

GODALMING TOWN COUNCIL

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Municipal Buildings
Bridge Street
Godalming
Surrey GU7 1HT

2 October 2015

I HEREBY SUMMON YOU to attend the **AUDIT COMMITTEE** Meeting to be held in the Council Chamber, Municipal Buildings, Godalming on THURSDAY, 8 OCTOBER 2015 at 7.00 pm.

Louise P Goodfellow
Town Clerk

Committee Members: Councillor Hunter – Chairman
Councillor Walden – Vice Chairman
Councillor Noyce
Councillor Williams
Councillor Pinches

A G E N D A

1. MINUTES

To approve as a correct record the minutes of the meeting held on the 4 June 2015, 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 4.

4. DISCLOSABLE PECUNIARY INTERESTS AND NON-PECUNIARY INTERESTS

To receive from Members any declarations of interests in relation to any items included on the Agenda for this meeting required to be disclosed by the Localism Act 2011 and the Godalming Members' Code of Conduct.

5. WORK PROGRAMME

The work programme is attached for the information of Members

6. BANK RECONCILIATION

The Responsible Finance Officer to table the current Bank Reconciliation for the information of Members.

Members to agree that the Chairman should sign the bank reconciliation tabled.

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

7. BUSINESS CONTINUITY PLAN

Members to consider an updated draft business continuity plan (attached for the information of Members).

8. CREDIT CONTROL POLICY

Members to consider a draft credit control policy (attached for the information of Members).

9. CONCLUSION OF EXTERNAL AUDIT & APPROVAL OF ANNUAL RETURN

Members to receive the completed Annual Return for the financial year ending 31 March 2015 and the accompanying report from the External Auditor for Godalming Town Council (copies attached for the information of Members).

The external audit for the year ending 31 March 2015 was completed on 28 August 2015 and received on 7 September 2015, there were no matters which came to the auditor's attention which gave the auditor cause for concern that relevant legislation and regulatory requirements have not been met. The Notice of Conclusion of Audit has been displayed on the Town Council's Notice Board for at least 14 days as required by the Accounts and Audit Regulations 2011.

One issue is drawn to the Council's attention by the auditor – and the Council is recommended to take action upon it to ensure that the Council acts within its statutory and regulatory framework. The issue is stated as being "Although a precept was set by the due date, and the council did prepare a budget to support this, the budget did not appear to take into consideration the level of reserves held by the Council when calculating the precept figure." The attached auditor's report expands upon why this issue would be important.

However, the Town Clerk as RFO is unable to explain with any certainty why the issue has been raised at all (and since it is raised as a minor issue and does not impact upon the audit opinion she has not gone to the expense of seeking clarification from the external auditor). It is unclear which financial year the comment relates to. In any event Members who were part of the previous administration will know that in considering the budget and precept for each of the financial years 2014/15 and 2015/16 Members considered a projection of reserves in each year and this is evidenced by the agenda papers and record minutes for the relevant Policy & Management Committee and Full Council meetings in each of January 2014 and January 2015. Put simply the external auditor's assertion is incorrect. The only reasonable explanation is that somehow the Town Clerk neglected to supply the necessary evidence to the external auditor – if so the external auditor did not query the absence of any such evidence or test the assertion before issuing the report.

As such the Town Clerk as RFO does not think that any further action is required as a result of the audit report.

Members to note the conclusion of the external audit and the audit report and to forward all to Full Council for the approval of the Annual Return.

10. DATE OF NEXT MEETING

The next meeting of the Audit Committee is scheduled to be held on Thursday, 10 March 2016 at 7.30pm in the Council Chamber, or at the conclusion of the Planning & Environment Committee, whichever is the later.

11. ANNOUNCEMENTS

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

WORK PROGRAMME REVIEW LIST – 2014/15

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
Asset Control	Nick Williams/RFO	June 2012	Asset registers checked and agreed. To be reviewed March 2015 – review still outstanding (TC to chase)	To be reviewed each year	RFO to report orally at the meeting (8 October 2015)
Standing Orders	Nick Williams/TC/RFO	15 January 2015	Completed	Annual review required	Standing Orders to be reviewed 10 March 2016 for recommendation to Full Council on 31 March 2016.
Income Controls	Nick Pinches	31/10/2014	Conducted 31 October 2014 to be reviewed in 12 months	To be reviewed Autumn 2015	To be reported 10 March 2016
Payment Controls	Nick Pinches	31/10/2014	Conducted 31 October 2014. BACS payments issues still outstanding. To be reviewed in 12 months.	To be reviewed Autumn 2015	To be reported 10 March 2016
Payroll Controls	Nick Pinches	31/10/2014	Conducted 31 October 2014 to be reviewed in 12 months	To be reviewed Autumn 2015	To be reported 10 March 2016
Petty Cash	Nick Pinches	31/10/2014	Conducted 31 October 2014 to be reviewed in 12 months	To be reviewed Autumn 2015	To be reported 10 March 2016
Proper Book-keeping	Nick Pinches	31/10/2014	Conducted 31 October 2014 to be reviewed in 12 months	To be reviewed Autumn 2015	To be reported 10 March 2016

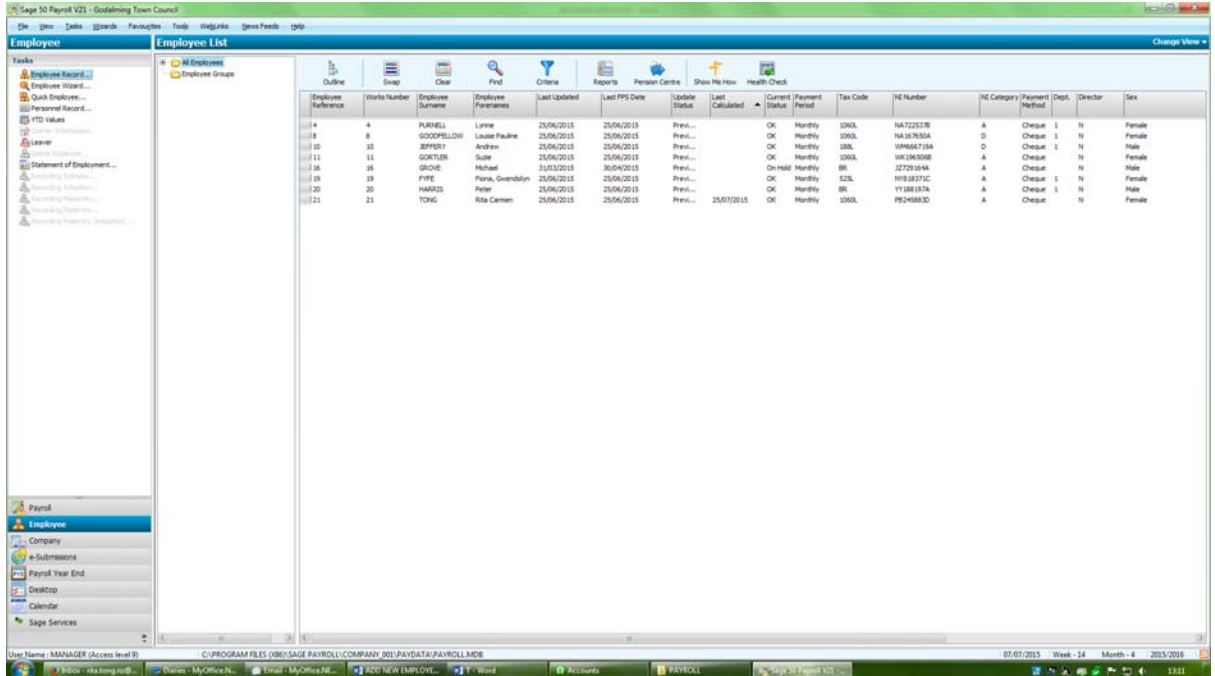
SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
Review of Ongoing Suppliers	Nick Pinches /Facilities Manager/TC	August 2014	Report received from Office Secretary relating to the change of stationery suppliers as a more lucrative supplier has been found. Further suppliers to be reviewed as an ongoing task and reported to next meeting of the Audit Committee by Cllr Thornton. Received updated Gas and Electricity review of charges renegotiated. Utility suppliers switched in August 2014. GTC uses a broker to ensure it is made aware of the best available deal.	Ongoing task.	
VAT Controls	Nick Pinches	31/10/2014	Conducted 31 October 2014 to be reviewed in 12 months	To be reviewed Autumn 2015	To be reported 10 March 2016
Bank Reconciliation	David Hunter/RFO	Ongoing	Latest Bank recs reviewed at each Meeting of Audit Committee	Chairman to review and sign at each meeting of the Audit Committee.	Ongoing
Financial Regulations	Kirsty Walden	New Financial Regulations adopted 15 January 2015	New Financial Regulations adopted 15 January 2015	Annual review required	Financial Regulations to be reviewed 10 March 2016 for recommendation to Full Council on 31 March 2016
Procedures	Kirsty Walden	Ongoing	Further review of procedures required in light of learning from prolonged absence/vacancy of key members of staff. Reported on 4 June 2015 and agreed that procedures be drafted by 31 August 2015 and reported to October meeting of the Committee.	List of procedures completed. Procedures for Sales ledger, Purchase ledger, Purchase orders, RBS accounting System, VAT, JBC procedures for Burial 1, 2,3, 4.	Financial procedures as drafted to date attached to this work programme for the information of Members on 8 October 2015.

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
Budgetary Controls	Kirsty Walden	May 2015	Two recommendations made on 13 November 2014 completed in May 2015 1. An additional user licence to access the RBS finance management system with the associated training is purchased to allow staff to access up to date income and expenditure information. 2. That a full time financial administrator is engaged as a matter of priority.	Completed May 2015	
Risk Management					
Business Continuity	Nick Williams/TC/RFO	February 2015	Reviewed Feb 2014 review in a year's time. – review overdue.	Update review due and follow up	Update Business Continuity Plan on the agenda for the current meeting – report to be tabled In accordance with decision of P&M Committee Town Clerk has placed order for remote server with GTC's IT support contractor. Installation yet to commence. File storage will therefore be remote with a back-up copy held in GTC's offices. The need to take & send back-ups off site will end.
Environmental	Nick Williams/TC/RFO	February 2014	To be reviewed annually	Review outstanding but TC/RFO does not deem it high priority because of duplication elsewhere.	
Legal	Nick Williams/TC/RFO	31/03/2013	Reviewed 7/03/2013	Review current	To be reported orally at this meeting 8 October 2015
Physical/Security	TC/RFO/David Hunter	24/01/2013	Reviewed and presented to meeting 24 January 2013.	Review outstanding	
Reputation	Julie Noyce/TC/RFO	17/03/2014	No outstanding issues. To be reviewed in Feb 2015	Review outstanding	

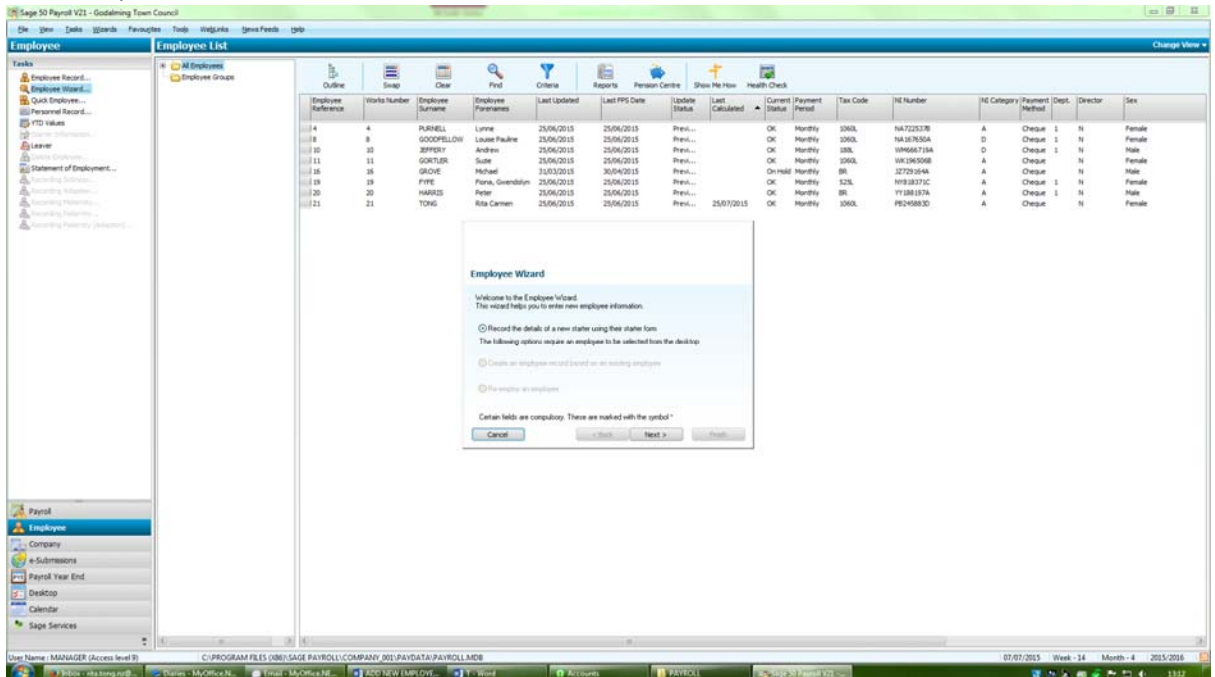
SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
Website	Kirsty Walden		New website planned as project for 2016		
Health & Safety	David Hunter/TC/RFO	June 2015	<p>Health & Safety Risk assessments reviewed.</p> <p>TC to ensure announcements at meetings to ensure adequate 'In case of fire' information is given to the public (also to cover recording of meetings).</p> <p>2015 February Appraisals identified additional training needs in particular Manual Handling training for new staff and refresher training for existing staff.</p> <p>Fire Risk Assessment for BWP deferred to be completed alongside Fire Safety Plan for the newly refurbished WNCC – to be reported 10 March 2016</p>	On going	
Financial Risks	Kirsty Walden /TC/RFO	4 June 2015	Report received 4 June 2015	Review June 2016	
Insurance	Town Clerk	4 June 2015	Review complete 4 June 2015. TC reported orally at the meeting. New group Personal Accident cover policy to cover staff	On going	
Management of Debt (particularly Bad Debt)	RFO	N/A	To bring draft procedures to October meeting of Committee		Draft Credit Control Policy on the Agenda for this meeting (8 October 2015)

ADD NEW EMPLOYEE

1. Get new employee to complete an Employee Record Information form (located on W: Rita/ Procedures/ Payroll).
2. Log onto Sage 50 Payroll.
3. Select Employee on left side menu.

