

GODALMING TOWN COUNCIL

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28 October 2022

I HEREBY SUMMON YOU to attend the **AUDIT COMMITTEE** Meeting to be held in the Council Chamber, Waverley Borough Council, The Burys, Godalming on THURSDAY, 3 NOVEMBER 2022 at 7.15pm, or at the conclusion of the preceding Environment & Planning Committee, whichever is later.

Andy Jeffery
Town Clerk

If you wish to speak at this meeting please contact Godalming Town Council on 01483 523575 or email office@godalming-tc.gov.uk

Where possible proceedings will be live streamed via the Town Council's Facebook page. If you wish to watch the council meeting's proceedings, please go to Godalming Town Council's [Facebook](#) page.

Committee Members: Councillor Boyle
Councillor Crooks – Vice-Chair
Councillor Heagin – Chair
Councillor Stubbs
Councillor Welland

AGENDA

1. MINUTES

To approve as a correct record the minutes of the meeting held on the 7 July 2022, a copy of which has been circulated previously.

2. APOLOGIES FOR ABSENCE

3. DISCLOSABLE PECUNIARY INTERESTS AND OTHER REGISTERABLE 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.

4. PETITIONS/STATEMENTS/QUESTIONS FROM MEMBERS OF THE PUBLIC

The Chair to invite members of the public to make representations, ask or answer questions and give evidence in respect of the business on the agenda or other matters not on the agenda. This forum to be conducted in accordance with Standing Order 5.

5. QUESTIONS BY MEMBERS

To consider any questions from Councillors in accordance with Standing Order 6.

6. WORK PROGRAMME

Members to consider the Committee's Work Programme and to note progress on the items therein (copy attached for the information of Members).

7. BANK RECONCILIATION

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

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

8. INTERNAL AUDITOR'S REPORT

Members to consider the report from the Council's Internal Auditor, Mulberry & Co, on an interim internal audit conducted on 20 September 2022 for the 2022/23 financial year (report attached for the information of Members).

9. OPTION TO OPT OUT OF SAAA EXTERNAL AUDITOR APPOINTMENTS

Members to consider the email from SAAA regarding the option to opt out of central external auditor appointment arrangements (copy of email attached for the information of Members).

10. BUDGETARY CONTROLS

Members to consider a report on budgetary controls (attached for the information of Members).

11. REVIEW OF RISK ASSESSMENT – ENVIRONMENT

This item was deferred from the Audit Committee meeting on the 7 July 2022 by agreement of the Chair. Members to consider the report from Councillor Crooks on the controls within the risk assessment on Environment (report attached for the information of Members).

12. REVIEW OF RISK ASSESSMENT – HEALTH & SAFETY

Members to consider the follow up report from Councillor Stubbs on the controls within the risk assessment on Health & Safety (attached for the information of Members).

13. TASK AND FINISH GROUP – HEALTH & SAFETY

Members to consider the report from the Task & Finish Group on Health & Safety (attached for the information of Members).

14. ASSET CONTROL

Members to consider the Town Council's Asset Register (attached for the information of Members) and to note that there have been no additions or disposals in the current financial year.

15. FINANCIAL REGULATIONS

NALC has not updated its model Financial Regulations since the last review of Financial Regulations in May 2022, so the Council's current Financial Regulations do not require any updating on this ground.

The Responsible Finance Officer would like Members to review Regulation 11.6ii which reads:

Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that this regulation need not apply to contracts which relate to items (i) to (vi) below:

ii. for specialist services such as are provided by legal professionals acting in disputes;

The RFO would like Members to consider including the installation of Christmas Lights as a specialist service. The Council has conducted full market testing every three years (eg. 2013, 2016 and 2019) with the current contractor providing best value in 2019. The uniqueness of Godalming's installation has meant that despite alternative contractors being invited to quote in 2022, no competitive quotes were received so the current contract was rolled over.

The reason competitive quotes are difficult to obtain is because Godalming Town Council owns its Christmas lights and only requires the lights to be installed and dismantled each year. Suppliers in this area seek contracts where they sell the light displays and installation is just a by-product of the contract.

Members can view the [Financial Regulations](#) here.

16. DATE OF NEXT MEETING

The next meeting of the Audit Committee is scheduled to be held in the Council Chamber on Thursday, 2 February 2023 at 7.15pm or at the conclusion of the preceding Environment & Planning Committee, whichever is later.

