

**MINUTES AND REPORT OF THE AUDIT SUB-COMMITTEE
HELD ON THE 21 JUNE 2012**

* Councillor S Bott – Chairman
* Councillor Hunter – Vice Chairman
0 Councillor Cosser
0 Councillor A Bott
* Councillor Thornton

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

63. MINUTES

The Minutes of the Meeting held on 1 March 2012 were signed by the Chairman as a correct record.

64. 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.

65. 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.

66. WORK PROGRAMME

Members reviewed the work programme, including action points, for the year. In addition Members also reviewed who should take responsibility for each aspect of the programme in the light of the changes made to the membership of the committee.

It was agreed that Councillor Thornton would take over the areas of responsibility on the work programme formerly undertaken by Councillor Wheatley and in addition take over the Review of Ongoing Suppliers. Councillor Cosser was nominated to undertake Budgetary Controls (copy attached to record minutes).

To ensure that all changes to the work programme were updated it was agreed that when Members actioned reviews they would, in future, provide written feedback to the following meeting rather than a verbal report.

Members recognised that the essential work on both Standing Orders and Financial Regulations had been completed and where necessary amendments had been agreed. However, it was also recognised that there was more work to be undertaken on both documents, which would be brought forward to the next meeting of the Audit Sub Committee.

It was noted from the Internal Auditor's report that the General Power of Well Being had not been applicable in the financial year 2011-12. However, Members recommended that at the next Policy & Management meeting clarification should be sought to whether this

was the appropriate time for Godalming Town Council to acquire the Power of General Competence.

67. BANK RECONCILIATION

The Responsible Finance Officer tabled the current Bank Reconciliations for the information of Members.

Members agreed that the Chairman should sign the bank reconciliations tabled.

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 Tuesday, 22 May 2012 by the internal auditor Mulberry and Co.

Members agreed the Internal Audit report and letter 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 4 of 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 both Policy & Management Committee and Godalming Joint Burial Committee on Thursday 28 June 2012.

| | 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 Sub-Committee as recorded in the minutes of the Sub-Committee and reported to the P&M Committee on 17 March 2012 (Minutes 397-12 refer). Also assurances in the Internal Audit Reports |

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| 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 01 March 2012 (Minute 379-12 & 380-12) |
| 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 Sub Committee's work programme. All previously reported to P&M Committee on 15 March 2012 (Minute 397-12 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 15 March 2012 (Minute 397-12 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 254-12 & 255-12 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 | N/A | This Council manages no trust funds. |

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| | accountability for the fund(s)/assets, including financial reporting and , if required, independent examination or audit. | | |
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| | Question <i>Godalming Joint 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 Sub-Committee as recorded in the minutes of the Sub-Committee and reported to the P&M Committee on 17 March 2012 (Minutes 397-12 refer). JBC Committee 23 June 2011 (Minutes 10-11 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 01 March 2012 (Minute 379-12 & 380-12) |
| 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 Sub Committee's work programme. All previously reported to P&M Committee on 15 March 2012 (Minute 397-12 refers) |

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| 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 JB Committee on 12 January 2012 (Minute 70-11 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 60-11 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 liability in respect of Memorials and Memorial inspections. 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. DATE OF NEXT MEETING

The next meeting of the Audit Sub-Committee is scheduled to be held on Thursday, 4 October 2012 at 6.30 pm in the Council Chamber.

70. ANNOUNCEMENTS

There were no announcements.