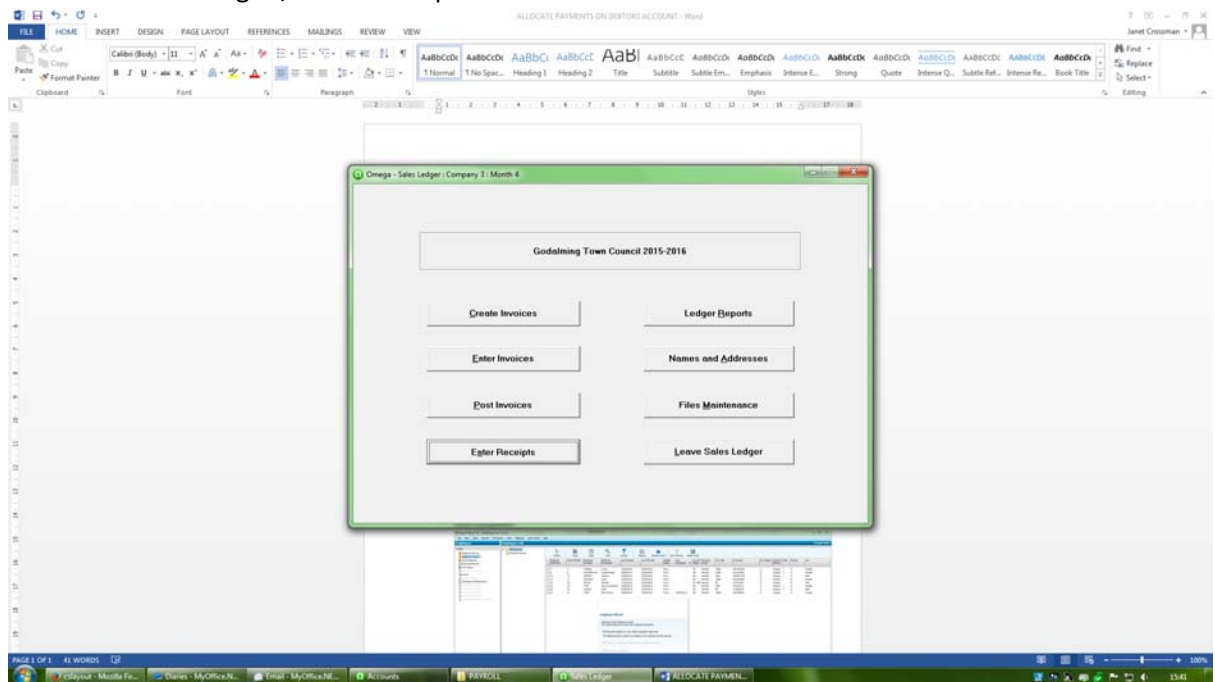


4. Select Employee Wizard and follow instructions using Employee Record Information details until completed.

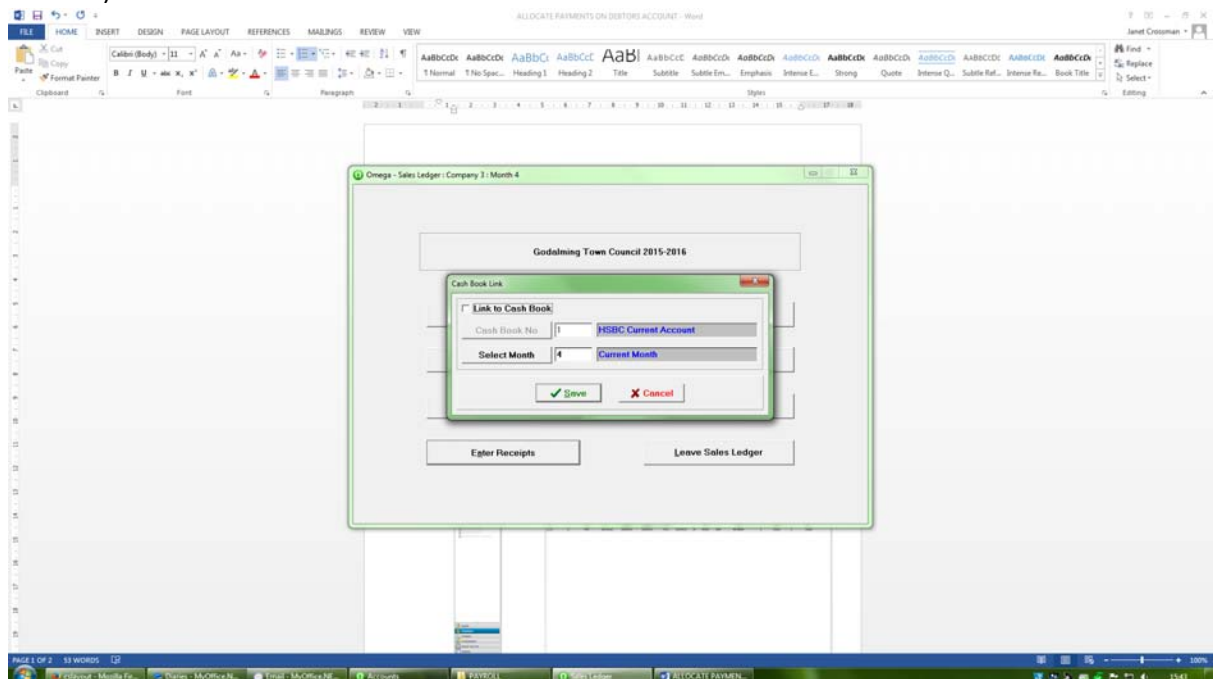


ALLOCATE PAYMENTS ON DEBTORS ACCOUNT

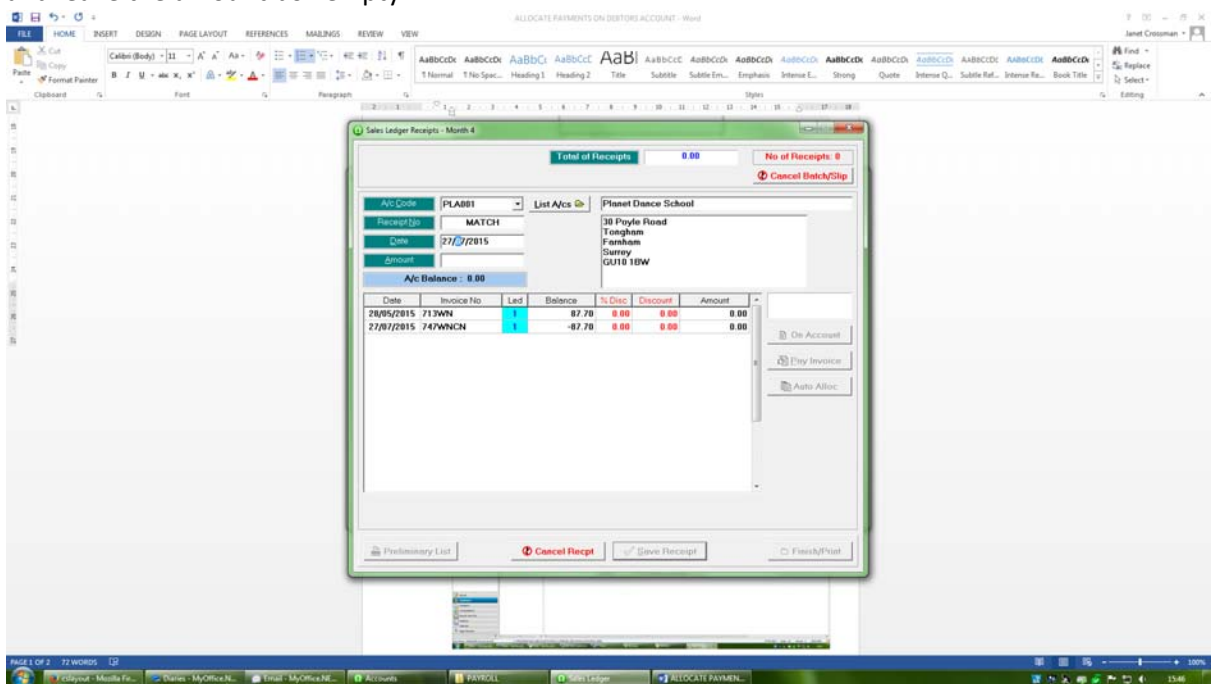
1. Go to the Sales Ledger / Enter Receipt



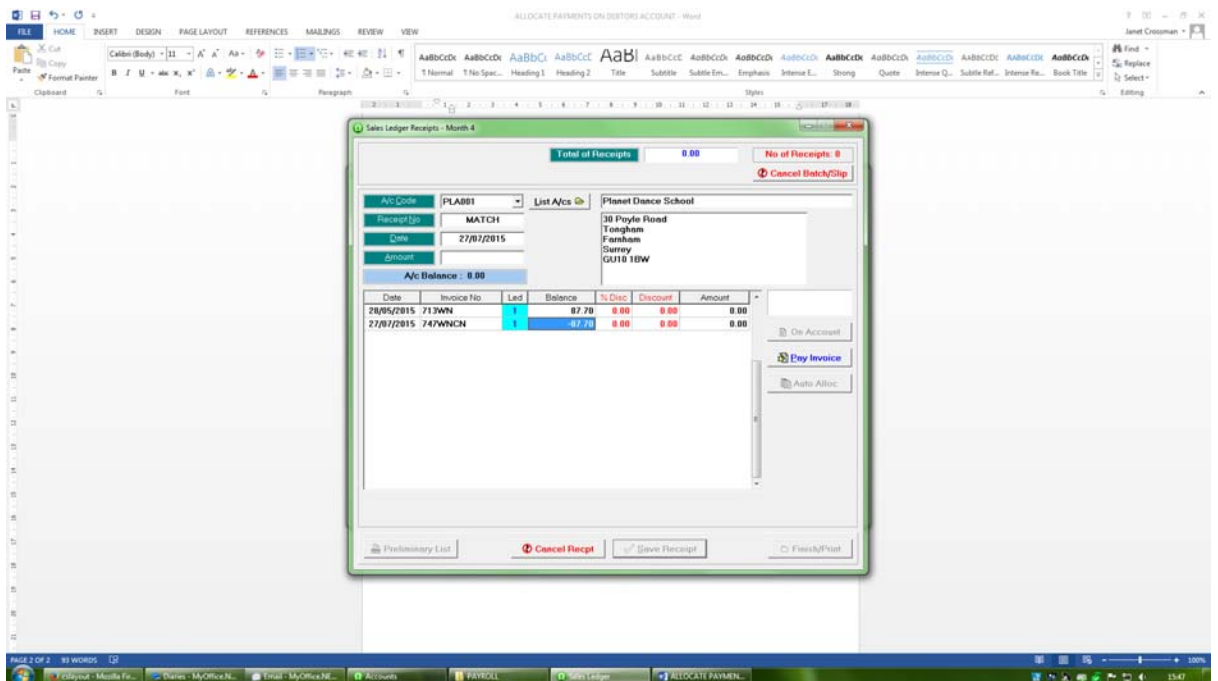
2. Ensure you untick the 'Link to Cashbook' box (this ensures it does not affect the bank account) and then click on 'Save'.



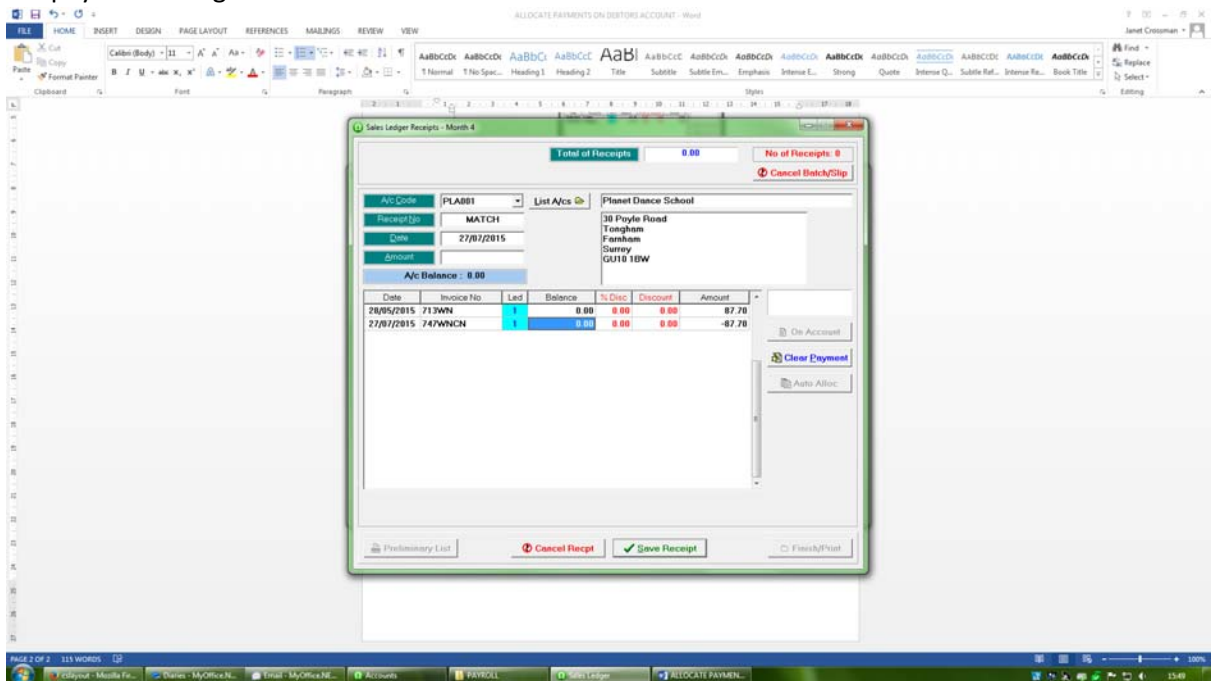
- Enter in the Debtor account number, under 'Receipt' enter MATCH, enter in relevant date and leave the amount box empty.