17. ANNOUNCEMENTS

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

AUDIT COMMITTEE WORK PROGRAMME

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
Bank Reconciliation	Cllr Heagin/RFO	25 April 2022	Latest Bank recs reviewed at each meeting of Audit Committee	Chair to review and sign at each meeting of the Audit Committee	Ongoing
Health & Safety	Cllr Heagin/RFO		Task & Finish Group to review H&S governance and documentation	On this agenda	Cllr Crooks, Cllr Heagin and RFO to complete review
Internal Control – Meeting 1					
Income Controls	Cllr Crooks	7 July 2022	Conducted 4 July 2022 – no issues identified	Annual review to be completed by July 2023	
Payment Controls	Cllr Crooks	7 July 2022	Conducted 4 July 2022 – no issues identified	Annual review to be completed by July 2023	
Payroll Controls	Cllr Crooks	7 July 2022	Conducted 4 July 2022 – query over NI calculation for one employee	Annual review to be completed by July 2023	RFO to contact Sage payroll over NI calculation
Proper Book-keeping	Cllr Crooks	7 July 2022	Conducted 4 July 2022 – no issues identified	Annual review to be completed by July 2023	
VAT Controls	Cllr Crooks	7 July 2022	Conducted 2 July 2022 – no issues identified	Annual review to be completed by July 2023	

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
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Miscellaneous – Meeting 2					
External Auditor's Report	RFO	16 September 2021	To be reviewed when next report received	On this agenda	
Asset Control	Cllr Boyle/RFO	16 September 2021	Onward recommendation to Full Council on 23 September 2021 of new Fixed Asset Disposal Policy	On this agenda	
Review of Suppliers	RFO /Facilities Supervisor /TC	Ongoing	Stationery Supplier to review prices against online providers to be more competitive To perform a competitive quote exercise for IT Services.	Ongoing task	To perform a competitive quote exercise for IT Services.
Financial Regulations	RFO	3 February 2022	Review of Financial Regulations completed by this Committee 16 September 2021. Onward recommendation to Full Council on 23 September 2021	On this agenda	
Procedures	Cllr Welland	Ongoing	Creating a Standard Operating Procedures File for each position	Ongoing task	
Budgetary Controls	Cllr Welland	16 September 2021	Conducted 16 September 2021 – to be reviewed in 12 months	On this agenda	

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
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Risk Management – Meeting 3					
Risk Assessment – Business Continuity	Cllr Heagin /RFO	3 February 2022	To be reviewed at least every three years	Next review to be completed by 31 March 2025	
Risk Assessment – Environmental	Cllr Crooks/RFO	3 February 2022	To be reviewed at least every three years	Next review to be completed by 31 March 2025	Cllr Crooks to audit control measures and report back.
Risk Assessment – Legal	Cllr Boyle/RFO	7 July 2022	To be reviewed at least every three years	Next review to be completed by 31 March 2025	Develop a procedure for actions to be taken if Councillor/Officer acts unlawfully
Risk Assessment – Physical & Information Security	Cllr Welland/RFO	10 September 2020	To be reviewed at least every three years	Next review to be completed by 31 March 2023	
Risk Assessment – Reputation	Cllr Stubbs /RFO	6 February 2020	To be reviewed at least every three years	Next review to be completed by 31 March 2023	
Risk Assessment – Health & Safety	Cllr Stubbs /RFO	7 July 2022	To be reviewed at least every three years	On this agenda	
Risk Assessment – Financial	Cllr Crooks /RFO	10 September 2020	To be reviewed at least every three years	Next review to be completed by 31 March 2023	
Insurance	Town Clerk/RFO/ Cllr Heagin	29 April 2021	To be reviewed in detail at each contract renewal	Next review to be completed by 31 March 2025	.
Risk Assessment – Safeguarding	Cllr Boyle	21 January 2021	To be reviewed at least every three years	Next review to be completed by 31 March 2024	

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
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Year End – Meeting 4					
Internal Auditor's Reports	RFO	25 April 2022	To be reviewed at next interim audit	Ongoing	
Management of Debt (particularly Bad Debt)	RFO	25 April 2022	To be reviewed annually	Next review to be completed by April 2023	
Review of Effectiveness of Internal Control	Cllr Heagin /RFO	25 April 2022	To be reviewed annually	Next review to be completed by April 2023	
Annual Governance Statement	Cllr Heagin /RFO	25 April 2022	To be reviewed annually	Next review to be completed by April 2023	
Annual Accounting Statements	Cllr Heagin /RFO	25 April 2022	To be reviewed annually	Next review to be completed by April 2023	
Review of Credit Control Procedures	RFO	21 January 2021	To be reviewed at least every three years	Next review to be completed by 31 January 2024	
Review of Council Banking Arrangements	Cllr Heagin /RFO	16 September 2021 – on the 13 January 2022 Full Council agenda	To be reviewed each Administration	Next review to be completed after May 2023	
Review of Treasury & Investment Policy		29 April 2021	To be reviewed at least every three years	Next review to be completed by April 2024	



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Ms R Tong
Godalming Town Council
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20th September 2022

Dear Rita

**Re: Godalming Town Council
Internal Audit Year Ended 31 March 2023 – Interim Audit report**

Executive summary

Following completion of our interim internal audit on 20th September 2022 we enclose our report for your kind attention and presentation to the council. The audit was conducted in accordance with current practices and guidelines and testing was risk based. Whilst we have not tested all transactions, our samples have where appropriate covered the entire year to date.

