

**MINUTES AND REPORT OF THE AUDIT COMMITTEE
HELD ON THE 16 MARCH 2017**

- * Councillor Thornton – Chairman
- * Councillor Pinches – Vice Chairman
- * Councillor Noyce
- * Councillor Williams
- * Councillor Purkiss

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

575. MINUTES

The Minutes of the Meeting held on 6 October 2016 were signed by the Chairman as a correct record.

576. APOLOGIES FOR ABSENCE

Apologies for absence were received and recorded as above.

577. 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 4.

578. DISCLOSABLE PECUNIARY INTERESTS AND NON-PECUNIARY INTERESTS

Members made no declarations of interest in relation to any item on the agenda for this meeting, which is required to be disclosed by the Localism Act 2011 and the Godalming Members' Code of Conduct.

579. WORK PROGRAMME

Members considered the Committee's Work Programme and noted progress on the items therein.

Members agreed to remove review of Standing Orders as a separate item in the work programme as subsumed into the Legal Risk Assessment. Members further agreed to remove the Website as a separate item as contained within the Reputation Risk Assessment and Business Continuity Plan. An amended programme is attached to record minutes.

580. BANK RECONCILIATION

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

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

581. EXTERNAL AUDITOR'S REPORT

Members received the completed Annual Return for the financial year ending 31 March 2016 and the accompanying report from the External Auditor for Godalming Town Council (copies attached to record minutes).

The external audit for the year ending 31 March 2016 was completed on 22 August 2016 and received on 30 August 2016; 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 – the Council did not complete Box 11 (disclosure note regarding trust funds) and its recommendation is that we do complete this box in future.

Members agreed with the External Auditors recommendation.

582. INTERNAL AUDITOR'S REPORTS

Members considered two reports from the Council's Internal Auditor Mulberry & Co - an internal audit conducted on 18 November 2016 and a Review of Income Controls conducted on 24 February 2017 (reports attached to record minutes).

In response to the Internal Auditors recommendations Members agreed the following:

- Add to the Audit Work Programme the review of an integrated booking system.
- Investigate the costs of a new lock system and new alarm system at Broadwater Park Community Centre in the 2017/18 financial year.
- Change internal processes to ensure all deposits are banked entire, including damage deposits.
- Continue to actively discourage cash payments and actively encourage BACS/online payments.
- To ensure all key processes be documented for business continuity. These processes to be identified by 28 September 2017 with target dates for completion identified.

583. REVIEW OF THE EFFECTIVENESS OF INTERNAL CONTROLS FOR GODALMING TOWN COUNCIL AND GODALMING JOINT BURIAL COMMITTEE

Members conducted a review of the effectiveness of internal controls and considered what recommendations they will make to Full Council and the Godalming Joint Burial Committee (review attached to record minutes).

584. APPOINTMENT OF INTERNAL AUDITOR FOR 2017/18

Members agreed the appointment of Mulberry & Co as Internal Auditors for the financial year 2017/18 on the proviso that the audit be performed by somebody other than Mark Mulberry. Members further agreed to add to the Work Programme that a market test of internal audit providers be conducted prior to the appointment of an Internal Auditor for the 2018/19 financial year.

585. CREDIT CONTROL & BAD DEBTS

Members noted that the Credit Control policy is working effectively and that the Council has no irrecoverable amounts requiring write off for the 2016/17 financial year.

586. USE OF PURCHASE ORDERS

Members recommend that the wording of Regulation 10.1 of Financial Regulations be amended from 'shall' to 'may' to remove the imperative of using purchase orders due to Financial Regulation 5.3 being a stronger control.

587. REVIEW OF FINANCIAL REGULATIONS

Members recommend that the wording of Regulation 10.1 be amended from 'shall' to 'may' and recommend the amended Financial Regulations onwards to Full Council for adoption.

588. REVIEW OF RISK ASSESSMENT – ENVIRONMENT

Members considered the risk assessment on Environment and agreed its contents.

589. REVIEW OF RISK ASSESSMENT – HEALTH & SAFETY

Members considered the risk assessment on Health & Safety. Members noted the Fire Risk Assessment for the Wilfrid Noyce Centre contained an error in its calculation of capacity for Hall 2 (Wyatt Room) – it should read 92 persons, not 440 persons.

590. REVIEW OF RISK ASSESSMENT – LEGAL

Members considered the risk assessment on Legal and agreed its contents.

591. REVIEW OF RISK ASSESSMENT – PHYSICAL SECURITY

Members considered the risk assessment on Physical Security and agreed its contents.

592. REVIEW OF RISK ASSESSMENT – REPUTATION

Members considered the risk assessment on Reputation and agreed its contents.

593. DATE OF NEXT MEETING

The next meeting of the Audit Committee is scheduled to be held on Monday, 8 May 2017 at 7.00pm in the Council Chamber.

594. ANNOUNCEMENTS

There were no announcements.