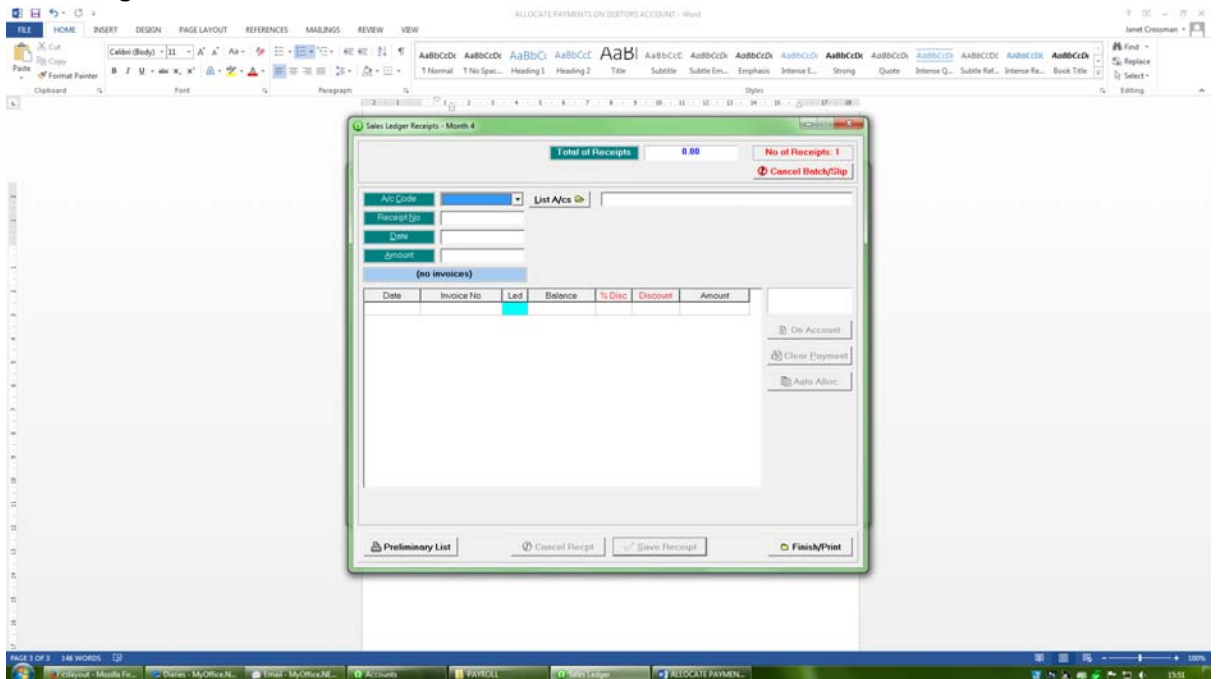
- Highlight the line with the negative amount (either the payment on account amount or the credit note value) and then click on the 'Pay Invoice' box on the right hand side of the screen.



- Highlight the invoice you want the payment or credit note to be allocated against and click on 'pay invoice' again.



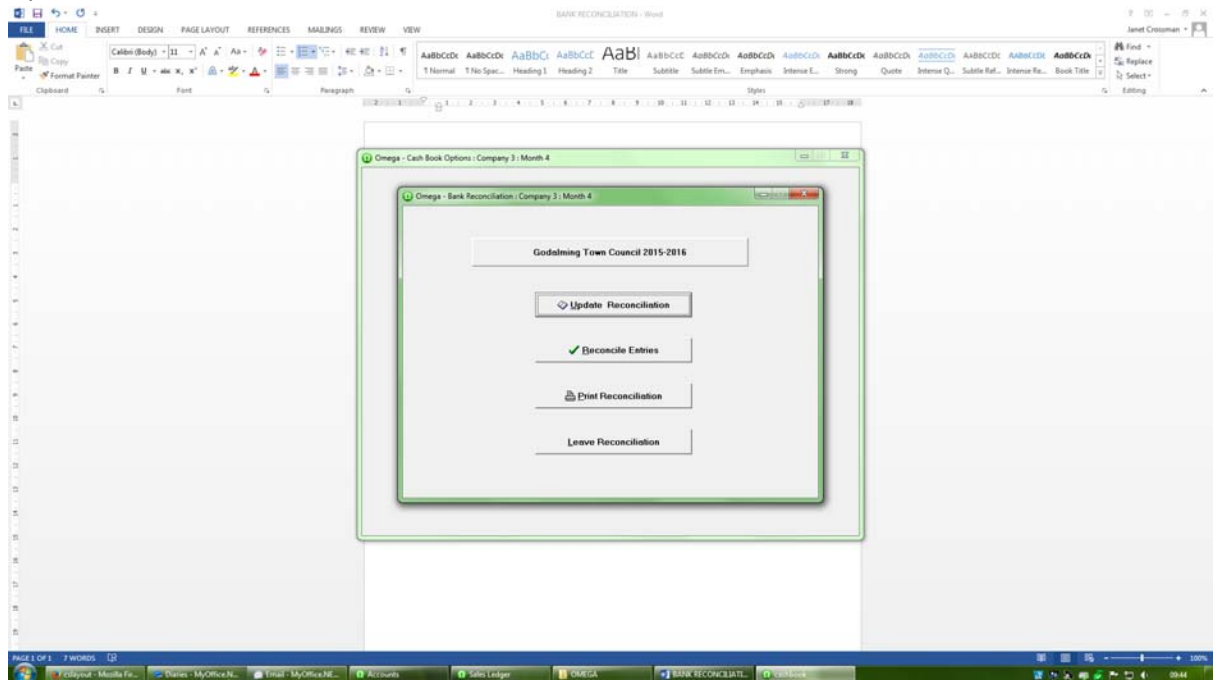
- Finally, click on 'Save Receipt' at bottom of screen.
- Repeat above steps for all allocations and when finished, click on 'Finish/Print' button at bottom right hand side of the screen.



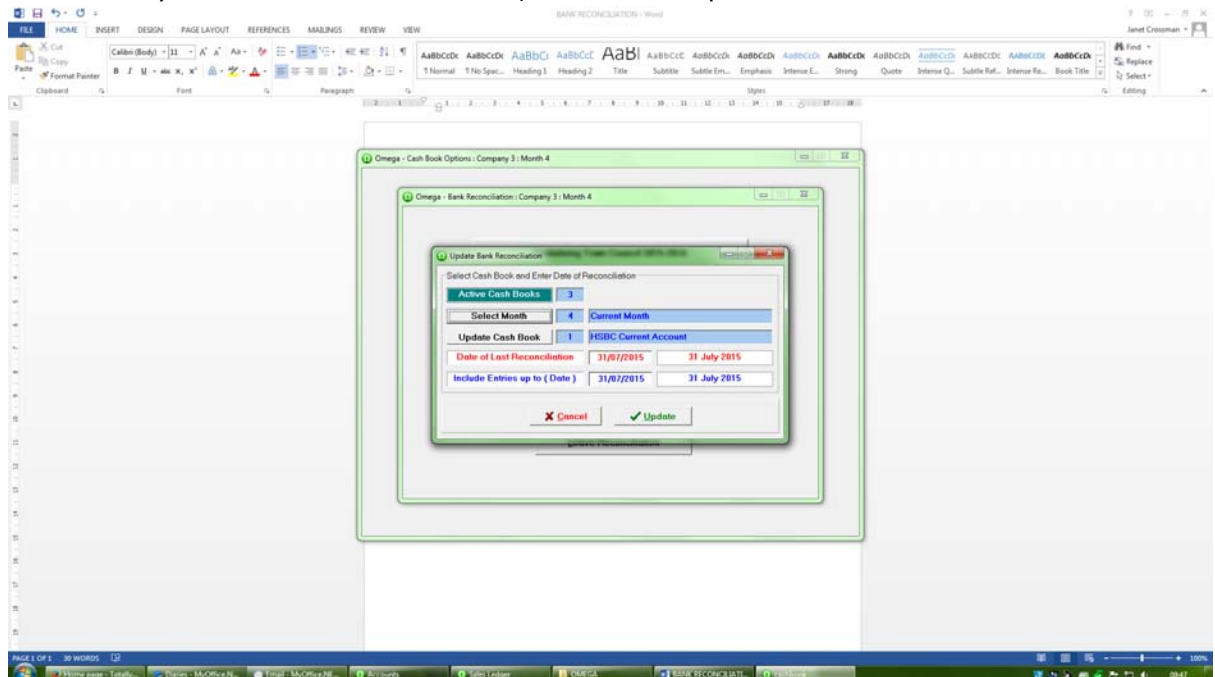
- This will automatically bring up the List of Receipts report which should be printed off and filed.
- Note that you can only allocate if the payment on account is less or equal to the invoices. You cannot allocate if the payment is more than the outstanding balance.

BANK RECONCILIATION

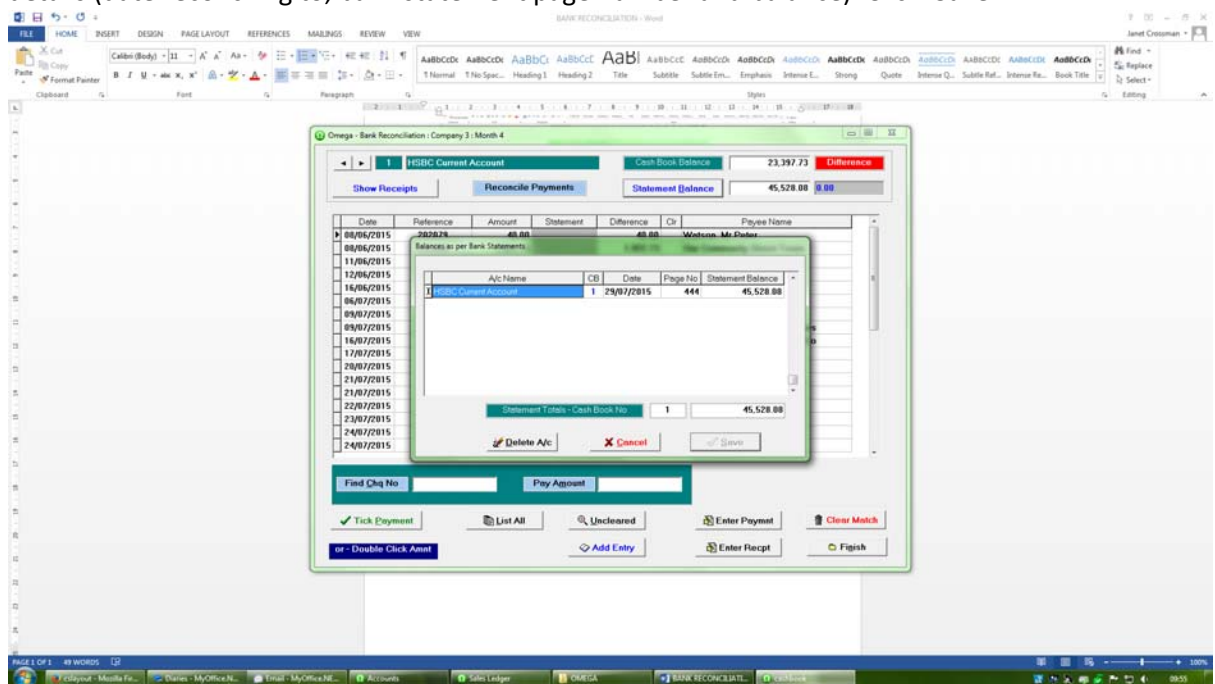
1. Open Cashbook / Reconciliation.



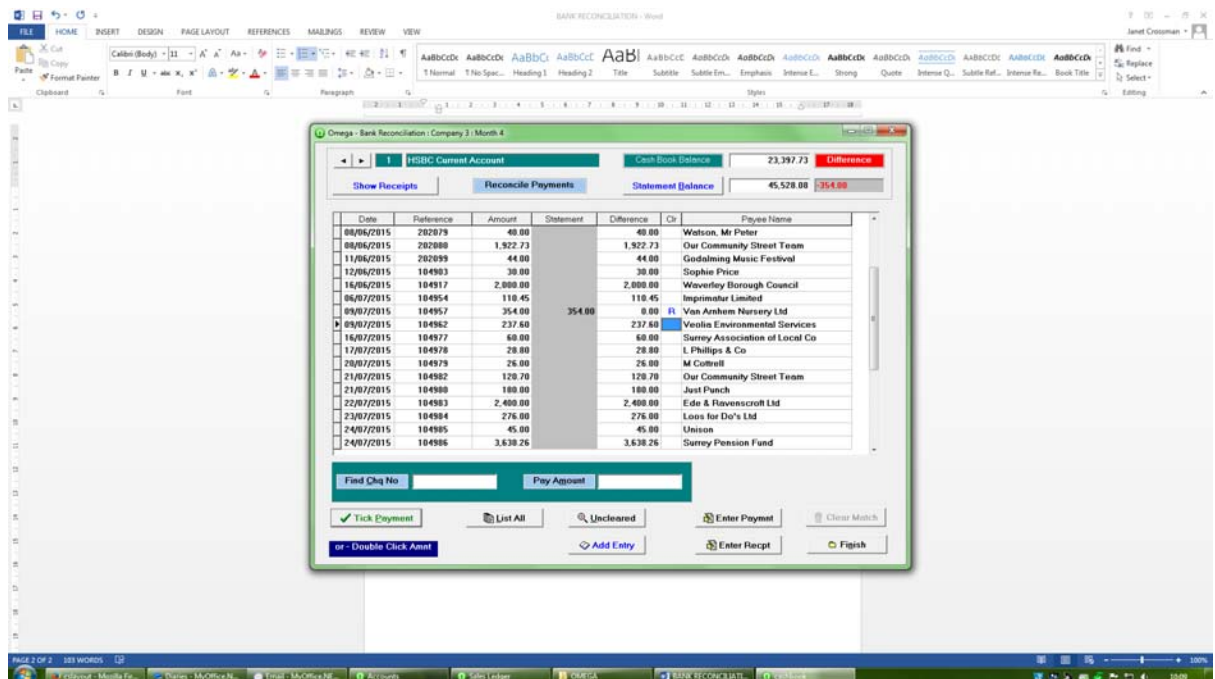
2. Click on 'Update Reconciliation', chose which bank account you want to reconcile (it will automatically show the main bank account) and click on 'Update'.



- Using the bank statement, click on 'Statement Balance' button (top right hand side) and enter details (date reconciling to, bank statement page number and balance). Click 'Save'.



- Match payments from screen to those on bank statement. When you find a match, either double click on the payment, or highlight and click on 'Tick Payment' (bottom left corner). A little blue 'R' will show that the item has been reconciled.



- When you have finished matching payments, click on 'Show Receipts' (top left hand corner) to bring up deposits. Repeat process for matching deposits.
- When you have completely reconciled Omega to the bank statement, the top right hand corner will show that the difference is zero. Click 'Finish' to exit.
- To print bank reconciliation, enter into 'Print Reconciliation' and ensure the correct bank account is selected then 'Print'. This will bring up a traditional reconciliation of Bank Statement balance, less unpresented cheques, add uncleared deposits equals Omega balance.
- Refer to separate process for recording previously unrecorded payments and / or deposits.