Our report is presented in the same order as the assertions on the internal auditor report within the published AGAR. The start of each section details the nature of the assertion to be verified. Testing requirements follow those detailed in the audit plan previously sent to the council, a copy of this is available on request. The report concludes with an opinion as to whether each assertion has been met or not at the interim audit. Where appropriate **recommendations for action are shown in bold text and are summarised in the table at the end of the report.**

Our sample testing did not uncover any errors or misstatements that require reporting to the external auditor at this time, nor did we identify any significant weaknesses in the internal controls such that public money would be put at risk.

It is clear the council takes governance, policies and procedures seriously and I am pleased to report that overall, the systems and procedures you have in place are fit for purpose and whilst my report may contain recommendations to change these are not indicative of any significant failings, but rather are pointers to improving upon an already well-ordered system.

It is therefore our opinion that the systems and internal procedures at Godalming Town Council are well established and followed.

Regulation

The Accounts and Audit Regulations 2015 require smaller authorities, each financial year, to conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement in accordance with proper practices in relation to accounts. In addition to this, a smaller authority is required by Regulation 5(1) of the Accounts and Audit Regulations 2015 to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.”

Internal auditing is an independent, objective assurance activity designed to improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The purpose of internal audit is to review and report to the authority on whether its systems of financial and other internal controls over its activities and operating procedures are effective.

Internal audit's function is to test and report to the authority on whether its specific system of internal control is adequate and working satisfactorily. The internal audit reports should therefore be made available to all Members to support and inform them when they considering the authority's approval of the annual governance statement.

Independence and competence

Your audit was conducted by Mark Mulberry of Mulberry & Co. We confirm we are independent from the management of the financial controls and procedures of the council and neither the internal auditor or the firm have any conflicts of interest with the audit client, nor do they provide any management or financial assistance to the client.

Your auditor has over 30 years' experience in the financial sector with the last 20 years specialising in local government finance and internal audit.

Engagement Letter

An engagement letter was previously issued to the council covering the 2022/23 internal audit assignment. Copies of this document are available on request.

Planning and inherent risk assessment

The scope and plan of works including fee structure was issued to the council under separate cover. Copies of this document are available on request. In summary, our work will address each of the internal control objectives as stated on the Annual Internal Audit Report of the AGAR. As part of the inherent risk assessment, we have concluded that:

- There have been no reported instances of breaches of regulations in the past
- The client uses an industry approved financial reporting package
- The client regularly carries out reconciliations and documents these
- There is regular reporting to council
- The management team are experienced and informed
- Records are neatly maintained and referenced
- The client is aware of current regulations and practices
- There has been no instance of high staff turnover

It is our opinion that the inherent risk of error or misstatement is low, and the controls of the council can be relied upon and as such substantive testing of individual transactions is not required. Testing to be carried out will be "walk through testing" on sample data to encompass the period of the council year under review.

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A. BOOKS OF ACCOUNT

Internal audit requirement

Appropriate accounting records have been properly kept throughout the financial year.

Audit findings

The council continues to use RBS Rialtus suite. This an industry specific accounting package. The RBS system is used daily to report and record the financial transactions of the council.

There are a number of access users. The system is cloud based and access is by secure log on to the local machine and a separate password for the cloud system. Passwords need to be changed between 30-60 days. This is a good control.

- RFO - full access all areas
- Clerk - Read only all areas
- Facilities supervisor - read write to bookings
- Support services - read write to bookings
- Receptionist – read write to bookings and purchase ledger

The system encompasses, sales ledger, purchase ledger and cashbook. It provides for reconciliation of key control accounts and regular reporting against budget.

Every month, a month end close down is performed by the RFO, various reports are printed in both soft & hard copy, with soft copies filed in logical order on the "W" drive, these include but are not limited to income and expenditure against budget, bank reconciliations and other reports as fit. The W drive is backed up daily by external IT company. The back up was tested when emails needed to be retrieved. This was undertaken correctly.

The RFO makes use of a control sheet to tick off the various reconciliations and financial activities that must be completed to finalise a month end. I have reviewed the April to August 22 months and can confirm the tick sheet is completed and the various reconciliations are in evidence. This is a robust, clear to follow system of internal control and demonstrates good working practices.

I also reviewed the bank reconciliation file and can confirm for June, July & August there was evidence of the RFO preparing and signing off the bank reconciliations, together with counter signatures for council approval. This demonstrates internal controls are in evidence and being followed.

The cashbooks are routinely saved and are also retrospectively accessible via the RBS package. The system requires the population of key data fields to enable the user to record a transaction with sufficient detail to understand the nature and scope of the transaction. This is a clear and easy to follow system and a review of the cashbook shows that all data fields are being entered, the reports are easy to read and logically filed.

