was agreed that the bank reconciliation at 31 March 2011 would be provided and that by 31 July 2011 or sooner (once the conversion and upgrading of the accounts was completed) the Chairman should sign off the completed bank reconciliations to date. As identified in the work programme referred to above (Minute 69-11) the Chairman would review the bank reconciliation process.

71. REVIEW OF SUPPLIERS

Members acknowledged the review of suppliers tabled at the meeting and agreed that from now on the review should be part of the work programme. Councillor Hunter should undertake this responsibility in conjunction with the Cemeteries & Facilities Manager.

72. RBS ACCOUNTING SOLUTIONS MIGRATION

Members noted that the Responsible Finance Officer (RFO) had now received back the upgraded software for both accounting packages relating to Godalming Town Council and the Joint Burial Committee and that, to ensure the software was working properly, tests would have to be conducted to ascertain that the trial balances were the same as the data at the end of the financial year.

Members also acknowledged that the RFO had still to undertake training on the new system. Despite this it was hoped that the work would be finished by the end of July 2011 was crucial to get the 3 months accounts outstanding for both Godalming Town Council and Godalming Joint Burial Committee inputted onto the system in order that the VAT return could be prepared to meet the statutory deadline.

Members noted the progress made on this important matter and were assured that it remained a priority to complete the migration and provide the Council with adequate accounting records. It was agreed that the Responsible Finance Officer would keep the Chairman apprised of developments.

73. DATE OF NEXT MEETING

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

74. ANNOUNCEMENTS

There were no announcements.