COMPLETE PAYROLL JOURNAL

1. Open prior month's journal and save as current month.
2. Update Month and Year at top of form.

PAYROLL SUMMARY		M03	JUN-15		
DETAILS		NC	C-CODE	DR	CR
GODALMING TOWN COUNCIL					
LOUISE GOODFELLOW-GROSS		4001	101	3,855.33	
LOUISE GOODFELLOW-JUNSON		523			22.50
LOUISE GOODFELLOW-PENSION-EES		522			327.70
ANDY JEFFERY-GROSS		4001	101	3,123.58	
ANDY JEFFERY-GROSS-FMRS MKT		4001	106	100.00	
ANDY JEFFERY-JUNSON		523			22.50
ANDY JEFFERY-PENSION-EES		522			219.20
S GORTLER-GROSS		4001	101	1,250.00	
S GORTLER-GROSS- BWP		4001	201	870.00	
S GORTLER-GROSS-FMRS MKT		4001	106	100.00	
F FYFE-GROSS		4001	110	2,039.33	
F-FYFE-PENSION-EES		522			132.56
L PURNELL-GROSS		4001	101	2,395.50	
L PURNELL-PAY ADJUSTMENT FROM NOV14		4001	101		83.30
L PURNELL-PENSION		522			155.71
RITA TONG-GROSS		4001	101	2,514.83	
RITA TONG-PENSION-EES		522			163.46
PETER HARRIS		4001	101	59.58	
PENSIONERS		4003	101	2,277.96	
PENSIONERS-F FYFE		4003	110	387.47	
NI-ERS		4002	101	1,199.78	
NI-ERS-GORTLER-BWP		4002	201	85.26	
NI-ERS-FARMERS MKT		4002	106	19.60	
NI-ERS-F FYFE		4002	110	188.23	
PAYE		521			2,275.05
NI-EESERS		521			2,848.61
TOTAL TO PAY HMRC					5,123.86

3. Use Sage Report Payment Summary (part 1) to complete individual gross pay, pension and post-tax deductions (e.g. Union Fees) and for total company PAYE and Net Pay.
4. Use Sage Report Payment Summary (part 2) to complete total company Employer NI, Employer Pension and Combined Employer/Employee NI Contributions.
5. Ensure box labelled Total to Pay HMRC agrees to Item 17 on the P32 Report. Investigate and resolve any discrepancies.
6. Ensure box labelled Total to Pay Pension Fund agrees with Surrey Pension Contribution Form. Investigate and resolve any discrepancies.
7. Ensure the Totals for the Month debit column agrees to the credit column. Investigate and resolve any discrepancies.

COMPLETE SURREY PENSION FORM

1. Open Surrey Pension Contribution Form and save as current month.
2. Update Month and / or Year at top of form using drop down menu.

**Surrey Pension Fund
Employers Pension Contributions**

EMPLOYING AUTHORITY: Godalming Town Council
 MONTH: June
 YEAR: 2015

Please complete and send to:
 E-mail: (both Addresses) finance.manager@surreycc.gov.uk & pensions.contributions@surreycc.gov.uk
 Postal Address: Surrey County Council, Accounts Receivable Team, 214, County Hall, Reigate Road, Kingston upon Thames, KT1 2DN

Payment details:
 BACS or CHAPS: Account Name: The Surrey Pension Fund, Sort Code: 40-50-30, Account Number: 6465743
 Cheque: All cheques must be made payable to The Surrey Pension Fund and must be submitted with the copy of the related contribution form.
 please note that all AVC (additional voluntary contributions) payments should be sent directly to Equitable Life or Prudential

Please quote the payment reference: Godalming Town Council Pension Fund Costs June 2015

STATUTORY CONTRIBUTIONS	£	GA Code	Cost Centre
1 Employees Ordinary		6701	
2 Employees Ordinary		6702	MRP200313
Employers Deficit Contribution (or Additional Monetary Amount) Deficit contributions for the year 13 or 12 instalments of £0.00		6702	
3		6702	
4 Employees Other Additional Contributions relating to (3) below		6732	
Sub Total			
EMPLOYEE ADDITIONAL CONTRIBUTIONS	£	GA Code	Cost Centre

3. Using Sage report Pension – Employees, update current month’s pension figure.

Date: 07/07/2015
 Time: 14:14:33
 Godalming Town Council
 Pensions - Employee
 TAX MONTH: 6 TAX WEEK: 14

Ref	Employee Name	Scheme Reference	Employee Reference	Current Period			Year to Dates			
				Pensionable Current	Pension Current	A.V.C. Current	Pensionable Y.T.O.	Pension Y.T.O.	Total Y.T.O.	
4	L PURNELL	3	2,395.50	155.71	0.00	155.71	9,811.00	624.72	0.00	624.72
9	LP GOODFELLOW	9	3,855.33	327.70	0.00	327.70	15,421.32	1,310.80	0.00	1,310.80
10	A JEFFERY	4	3,323.96	219.00	0.00	219.00	12,866.32	881.22	0.00	881.22
19	FG FYFE	3	2,038.33	132.56	0.00	132.56	8,187.32	530.89	0.00	530.89
21	HC TONG	3	2,514.83	163.46	0.00	163.46	7,254.88	470.27	0.00	470.27
			1968.83	0.00	0.00	1968.83	3,817.96	0.00	0.00	3,817.96
			(1968.83)	0.00	0.00	(1968.83)	(3,817.96)	0.00	0.00	(3,817.96)

*Please note this value does not include any contribution made to a salary sacrifice pension scheme.

4. Using Sage report Pension – Employers, update current month’s pension figure.

Preview

Date: 07/07/2015
Time: 14:17:29

Godalming Town Council Page: 1 of 1

Pensions - Employer

TAX MONTH: 4 TAX WEEK: 14

Non Salary Sacrifice Schemes

Ref	Employee Name	Scheme Reference	Employee Ref	Pensionable Current	Employer Current	Employer Y.Y.R.
4	L.PURCELL	3		2,395.50	455.15	1,826.11
8	LP.GOODFELLOW	9		2,855.35	732.51	2,930.54
10	A.JEFFERY	4		3,223.58	612.48	2,482.27
18	FG.FYFE	3		2,228.32	387.47	1,551.78
21	RC.TONG	3		2,514.83	477.82	1,374.85
				2,685.53	135,144.85	

*For salary sacrifice pension schemes this is the employer contribution including the amount sacrificed by the employee.

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- Compare total on Pension Contribution Form to Sage report Pensions – Current. Investigate and resolve any discrepancies.

Preview

Date: 07/07/2015
Time: 14:18:44

Godalming Town Council Page: 1 of 1

Pensions - Current

TAX MONTH: 4 TAX WEEK: 14

Non Salary Sacrifice Schemes

Ref	Employee Name	Scheme Reference	Employee Reference	Pensionable Current	Employee		Total Employee Current	Employer Current	Total Current
					Current	A.V.G. Current			
4	L.PURCELL	3		2,395.50	150.71	0.00	150.71	455.15	610.86
8	LP.GOODFELLOW	9		2,855.35	327.70	0.00	327.70	732.51	1,966.21
10	A.JEFFERY	4		3,223.58	219.20	0.00	219.20	612.48	831.68
18	FG.FYFE	3		2,228.32	125.56	0.00	125.56	387.47	526.03
21	RC.TONG	3		2,514.83	163.46	0.00	163.46	477.82	641.28
				998.53	0.00		998.53	2,855.43	3,854.06

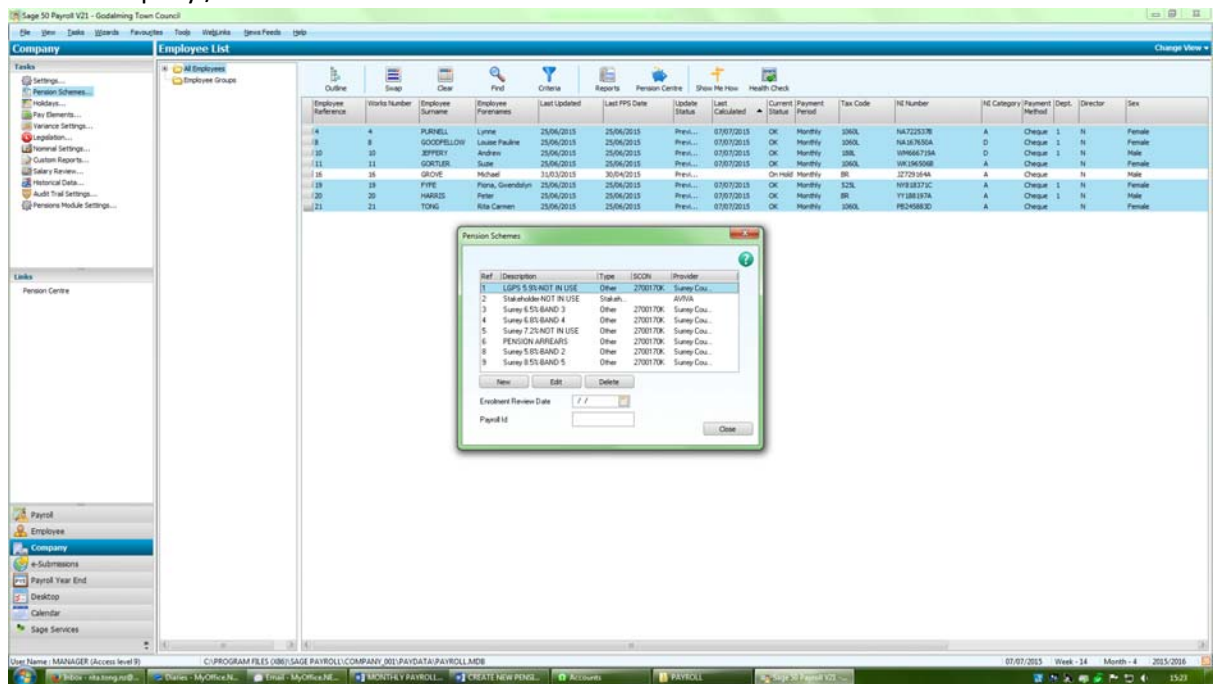
*For salary sacrifice pension scheme this is the employer contribution including the amount sacrificed by the employee.

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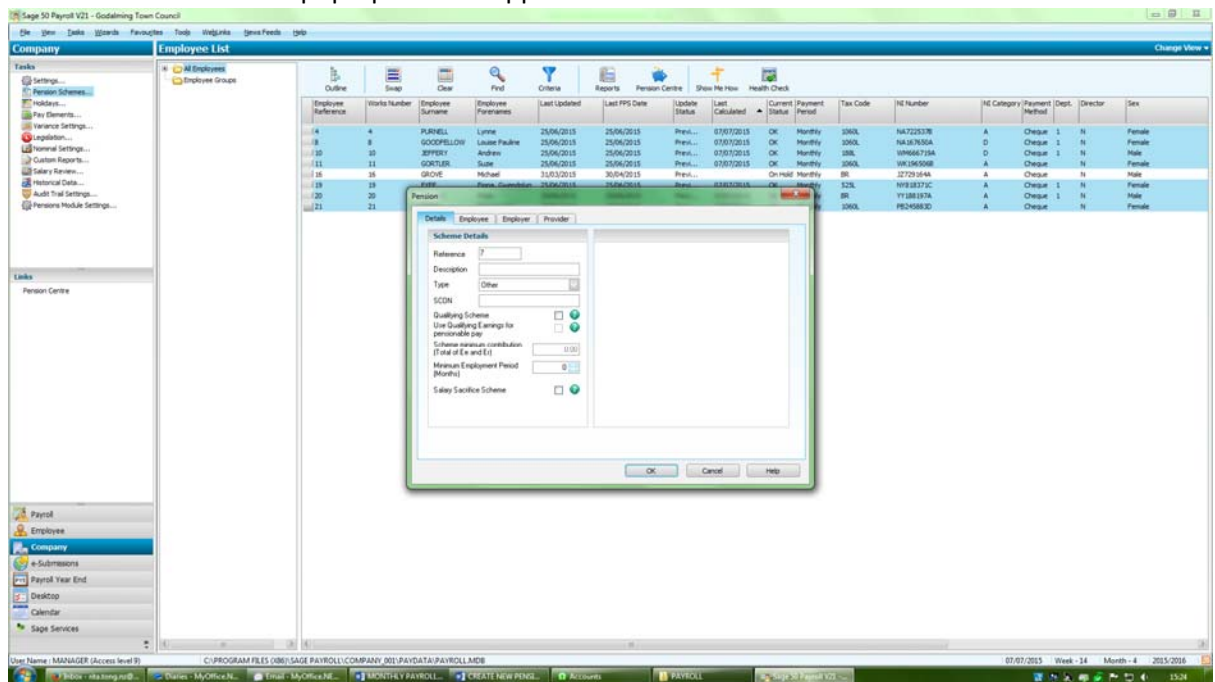
- Manually sum up Pensionable Current and put into Surrey Pension Contribution Form 'Total Pensionable Payroll' cell.
- Actual Ordinary Contributions as a Percentage of Payroll should equal 19%. Investigate and resolve any discrepancies.
- Send completed form with cheque to address on form.

CREATE NEW PENSION BAND

1. Log onto Sage 50 Payroll.
2. Select Company / Pension Schemes from the left side menu.



3. Select New and another pop-up box will appear.



4. Complete relevant details on each tab (Details, Employee, Employer and Provider) and then click OK to finish. Be sure to double check whether deductions are fixed or based on a percentage of income.

EMPLOYEE RECORD INFORMATION

EMPLOYER	GODALMING TOWN COUNCIL
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PERSONAL DETAILS	
FULL NAME (Including title & middle names as shown on your passport/driving license)	
ADDRESS	
TELEPHONE NUMBER	
MARITAL STATUS	
DATE OF BIRTH	
GENDER	
PASSPORT NUMBER (Provide Copy)	

NEXT OF KIN	
NAME	
RELATIONSHIP	
CONTACT DETAILS	

JOB DETAILS	
DATE STARTED	
ANNUAL SALARY OR HOURLY RATE	
JOB TITLE	
CONTRACTUAL HOURS PER WEEK	
HOLIDAY ENTITLEMENT	
NI NUMBER	
P45 (Please Attach)	

BANK DETAILS	
BANK NAME	
ACCOUNT NAME	
ACCOUNT NUMBER	
SORT CODE	

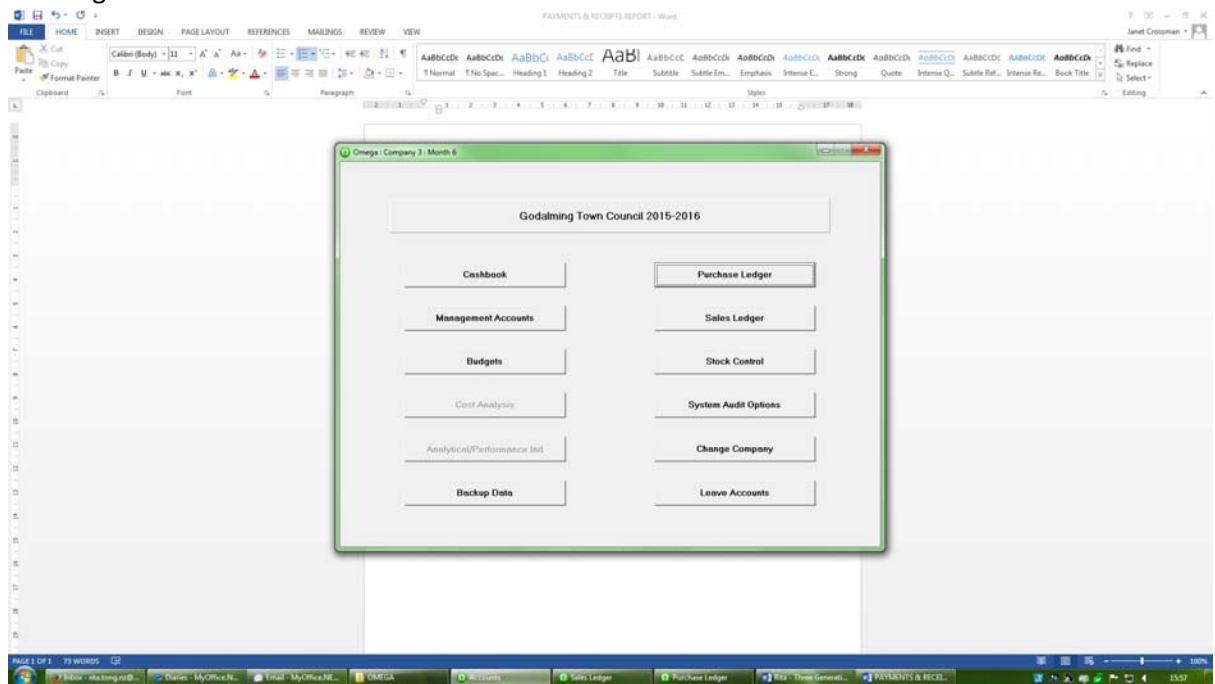
PLEASE TICK STATEMENT THAT APPLIES		
A	NOT been receiving taxable Jobseekers Allowance, Employment & Support Allowance, Taxable Benefit or State Pension	
B	This is my ONLY job, but since April 6 I have had another job or have received taxable Jobseekers Allowance / Employment Support	
C	I have another job or receive a state or occupational pension	
PLEASE ANSWER THE FOLLOWING QUESTIONS (IF APPLICABLE)		
1	Did you leave a course of UK Higher Education before 6 April & received your first student loan instalments on or after 1 September 1998?	Y/N
2	Have you fully repaid your student loan?	Y/N
3	Are you making repayments to the UK Student Loan Company by monthly DD from your bank?	Y/N

