

Section 1 – Annual Governance Statement 2021/22

We acknowledge as the members of:

GODALMING TOWN COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including arrangements for 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 2022, that:

	Agreed			'Yes' means that this authority:
	Yes	No*		
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓			prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓			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 this authority to conduct its business or manage its finances.	✓			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.	✓			during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓			considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓			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 this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓			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 this authority and, where appropriate, have included them in the accounting statements.	✓			disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A	has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.
			✓	

*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

28/04/2022

and recorded as minute reference:

Min 579-21

Signed by the Chairman and Clerk of the meeting where approval was given:

Chairman

M. Z. Steel

Clerk

[Signature]

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Section 2 – Accounting Statements 2021/22 for

GODALMING TOWN COUNCIL

	Year ending		Notes and guidance	
	31 March 2021 £	31 March 2022 £		
			<i>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.</i>	
1. Balances brought forward	502,377	519,501	<i>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.</i>	
2. (+) Precept or Rates and Levies	711,154	769,225	<i>Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.</i>	
3. (+) Total other receipts	263,113	428,417	<i>Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.</i>	
4. (-) Staff costs	385,471	420,299	<i>Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.</i>	
5. (-) Loan interest/capital repayments	77,703	77,703	<i>Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).</i>	
6. (-) All other payments	493,969	455,043	<i>Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).</i>	
7. (=) Balances carried forward	519,501	764,098	<i>Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).</i>	
8. Total value of cash and short term investments	507,787	752,200	<i>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.</i>	
9. Total fixed assets plus long term investments and assets	1,977,504	1,980,004	<i>The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.</i>	
10. Total borrowings	1,446,469	1,415,083	<i>The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).</i>	
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	N/A	<i>The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.</i>
			✓	<i>N.B. The figures in the accounting statements above do not include any Trust transactions.</i>

I certify that for the year ended 31 March 2022 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

RC Long

Date

14/04/2022

I confirm that these Accounting Statements were approved by this authority on this date:

28/04/2022

as recorded in minute reference:

Min 530-21

Signed by Chairman of the meeting where the Accounting Statements were approved

M. T. Keel

Annual Internal Audit Report 2021/22

GODALMING TOWN COUNCIL

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During the financial year ended 31 March 2022, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2021/22 has been carried out in accordance with this authority'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 this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates 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 this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
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, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2020/21, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2020/21 AGAR tick "not covered")</i>			✓
L. The authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements			✓
M. The authority, during the previous year (2020-21) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations <i>(evidenced by the notice published on the website and/or authority approved minutes confirming the dates set)</i> .	✓		
N. The authority has complied with the publication requirements for 2020/21 AGAR <i>(see AGAR Page 1 Guidance Notes)</i> .	✓		
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

07/09/2021

14/04/2022

DD/MM/YYYY

Name of person who carried out the internal audit

MARK MULBERRY & CO

INTERNAL AUDITOR

Signature of person who carried out the internal audit

Date

14/04/2022

*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, the annual internal audit report must explain why not (add separate sheets if needed).

Explanation of variances 2021/22

Name of smaller authority: Godalming Town Council

Insert figures from Section 2 of the AGAR in all Blue highlighted boxes

Now, please provide full explanations, including numerical values, for the following that will be flagged in the green boxes where relevant:

• variances of more than 15% between totals for individual boxes (except variances of less than £500);

• a breakdown of approved reserves on the next tab if the total reserves (Box 7) figure is more than twice the annual precept value (Box 2).

	2021 £	2022 £	Variance £	Variance %	ation Requir	Explanation (must include narrative and supporting figures)
1 Balances Brought Forward	502,377	519,501				
2 Precept or Rates and Levies	711,154	769,225	58,071	8.17%	NO	
3 Total Other Receipts	263,113	428,417	165,304	62.83%	YES	Explanation of % variance from PY opening balance not required - Balance brought forward agrees
	36,760	174,961	138,201	375.95%		2021/22 - £109k Manor House, £25k Summers Road
	35,733	18,591	-16,142	45.17%		2020/21 - £30.4K Government Grant for Covid19 Relief, £5.3 Council Support Grant, 2021/22 - £5.5k Council Support Grant, £4k Outbreak Mgmt Grant, £3k Household Support Grant, £3k RHSS Grant
	33,190	68,565	35,375	106.89%		2020/21 - three national lockdowns impact hire revenue; 2021/22 - regular hires allowed back but limited ad hoc bookings
	15,006	18,283	2,677	17.15%		2020/21 - reduced some rents due to COVID; 2021/22 - regular rental income but at lower than pre-pandemic levels
	72,851	65,652	-7,199	9.88%		£19.875 reduction in Museum SJA funding from WBC, offset by £10k increase in income from SCC & JBC funding for Grounds Maintenance services.
	39,626	41,464	2,638	6.79%		£2k donations for new Youth Centre service, offset by £8k loss in donations for Community Store
	489	127	-342	72.82%		Decrease in interest rates
	29,680	39,776	10,096	34.02%		£10k increase due to AVMA burials which involve more staff time than non-AVA burials.
4 Staff Costs	385,471	420,299	34,828	9.04%	NO	
5 Loan Interest/Capital Repayment	77,703	77,703	0	0.00%	NO	
6 All Other Payments	493,969	455,043	-38,926	7.88%	NO	
7 Balances Carried Forward	519,501	764,038	244,537	47.08%	YES	
	40,897	216,585	175,578			2021/22 - £109k Manor House, £25k Summers Road
	87,806	111,056	23,250			Annual provision to build up reserve - all major maintenance done during lockdowns in 2020/21 so no major expenditure in 2021/22
	20,394	30,295	9,901			Net surplus of donations less expenditure, £8k Lower level of donations in 2021/22 to 2020/21 plus net £5k expenditure to renovate new premises resulted in reduce surplus to 2020/21
	14,602	20,602	6,000			Annual provision to build up reserve for next general election.
	274,583	321,854	47,271			£32.2k surplus 2021/22; £15k provision to raise reserve to 50% of Precept
	10,000	0	-10,000			New service commenced Jan 2022 with hiring of Youth Officer - provision used to fund salary
	58,679	52,209	-6,470			Monies used to renovate Community Centre for new Youth service.
8 Total Cash and Short Term Investments	507,787	752,200	244,413	48.13%	YES	
	40,897	216,585	175,578			2021/22 - £109k Manor House, £25k Summers Road
	87,806	111,056	23,250			Annual provision to build up reserve - all major maintenance done during lockdowns in 2020/21 so no major expenditure in 2021/22
	20,394	30,295	9,901			Net surplus of donations less expenditure, £8k Lower level of donations in 2021/22 to 2020/21 plus net £5k expenditure to renovate new premises resulted in reduce surplus to 2020/21
	14,602	20,602	6,000			Annual provision to build up reserve for next general election.
	274,583	321,854	47,271			£32.2k surplus 2021/22; £15k provision to raise reserve to 50% of Precept
	10,000	0	-10,000			New service commenced Jan 2022 with hiring of Youth Officer - provision used to fund salary
	58,679	52,209	-6,470			Monies used to renovate Community Centre for new Youth service.
9 Total Fixed Assets plus Other Long Term Investments and Assets	1,977,504	1,980,004	2,500	0.13%	NO	
10 Total Borrowings	1,446,469	1,415,083	-31,386	2.17%	NO	
	0.7305	0.9933				Excessive Reserves Ratio
	0.3661	0.4184				General Reserve Ratio