

**MINUTES AND REPORT OF THE EXTRAORDINARY AUDIT SUB COMMITTEE
HELD ON THE 3 NOVEMBER 2011**

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

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

233. MINUTES

The Minutes of the Meeting held on 3 October 2011 were signed by the Chairman as a correct record.

234. APOLOGIES FOR ABSENCE & SUBSTITUTIONS

Councillor T Martin was approved as a substitute for Councillor Wheatley

235. 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.

236. 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.

237. EXTERNAL AUDIT REPORTS FOR GODALMING TOWN COUNCIL AND JOINT BURIAL COMMITTEE

Members considered the Annual Returns, External Auditor's (BDO Stoy Hayward) Reports and related correspondence for Godalming Town Council and the Godalming Joint Burial Committee. Members noted that the accounts for Joint Burial Committee were unqualified but that External Auditor had drawn the reader's attention to the fact that the assets had been restated in line with the revised guidelines. Members further noted that no further action was required in respect of this issue.

Members noted that the accounts for the Town Council had been qualified on two counts with points to be actioned. The RFO and the Town Clerk had both been in contact with the External Auditor querying the points raised. Members considered the relevant correspondence and noted that the External Auditor had conceded that both points of qualification had been dealt with and that the Annual Return would be amended to reflect unqualified accounts.

Members noted that the External Auditor's report drew attention to The Accounts and Audit (England) Regulations 2011 which came into force on 31 March 2011. There is a significant change in the new regulations which means that Godalming Town Council may no longer delegate responsibility for financial management to a Committee (Regulation 4).

The required annual review of the effectiveness of systems of internal control must be considered by the Full Council.

Members discussed the implications of this change for Godalming Town Council. Two options were considered; the first was to continue with this sub-committee undertaking its rolling work programme which is an on-going review of the effectiveness of systems of internal control and making a full report of that review annually to the Policy & Management Committee – to fulfil the new regulatory requirement the Policy & Management Committee would then make its report to the Full Council. The second option considered was to cut the Policy & Management Committee out of the process, this could be achieved by creating the Audit Committee as a standing committee of Full Council (rather than a sub-committee of the Policy & Management Committee) and thus have the Audit Committee report directly to Full Council. Members agreed that they preferred the first option.

Members therefore resolved to make the following recommendation to the Policy & Management Committee for onward recommendation to Full Council; “that in order to fulfil its duties under The Accounts and Audit (England) Regulations 2011 Godalming Town Council should consider the Audit Sub-Committee’s findings from its review of the effectiveness of the systems of internal control at meetings of both the Policy & Management Committee and Full Council by 31 March each year. Specifically this will mean that extraordinary meetings of the Policy & Management Committee and of Full Council are required in March 2012. It is further recommended that these meetings be arranged for the evening of 15 March 2012 with the Policy & Management Committee meeting commencing at 7.15pm (or at the conclusion of the preceding Planning & Environment Committee meeting which ever time is later) and a Full Council meeting commencing at 8pm (or at the conclusion of the preceding Policy & Management Committee meeting which ever time is later).

238. DATE OF NEXT MEETING

The next meeting of the Audit Sub Committee is scheduled to be held on Thursday, 1 March 2012 at 6.30 pm in the Town Clerk’s Office.

239. ANNOUNCEMENTS

The Responsible Finance Officer announced that the training requested at the last meeting of the Audit Sub Committee had been arranged for 17 January 2012. The training will commence 7.00pm and is expected to last 2 hours and will be held in the Peppercot.