MONTHLY PAYROLL PROCESS

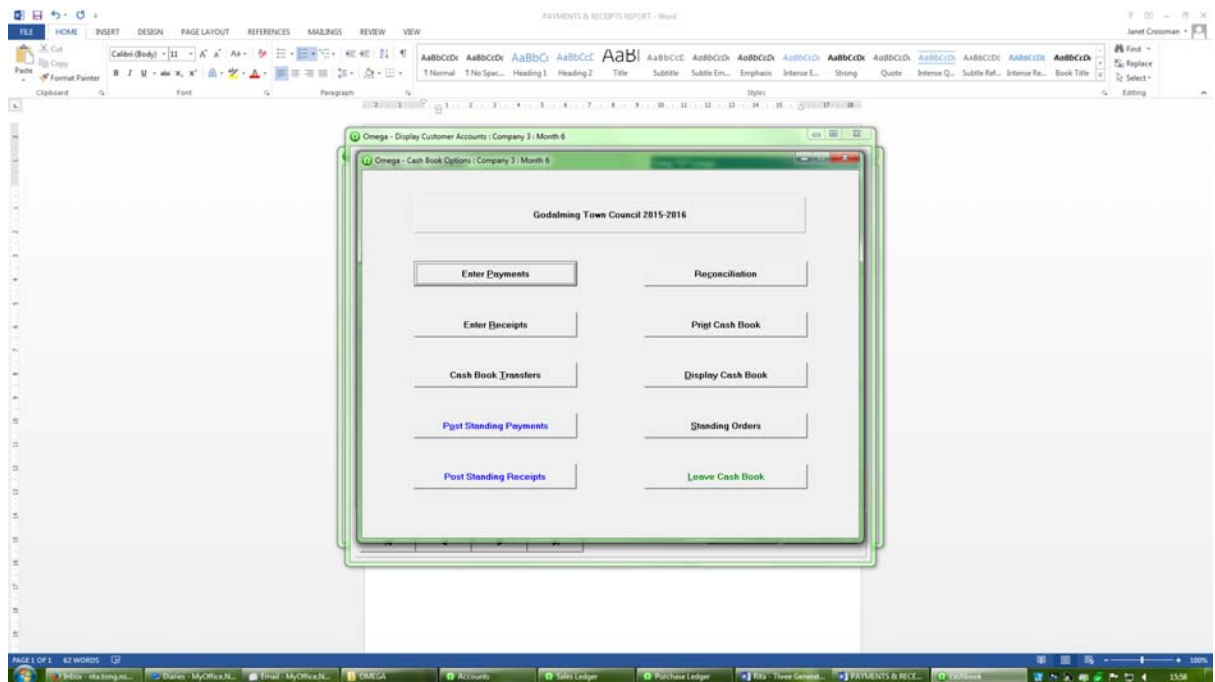
Process	Do By
1. Email all staff asking for any information regarding payroll for the month e.g. Farmers Market, new deductions, payroll adjustments	15 th of the month
2. Log onto Sage 50 Payroll and set processing date to the 25th	
3. Check HMRC secure mail box for any tax code changes and apply	
4. Process any new employees (see separate process instructions)	
5. Process payroll data and check payments online	
6. Print draft payslips report ~2015_Laser (2 per A4 Sheet) (see separate process instructions)	
7. Get Town Clerk's authorisation to proceed with payment.	
8. Print final payslips (see separate process instructions)	
9. Print following reports- Payment Summary Part 1, Payment Summary Part 2, Pensions – Current, Pensions – Employee and Pensions – Employer (see separate process instructions)	
10. Complete payroll journal in draft	
11. Write cheques and get signed by two Councillors	22 nd of the month
12. Distribute cheques to staff	22 nd of the month
13. Take back-up of payroll	
14. Update records (Select all employees / Payroll / Update Records)	
15. Print P32 report (see separate process instructions)	
16. Process any leavers and print P45	
17. Process Full Payment Submission (E-submissions / Full Payment Submission)	25 th of the month
18. Take final back up of payroll for the month	
19. Complete Surrey Pension contribution Form (see separate process instructions)	
20. Write cheques for Union Fees, Pension Contribution and HMRC PAYE/NIC	
21. Post payroll journal	End of month

PAYMENTS & RECEIPTS REPORT

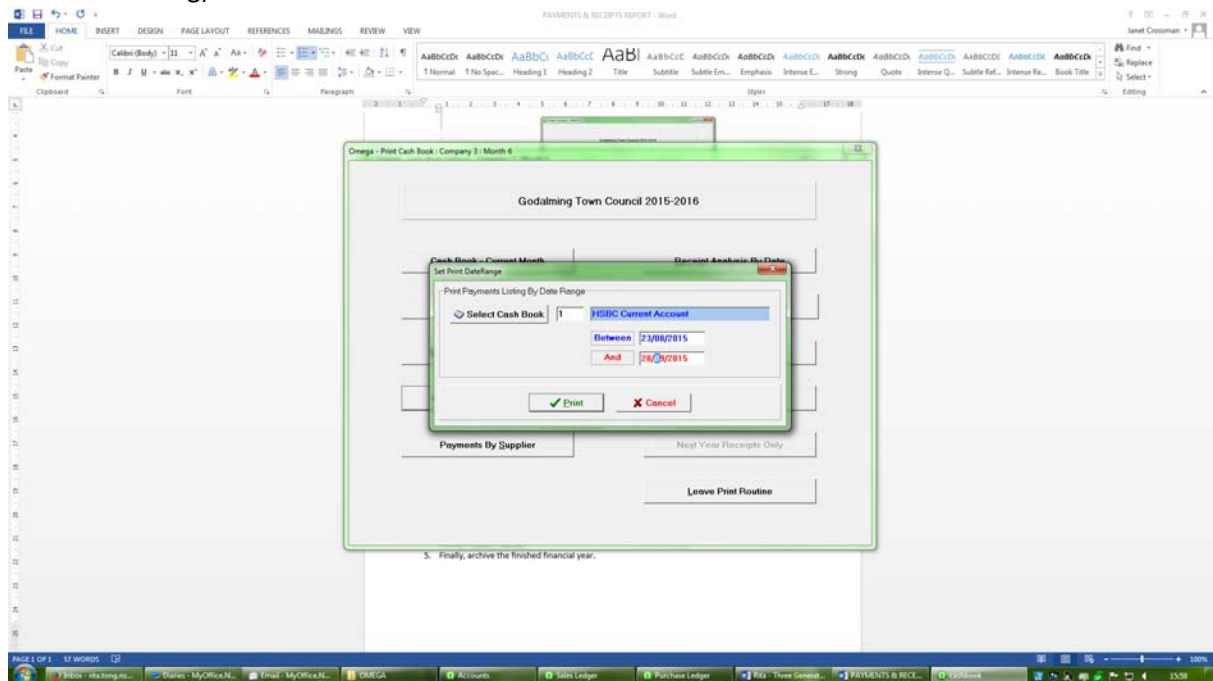
1. This report cannot be prepared ahead of time. It MUST be prepared on the day of the relevant meeting. Go into the Cashbook menu.



2. Then enter the 'Print Cashbook' menu.



- In 'Payments Listing by Date', enter the date range you need (date of last meeting to date of current meeting).



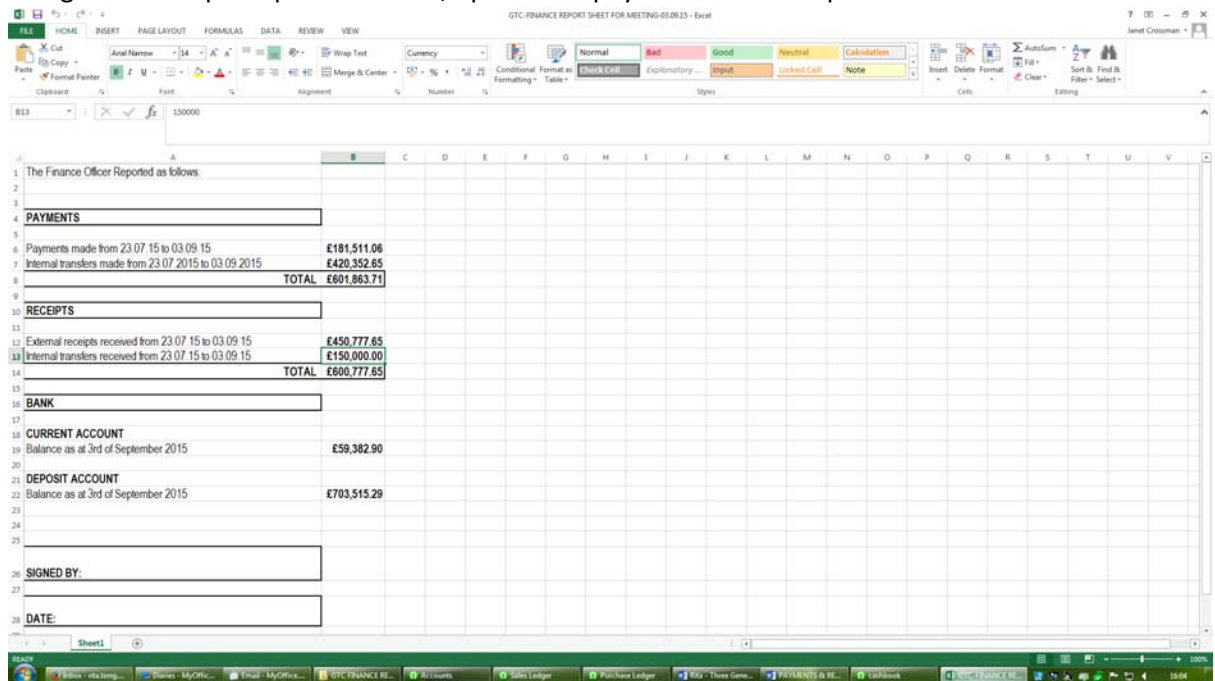
- This will produce a list of payments made that should be attached to the excel report (see step 6 below).

The screenshot shows a 'Print Preview' window for the 'Godalming Town Council 2015-2016' report. The report is titled 'List of Payments made between 23/08/2015 and 28/09/2015' for the 'HSBC Current Account'. The print date is 16/09/2015 at 16:00. The table below lists the payments:

Date Paid	Payee Name	Cheque Ref	Amount Paid	Authorized Ref	Transaction Detail
24/08/2015	Thames Water Utilities Ltd	105026	10.02		Gt George Str 15/5-13/8/15
24/08/2015	Thames Water Utilities Ltd	105027	237.31		Water 11/3/15 - 20/7/15
24/08/2015	Nelson Dish & Glassw ashing Mac	105025	7,549.56		30% Deposit on WNCC Kitchen
25/08/2015	Jones, Darren	105028	30.00		Install hanging baskets
25/08/2015	Lynton Intuition Ltd t/a Suppl	105029	152.82		Pens, Stapler, Toner Cartridge
25/08/2015	Penningtons Manches LLP	105030	990.00		LegalAdvice & Services to 11/8
25/08/2015	HMRC	105031	5,135.86		NI and PA YE M05 2015/16
25/08/2015	Unison	105032	45.00		Union Fees M05 2015/16
25/08/2015	Surrey Pension Fund	105033	3,689.86		Pension M05 2015/16
27/08/2015	Drake & Kannemeyer LLP Charter	105034	9,042.73		Contract Fee Progress Payment
28/08/2015	iHub Business Communications	8577	91.92		Connectivity 1/8 to 31/8/15
28/08/2015	Waitrose	CSH280815	18.71		Tea Supplies
31/08/2015	HSBC	DR310815	64.54		Bank Charges 16/7 to 15/8/15
31/08/2015	HSBC	DD310815	31.23		Bank Charges 16/8 to 30/8/15
01/09/2015	Cara Services Ltd	105035	847.58		Cleaning August 2015

- Repeat process within 'Receipts Analysis by Date', for equivalent report for money received.

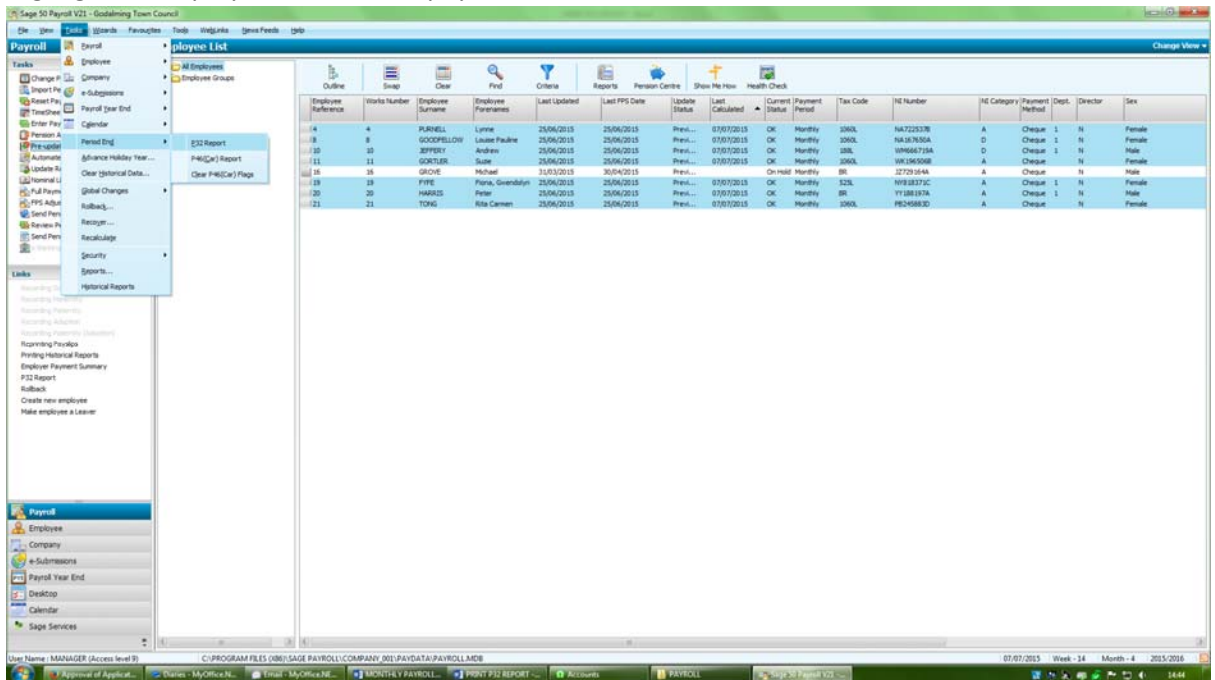
- Open excel spreadsheet called 'Finance Report' and rename with appropriate meeting date. Using the two reports printed above, update the payments and receipts cells.



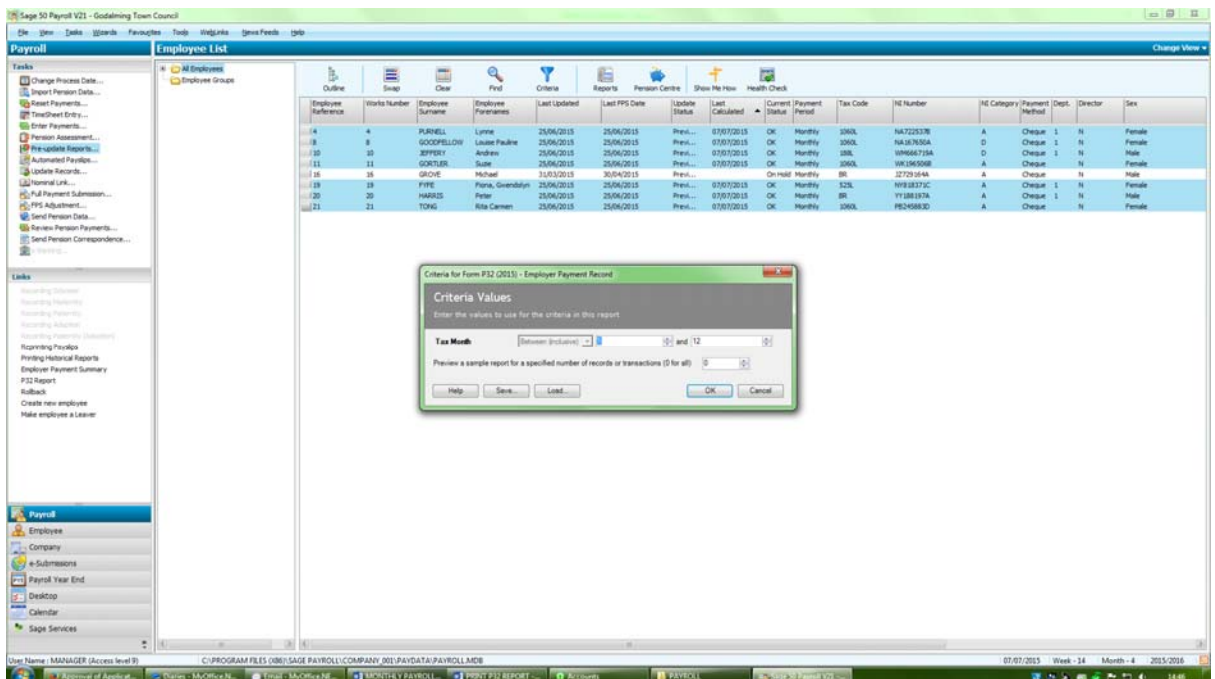
- Log into HSBC online portal and note bank balances. Transfer these balances onto spreadsheet as appropriate.

PRINT PRE-UPDATE REPORTS

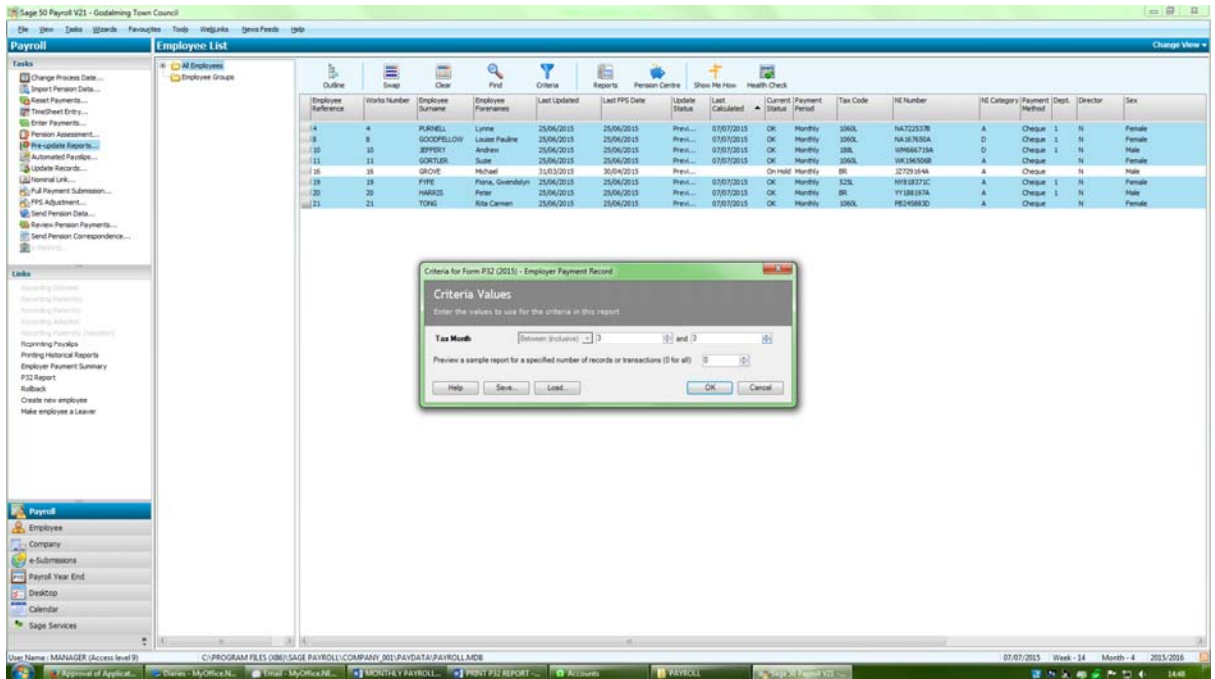
1. Highlight all employees included in pay run.



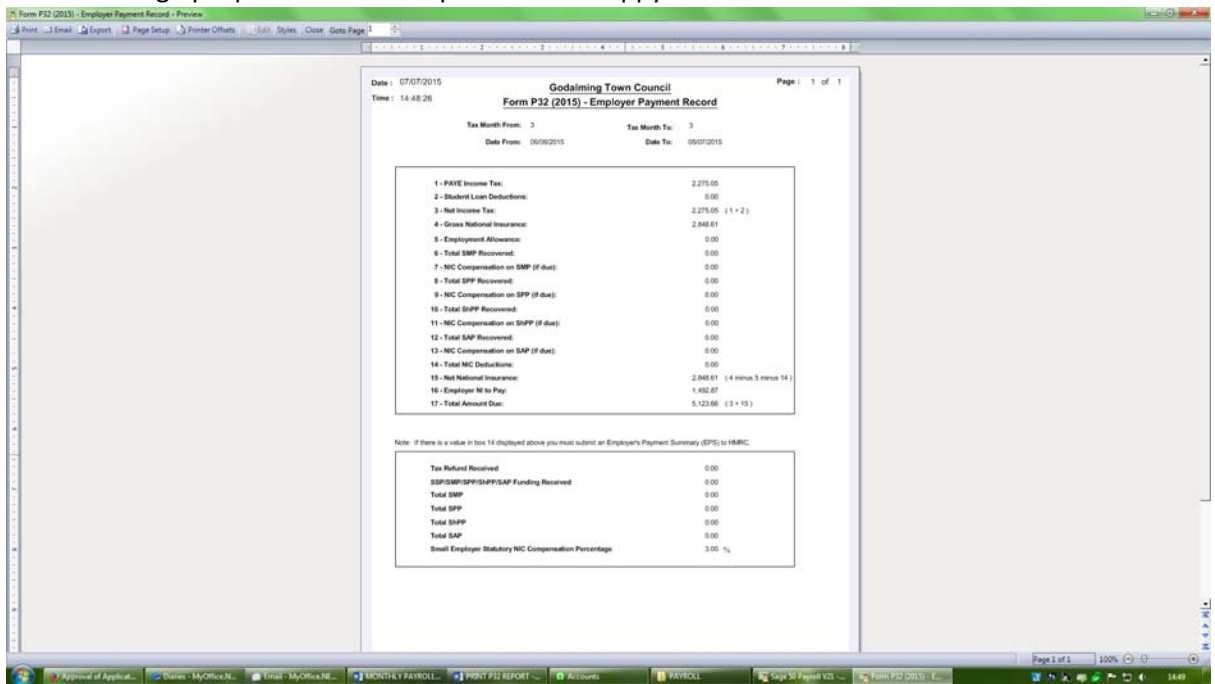
2. Select from top menu bar Tasks / Period End / P32 Report (shown above). This will open up a criteria box.



- Use the drop down boxes to select the current tax month (just the current month unless you want Year to Date information). Then select 'OK'.



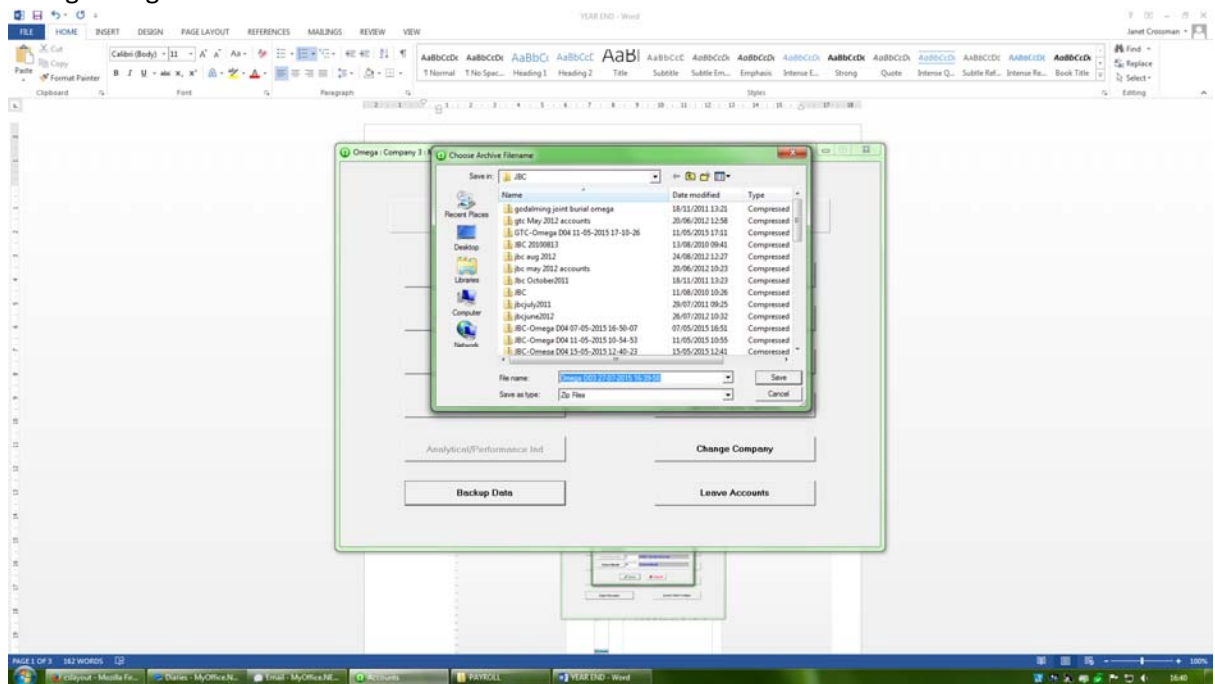
- This will bring up a preview of the report. Print if happy.



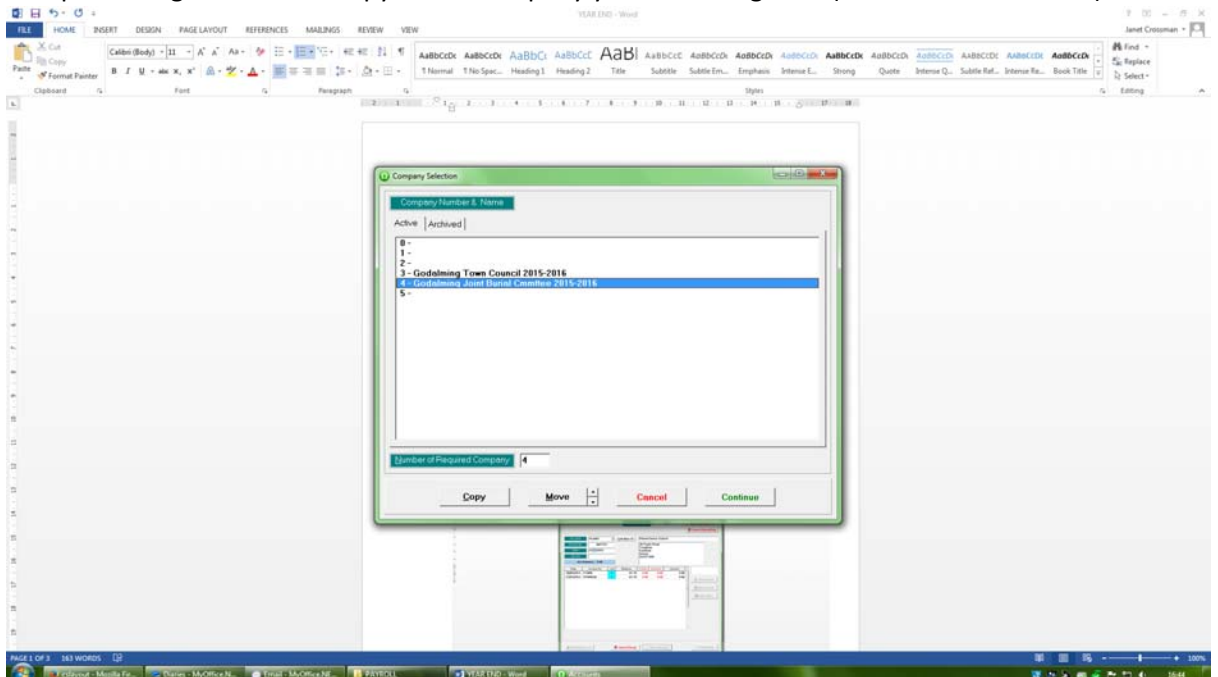
- Item 17 is the amount payable to HMRC for the month. Produce cheque for this amount.

YEAR END

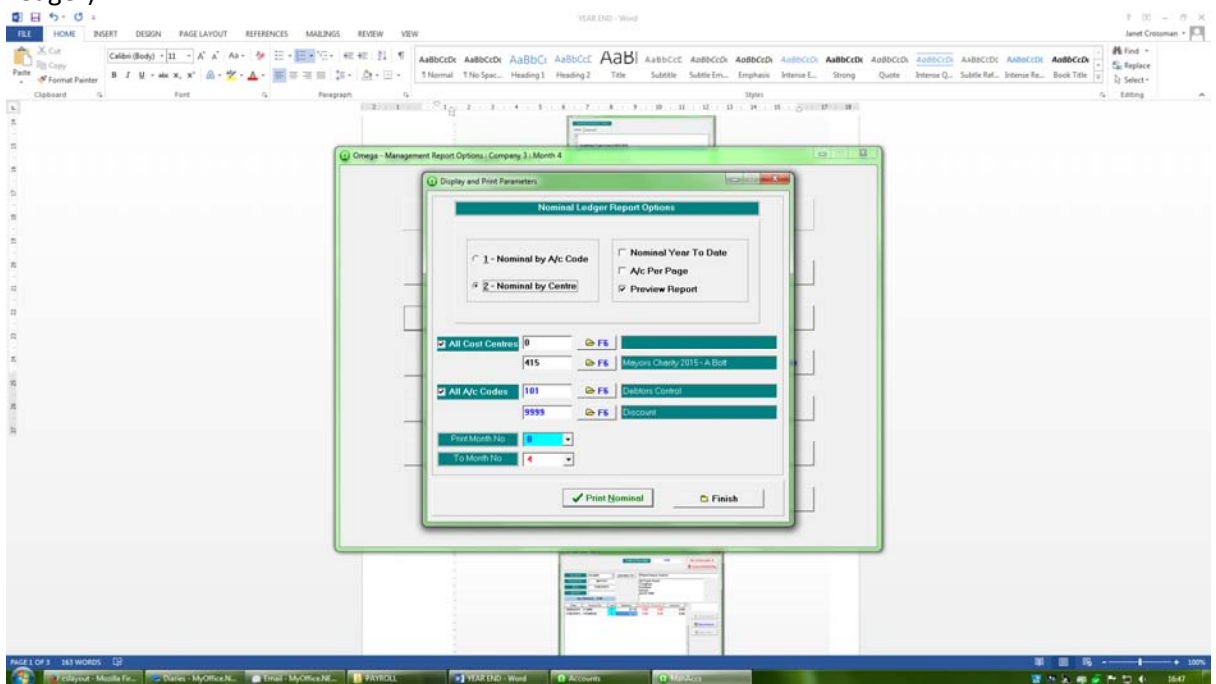
1. Take a backup of the ledger you are closing/rolling over into new financial year and then exit Omega altogether.



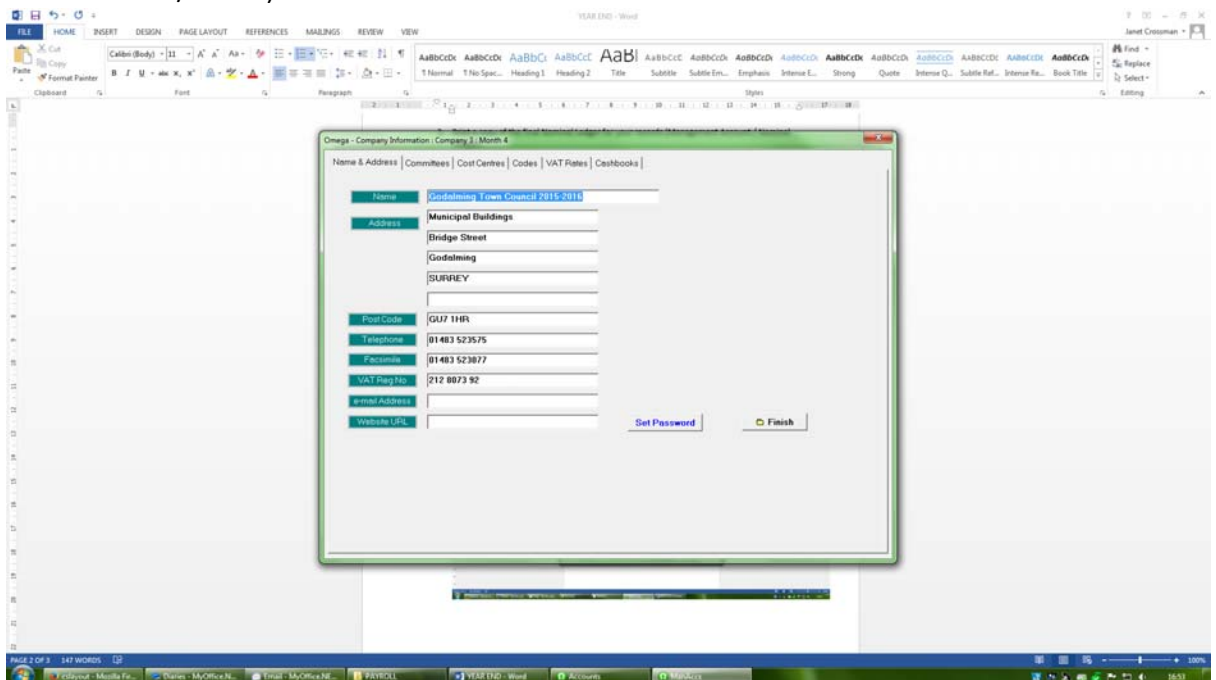
2. Re-open Omega and take a copy of the company you are rolling over (button at bottom left).



- Print a copy of the final Nominal Ledger for your records (Management Account / Nominal Ledger).



- Change title of one of your ledgers to the new financial year date (Management Accounts / Master Codes / Name).



- Finally, archive the finished financial year.

7. BUSINESS CONTINUITY PLAN

Plan for the Loss of Godalming TC offices

In the first instance this plan assumes a relatively localised emergency that renders the GTC offices unusable and requires GTC to resume its normal activities from another site. In the event of a widespread emergency it is assumed that GTC will suspend normal activities for some time – with the important exception that the Godalming Joint Burial Committee must maintain a service at all times. This plan assumes that one or more GTC staff is available to execute the plan – it does not cover what would happen if both the offices and all staff were lost.

Alternative Premises

GTC has control of a number of premises within Godalming that would provide suitable temporary accommodation for Town Council staff. These premises are, the Old Town Hall (Pepperpot), the Wilfrid Noyce Centre [temporarily unavailable until 2016] and Broadwater Park Community Centre. In normal circumstances all these locations have a power supply, telephone line, Internet access, lavatories and kitchen facilities. The Broadwater Park Community Centre is also equipped with a computer, fax/printer and basic supplies of stationery.

Sets of keys to all three premises are kept away from the main offices – the Centre Manager has keys to Broadwater Park Community Centre and the Town Clerk and the Deputy Town Clerk each carry a master key to The Pepperpot and the Wilfrid Noyce Centre. (Note that it would be appropriate if necessary to employ a locksmith to affect access to any of the three premises though the two community centres are equipped with burglar alarms and this course of action would be inadvisable without the codes to disable the alarm(s).)

Should access to the Godalming TC offices be unavailable the Town Clerk (or in her absence the Deputy Town Clerk) will nominate which premises will be used and inform all staff. Note that if the loss of access to the Town Council offices is short-term then the Town Clerk may propose that staff work from home for a day or two.

In the event of the long-term unavailability of the Council Chamber the Town Clerk will also identify alternative premises for Council and Committee meetings and let Councillors know as appropriate.

Computer & Other Equipment

GTC is heavily dependent upon information technology, however, once the Town Council has migrated to a remote server [anticipated by the end of October 2015] then all software and data will be held off-site. In the event of loss of the GTC offices or prolonged unavailability of the offices computers, new computers and other equipment would need to be purchased. Three members of staff are in possession of laptop computers issued by GTC and these are routinely kept at the officers' homes. It is assumed that these would be available for use in an emergency.

Details of the GTC's normal suppliers are to be found on the MyOffice contacts list (MyOffice uses a remote server and is accessible to any GTC employee at any location or computer using the internet and with the correct login details). Financial regulations should be followed as far as possible – though, in an emergency, speed of delivery may be allowed to outweigh lowest cost. Official order pads are only kept at the office and in an emergency orders would need to be placed without official orders; the Town Clerk and the

Deputy Town Clerk each hold a £500 imprest to enable the purchase of items from suppliers who will not agree to invoice the Town Council.

Information

It is assumed that in the event of a loss of Godalming Town Council offices all paper records would be lost too. Correspondence, reports, agendas and minutes generated by the office in the last 18 years is saved electronically. Most older statutory and otherwise historically significant records have been relocated at the Surrey History Centre. However, some significant and irreplaceable records are kept at the office being most of the Joint Burial Committee records; the Godalming Town Council minute books from 1974 and many deeds and leases and current arrangements in respect of preserving these records remain inadequate.

Town Council diaries, e-mails and contact information are maintained on the MyOffice system and this data is held on a remote server. It is assumed that the likelihood of the MyOffice system failing at the same time as a loss of the GTC offices is sufficiently remote as not to require any additional planning.

The Town Council's website is also hosted remotely and it is assumed that the website service would be maintained if the offices were lost.

Currently most electronic data and documents held by the Town Council is held on a single server. (Staff should not save documents etc. to individual computers; but staff working remotely from the GTC office have little choice.) The server is backed up every working day onto a portable hard disk. Ten encrypted hard disks are used (Monday, Tuesday, Wednesday, Thursday, Friday 1, Friday 2, Friday 3, Friday 4, Friday 5 and one spare). Every Friday that day's back-up hard disk is removed off site by being posted to Broadwater Park Community Centre; after a fortnight the Centre Manager brings it back to the office – so that there is always at least one back-up off site.

The Town Council is currently in the process of moving towards a remote server for all data which will change the back-up arrangements – all data will be held off site and be backed up off site. Additionally a daily back-up will be made and saved on site. When these arrangements are in place all data will be accessible to staff from any location.

If financial vouchers etc. were lost, financial transactions would be reconstructed by reference to the electronic record and bank accounts. The absence of the vouchers would make audits and VAT inspections a challenge but this difficulty does not warrant making and keeping copies of such vouchers.

Loss of a GTC Building not the Town Council

Assume that in the event of a loss of one of the Council's community buildings all services from that building will be ended.

8. CREDIT CONTROL POLICY

Introduction

This document sets out the policy under which commercial debt owed to the Godalming Town Council is controlled.

The Policy contains details on:-

- Methods of Payment
- Standard Terms and Conditions
- Debt Collection Procedure

This policy specifically relates to commercial debt.

The Audit Committee is responsible for authorising this policy, the Town Clerk for managing and reviewing this policy and the Finance Administrator is responsible for the effective operation of the debt management procedure therein. All staff are expected to be familiar with the policy and to contribute to its effective implementation.

Purpose of Policy

The purpose of this policy is to ensure that the debt of the Council is managed effectively, minimising levels of debt and bad debt write off in order to protect the overall financial health of the Council and maximise cash funds generated through commercial activity.

Methods of Payment

All cheques should be made payable to the Godalming Town Council and sent directly to the Council at the following address:-

**Godalming Town Council
Municipal Buildings
Bridge Street
Godalming
SURREY GU7 1HT**

All payments by Bank Transfer should be made to the following account:

**Bank: HSBC
Account Name: Godalming Town Council
Sort Code: 40-22-12
Account Number: 31377981**

You must quote your invoice number shown at the top right hand corner of your invoice as the reference, as this is used to identify payments.

Standard Terms & Conditions

Council standard terms and conditions apply. All customers seeking to use Council facilities must complete an application form.

Casual booking customers are required to pay for their booking before the date of the event.

For regular customers for whom credit has been permitted, invoices are due for payment on or before 30 days after the invoice date. Exceptions to this are made at the discretion of the Town Clerk.

Debt Collection Procedure

Sending reminders to debtors is the sole responsibility of the Finance Administrator. In most cases, this will not occur until the person who raised the invoice has been consulted with to agree action and will consist of a prescribed process dictated by the reminders intervals as set out below.

The following steps will be taken by the Finance Administrator to recover debt:-

At month end	Send latest Statement of Account to all customers with an outstanding balance.
30 Days Overdue	Reminder Letter #1 is sent with another Statement of Account. It asks customer if there are any queries regarding the invoice(s) outstanding.
60 Days Overdue	Letter #2 is sent with copies of any outstanding invoices. It advises that they have not made contact regarding our first letter and we require immediate payment.
90 Days Overdue	Letter #3 is sent. It makes clear our intent to consider involving a third party agency if payment is not made immediately.

Provision for Bad Debts

If after sending out the third letter the debt is still not settled, it is proposed that the Council immediately make a provision for bad debt for the full amount. It is also proposed that the customer not be permitted to make any further bookings.

Depending on the level of the debt, the following course of action will be considered:

£0 - £199	Write off debt – the cost of staff time taken to recover debt outweighs the potential benefit of payment. All such write offs will be brought before Council for authorisation.
£200 - £5,000	Consider taking customer to Small Claims Tribunal. Decision to be made by Council and actioned by Town Clerk.
Over £5,000	Consider using Debt Collection Agency or Solicitors. Decision to be made by Council and actioned by Town Clerk.

When all avenues of recovery have been explored, the debt will need to be brought before Council for authorisation to be written off.

Queries on commercial debt should be made to the Finance Administrator on 01483 523228 or by e-mailing finance@godalming-tc.gov.uk

Town Clerk: Louise P Goodfellow MA CPFA

Tel: 01483 523575

Fax: 01483 523077

E-Mail: office@godalming-tc.gov.uk

Municipal Buildings

Bridge Street

Godalming

Surrey

GU7 1HT

{Date}

Our Ref: {Customer Number}

{Your Customer's Name}

{Address Line 1}

{Address Line 2}

{Town/ City}

{County} {Postal Code}

Dear {Your Customer's Name}

Re: Invoice {Invoice Number} - Now Overdue

We note that payment for this invoice has not yet been received and attach a statement for your records.

Please let us know if there are any issues with the invoice(s), or if you have not yet received it so we can resolve this with you as soon as possible.

If you have paid this invoice within the last 7 days please accept our thanks, our systems will be updated soon to reflect your recent payment.

Yours sincerely,

Rita Tong

Finance Administrator

Tel: 01483 523228

E-Mail: finance@godalming-tc.gov.uk

Town Clerk: Louise P Goodfellow MA CPFA

Tel: 01483 523575

Fax: 01483 523077

E-Mail: office@godalming-tc.gov.uk

Municipal Buildings

Bridge Street

Godalming

Surrey

GU7 1HT

{Date}

Our Ref: {Customer Number}

{Your Customer's Name}

{Address Line 1}

{Address Line 2}

{Town/ City}

{County} {Postal Code}

Dear {Your Customer's Name}

Re: Invoice {Invoice Number} - Now Overdue Immediate Payment Required

We have contacted you before to request settlement of this invoice without success - payment for this invoice has not yet been received.

Please let us know if there are any issues with the invoice, or if you have not yet received it so we can resolve this with you as soon as possible. If you are having difficulty paying please contact us immediately to discuss the status of your account. Failure to contact us may leave us with no other options than to pass this case to our debt collection agents or solicitors for recovery

If you have paid this invoice within the last 7 days please accept our apologies, our systems will be updated soon to reflect your recent payment.

Yours sincerely,

Rita Tong

Finance Administrator

Tel: 01483 523228

E-Mail: finance@godalming-tc.gov.uk

Town Clerk: Louise P Goodfellow MA CPFA

Tel: 01483 523575

Fax: 01483 523077

E-Mail: office@godalming-tc.gov.uk

Municipal Buildings

Bridge Street

Godalming

Surrey

GU7 1HT

{Date}

Our Ref: {Customer Number}

{Your Customer's Name}

{Address Line 1}

{Address Line 2}

{Town/ City}

{County} {Postal Code}

Dear {Your Customer's Name}

Re: Invoice {Invoice Number} - Debt Recovery Passed to Our Solicitors

We have contacted you on a number of occasions to request settlement of this invoice without success. We have now passed this matter to our solicitors to resolve and no further bookings will be accepted from you. Costs incurred by us in pursuance of this debt will be passed on to you.

Our solicitors will be in touch with you in the next {7} days detailing the action we intend to take against you.

If you have paid this invoice within the last 7 days please contact us with details of the payment made.

Yours sincerely,

Rita Tong

Finance Administrator

Tel: 01483 523228

E-Mail: finance@godalming-tc.gov.uk

40-29/6

RECEIVED
- 7 SEP 2015

Local Councils in England

Annual return for the financial year ended 31 March 2015

Local councils in England with an annual turnover of £6.5 million or less must complete an annual return in accordance with proper practices summarising their activities at the end of each financial year. In this annual return the term 'local council' includes a Parish Meeting, a Parish Council and a Town Council.

The annual return on pages 2 to 5 is made up of four sections:

- Sections 1 and 2 are completed by the person nominated by the local council.
- Section 3 is completed by the external auditor appointed by the Audit Commission.
- Section 4 is completed by the local council's internal audit provider.

Each council must approve this annual return no later than 30 June 2015.

Completing your annual return

Guidance notes, including a completion checklist, are provided on page 6 and at relevant points in the annual return.

Complete all sections highlighted in green. Do not leave any green box blank. Incomplete or incorrect returns require additional external audit work and may incur additional costs.

Send the annual return, together with your bank reconciliation as at 31 March 2015, an explanation of any significant year on year variances in the accounting statements and any additional information requested, to your external auditor by the due date.

Your external auditor will identify and ask for any additional documents needed for their work. Therefore, unless requested, do not send any original financial records to the external auditor.

Once the auditor has completed their work, certified annual returns will be returned to the local council for publication or public display of sections 1, 2 and 3. You must publish or display the annual return, including the external auditor's report, by 30 September 2015.

It should not be necessary for you to contact the external auditor for guidance.

More guidance on completing this annual return is available in the Practitioners' Guide for local councils that can be downloaded from www.nalc.gov.uk or from www.slcc.co.uk

Section 1 – Accounting statements 2014/15 for

Enter name of reporting body here:

GODALMING TOWN

Council/~~Meeting~~

Readers should note that throughout this annual return references to a 'local council' or 'council' also relate to a parish meeting.

	Year ending		Notes and guidance
	31 March 2014 £	31 March 2015 £	
			Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.
1 Balances brought forward	398,559	463,758	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2 (+) Annual precept	438,506	449,026	Total amount of precept received or receivable in the year. Excludes any grants received.
3 (+) Total other receipts	123,458	197,207	Total income or receipts as recorded in the cashbook less the precept received (line 2). Include any grants received here.
4 (-) Staff costs	228,378	208,635	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
5 (-) Loan interest/capital repayments	NIL	NIL	Total expenditure or payments of capital and interest made during the year on the council's borrowings (if any).
6 (-) All other payments	268,387	391,630	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7 (=) Balances carried forward	463,758	509,726	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6)
8 Total cash and short term investments	483,954	527,166	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March - to agree with bank reconciliation.
9 Total fixed assets plus other long term investments and assets	184,745	184,745	The original Asset and Investment Register value of all fixed assets, plus other long term assets owned by the council as at 31 March
10 Total borrowings	NIL	NIL	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11 Disclosure note Trust funds (including charitable)	yes	no	The council acts as sole trustee for and is responsible for managing trust funds or assets. N.B. The figures in the accounting statements above do not include any trust transactions.
		X	

I certify that for the year ended 31 March 2015 the accounting statements in this annual return present fairly the financial position of the council and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer

[Signature]

Date 15/05/15

I confirm that these accounting statements were approved by the council on this date:

25/06/2015

and recorded as minute reference:

96-15

Signed by Chair of the meeting approving these accounting statements.

[Signature]

Date 25.06.15

Section 2 – Annual governance statement 2014/15

We acknowledge as the members of:

GODALMING TOWN

Council/Meeting

our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2015, that:

	Agreed –		'Yes' means that the council:
	Yes	No*	
1 We approved the accounting statements prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices.	Yes		prepared its accounting statements in the way prescribed by law.
2 We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	Yes		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3 We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and proper practices that could have a significant financial effect on the ability of the council to conduct its business or on its finances.	Yes		has only done what it has the legal power to do and has complied with proper practices in doing so.
4 We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	Yes		during the year has given all persons interested the opportunity to inspect and ask questions about the council's accounts.
5 We carried out an assessment of the risks facing the council and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	Yes		considered the financial and other risks it faces and has dealt with them properly.
6 We maintained throughout the year an adequate and effective system of internal audit of the council accounting records and control systems.	Yes		arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of the council.
7 We took appropriate action on all matters raised in reports from internal and external audit.	Yes		responded to matters brought to its attention by internal and external audit.
8 We 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		disclosed everything it should have about its business activity during the year including events taking place after the year-end if relevant.
9 Trust funds (including charitable) – in our capacity as the sole managing trustee we discharged our responsibility in relation to the accountability for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.

This annual governance statement is approved by the council and recorded as minute reference

96-15

dated 25/06/2015

Signed by:

Chair *Anne M Boff*

dated 25.06.15

Signed by:

Clerk *K. Gualfetta*

dated 25/06/2015

*Note: Please provide explanations to the external auditor on a separate sheet for each 'No' response. Describe how the council will address the weaknesses identified.

Section 3 – External auditor certificate and report 2014/15

Certificate

We certify that we have completed our review of the annual return, and discharged our responsibilities under the Audit Commission Act 1998 as transitionally saved, for the year ended 31 March 2015 in respect of:

GODALMING TOWN

Council/Meeting

Respective responsibilities of the body and the auditor

The body is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The body prepares an annual return in accordance with proper practices which:

- summarises the accounting records for the year ended 31 March 2015; and
- confirms and provides assurance on those matters that are important to our audit responsibilities.

Our responsibility is to review the annual return in accordance with guidance issued by the Audit Commission (see note below). Our work does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and does not provide the same level of assurance that such an audit would do.

External auditor report

(~~Except for the matters reported below~~)* on the basis of our review of the annual return, in our opinion the information in the annual return is in accordance with proper practices and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met. (*delete as appropriate).

(continue on a separate sheet if required)

Other matters not affecting our opinion which we draw to the attention of the council:

Please see enclosed report

**BDO LLP Southampton
United Kingdom**

(continue on a separate sheet if required)

External auditor signature

BDO ul

External auditor name

**BDO LLP Southampton
United Kingdom**

Date

20/7/15

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Note: The Audit Commission issued guidance in its Standing Guidance, which is applicable to external auditors' work on 2014/15 accounts.

Section 4 – Annual internal audit report 2014/15 to

GODALMING TOWN

Council/Meeting

The council's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2015.

Internal audit has been carried out in accordance with the council's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the council.

Internal control objective	Agreed? Please choose only one of the following		
	Yes	No*	Not covered**
A Appropriate accounting records have been kept properly throughout the year.	✓		
B The council's financial regulations have been met, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C The council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D The annual precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G Salaries to employees and allowances to members were paid in accordance with council approvals, and PAYE and NI requirements were properly applied.	✓		
H Asset and investments registers were complete and accurate and properly maintained.	✓		
I Periodic and year-end bank account reconciliations were properly carried out.	✓		
J Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, were supported by an adequate audit trail from underlying records, and where appropriate debtors and creditors were properly recorded.	✓		
K Trust funds (including charitable) The council met its responsibilities as a trustee.			✓

For any other risk areas identified by the council (list any other risk areas below or on separate sheets if needed) adequate controls existed:

Name of person who carried out the internal audit MARIE MULBERRY BA (HONS) FCCA CTA

Signature of person who carried out the internal audit M Mulberry Date 15/05/2015

If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, internal audit must explain why not (add separate sheets if needed).

Guidance notes on completing the 2014/15 annual return

- 1 You must apply proper practices for preparing this annual return. Proper practices are found in the Practitioners' Guide* which is updated from time to time and contains everything you should need to prepare successfully for your financial year-end and the subsequent audit. Both NALC and SLCC have helplines if you want to talk through any problem you encounter.
- 2 Make sure that your annual return is complete (i.e. no empty green boxes), and is properly signed and dated. Avoid making any amendments to the completed return. But, if this is unavoidable, make sure the amendments are drawn to the attention of and approved by the council, properly initialled and an explanation is provided to the external auditor. Annual returns containing unapproved or unexplained amendments will be returned unaudited and may incur additional costs.
- 3 Use the checklist provided below. Use a second pair of eyes, perhaps a council member or the Chair, to review your annual return for completeness before sending it to the external auditor.
- 4 Do not send the external auditor any information not specifically asked for. Doing so is not helpful. However, you must notify the external auditor of any change of Clerk, Responsible Finance Officer or Chair.
- 5 Make sure that the copy of the bank reconciliation which you send to your external auditor with the annual return covers all your bank accounts. If your council holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree your bank reconciliation to Box 8 on the Accounting Statements (Section 1). You must provide an explanation for any difference between Box 7 and Box 8. More help on bank reconciliation is available in the Practitioners' Guide*.
- 6 Explain fully significant variances in the accounting statements on page 2. Do not just send in a copy of your detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete analysis to support your explanation. There are a number of examples provided in the Practitioners' Guide* to assist you.
- 7 If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or you do not fully explain variances, this may incur additional costs for which the auditor will make a charge.
- 8 Make sure that your accounting statements add up and the balance carried forward from the previous year (Box 7 of 2014) equals the balance brought forward in the current year (Box 1 of 2015).
- 9 Do not complete section .3. The external auditor will complete it at the conclusion of the audit.

Completion checklist – 'No' answers mean you may not have met requirements		Done?
All sections	All green boxes have been completed?	✓
	All information requested by the external auditor has been sent with this annual return? Please refer to your notice of audit.	
Section 1	Council approval confirmed by signature of Chair of meeting approving accounting statements?	✓
	An explanation of significant variations from last year to this year is provided?	✓
	Bank reconciliation as at 31 March 2015 agreed to Box 8?	✓
	An explanation of any difference between Box 7 and Box 8 is provided?	✓
Sections 1 and 2	Trust funds – all disclosures made if council is a sole managing trustee? NB: Do not send trust accounting statements unless requested.	N/A
Section 2	For any statement to which the response is 'no', an explanation is provided?	N/A
Section 4	All green boxes completed by internal audit and explanations provided?	✓

*Note: Governance and Accountability for Local Councils in England – A Practitioners' Guide is available from your local NALC and SLCC representatives or from www.nalc.gov.uk or www.slcc.co.uk

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- 7 SEP 2015 -

ISSUES ARISING REPORT FOR
Godalming Town Council
Audit for the year ended 31 March 2015

BDO

Introduction

The following matters have been raised to draw items to the attention of Godalming Town Council. These matters came to the attention of BDO LLP during the audit of the annual return for the year ended 31 March 2015.

The audit of the annual return may not disclose all shortcomings of the systems as some matters may not have come to the attention of the auditor. For this reason, the matters raised may not be the only ones that exist.

The matters listed below are explained in further detail on the page(s) that follow;

- Budget
-

The following issue(s) have been raised to assist the council. The council is recommended to take action on the following issue(s) to ensure that the council acts within its statutory and regulatory framework.

Budget

What is the issue?

Although a precept was set by the due date, and the council did prepare a budget to support this, the budget did not appear to take into consideration the level of reserves held by the Council when calculating the precept figure.

Why has this issue been raised?

The council may have contravened Part 1, Chapter IV, Para 50 3 (b) of the Local Government Finance Act 1992 which states that every authority must 'make calculations required' under the 'calculation of budget requirement', and they must also estimate the amount of the financial reserves which the authority estimates that it will use...

What do we recommend you do?

The council must ensure in future years that an adequate budget is prepared to support its decision making process and to assist the financial management during the financial year. Consideration of the level of reserves held should be made as the Council has no power to hold reserves.

Further guidance on this matter can be obtained from the following source(s):

Governance and Accountability in Local Councils in England - A Practitioners Guide, NALC/SLCC
The Local Government Finance Act 1992

No other matters came to our attention.

For and on behalf of
BDO LLP

Date: 20 August 2015

GODALMING TOWN COUNCIL

Disclosure by a Member¹ of a disclosable pecuniary interest or a non-pecuniary interest in a matter under consideration at a meeting (S.31 (4) Localism Act 2011 and the adopted Godalming Members' Code of Conduct).

As required by the Localism Act 2011 and the adopted Godalming Members' Code of Conduct, **I HEREBY DISCLOSE**, for the information of the authority that I have [a disclosable pecuniary interest]² [a non-pecuniary interest]³ in the following matter:-

COMMITTEE:

DATE:

NAME OF COUNCILLOR: _____

Please use the form below to state in which agenda items you have an interest.

Agenda No.	Subject	Disclosable Pecuniary Interest	Non-Pecuniary Interest	Reason

Signed _____

Dated _____

¹ "Member" includes co-opted member, member of a committee, joint committee or sub-committee

² A disclosable pecuniary interest is defined by the Relevant Authorities (Disclosable Pecuniary Interests) regulations 2012/1464 and relate to employment, office, trade, profession or vocation, sponsorship, contracts, beneficial interests in land, licences to occupy land, corporate tenancies and securities

³ A non-pecuniary interest is defined by Section 5 (4) of the Godalming Members' Code of Conduct.