My walk-through audit testing of receipts and payments to underlying documentation chosen at random from month three showed that the referencing system can be relied upon, and that the source documents could be easily located in the council records. I selected at random a cashbook payment of £4,115,41 made on the 21st June and agreed this to the physical bank payments list & bank statement. I was then able to reference this to the list of individual suppliers and invoices; in addition to this, I was able to verify the approval of the list of payments. I make no recommendation to change in this system.

I tested opening balances as at 1/4/22 and confirmed they could be agreed back to the audited accounts for 2021/22.

The council is VAT registered and the last VAT return was for quarter ended 30th June 2022. This was submitted using the software package under the making tax digital rules and was submitted on time ahead of the deadline. The return was a refund return, and I proved the amount shown on the return to the HMRC system and to the physical bank statements on the 13th July 2022. This test indicates that the council is up to date with its postings on the financial package and that these can be verified to third party evidence.

B. FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS

Internal audit requirement

This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.

Audit findings

Check the publication & minuting of the prior year audited AGAR and notice of conclusion of audit.

The external auditors report was not qualified in 2021/22. The notice of conclusion of audit is posted to the council website in accordance with regulations.

Both the auditor's report and the notice will be reported to the audit committee at the next meeting. This will then be ratified by full council 21.

Confirm by sample testing that councillors sign statutory office forms

I confirmed by sample testing that Councillors sign "Acceptance of Office" forms and "Register of members Interests" and "Acceptance to receive information by Electronic Means", all in line with regulations.

Each councillor is listed on the website, has a mini biography and link to their register of interests. I reviewed the website with the RFO, and it was verbally confirmed all councillors were up to date.

Confirm that the Council is compliant with the GDPR.

The council is aware of GDPR, it was noted the Council has common email addresses internally which gives a natural segregation, so it is clear beyond doubt in what capacity a councillor is acting, gives control to the council, adds a degree of professionalism and in the event of a FOI request limits access to personal computers.

Confirm that the Council meets regularly throughout the year

The council has the following committees:

- Full Council; meets circa 6 times per annum
- Audit; quarterly
- Staffing; Quarterly
- Mayoralty – annual
- P&M – 6 weekly
- Environment & Planning – new
- JBC - quarterly

There are also a number of working parties and groups which meets as and when necessary to cover specific tasks, not committee have spending powers.

Check that agendas for meetings are published giving 3 clear days' notice.

I reviewed the agendas for meetings held in during April to August and can confirm that at least 3 clear days' notice is given.

Check the draft minutes of the last meeting(s) are on the council's website

Minutes are uploaded to the council website, and these agree to signed hard copies.

Confirm that the Parish Council's Standing Orders have been reviewed within the last 12 months.

The standing orders are based on the NALC model. These were adopted by full council the May 2022 meeting.

Confirm that the Parish Council has adopted and recently reviewed Financial Regulations.

Financial regulations are based on the NALC model. These were adopted by full council the May 2022 meeting.

Check that the council's Financial Regulations are being routinely followed.

Financial regulation 2.2 deals with bank reconciliations, the council is performing a monthly bank reconciliation for all accounts, and this is signed & minuted in accordance with regulations.

Financial regulation 3 deals with Annual estimates (Budget) and Forward planning. Budget monitoring reports are presented to the Policy and Management Committee at each meeting. The reports are logically presented with both summary and detailed narrative. I reviewed the June report and minutes and can confirm that councillors are well informed, and this is minuted.

Financial regulation 4 deals with budgetary control and authority to spend. The office has the power to spend within a budget heading and the clerk has emergency powers up to £4,500. The internal processes of the council are sufficiently robust to ensure before an order is placed the budgets are checked. On occasion it is necessary to get retrospective approval from council.

Financial Regulation 5 deals with authorisation of payments. The minutes show authorisation of payments lists in accordance with regulations. The bank mandate is up to date.

Financial regulation 6 deals with making payments. The council makes payments by cheque, direct debit, debit card and bacs. The system in place is routinely followed and a review of the payments file showed all summaries are signed and invoices verified. There is no doubt payments are properly reported to council, approved and the physical payment authorised.

The de-minimis limit recorded in the Financial Regulations for the competitive purchase of items and services is as listed below.

- £25,000 + Tender Process
- £5,000 - £25,000 3 quotations are required.
- £1,000 - £5,000 – strive to get 2 estimates – council considering removing this category
- 0 - £1,000 – power to spend – council considering change to £5,000 (2021/22)

I discussed the purchasing system with the RFO vis-à-vis financial regulations 4, 5 & 6 and ascertained that the regulations are being followed at a local level as described below:

1. Regular and recurring expenditure (rent, rates, wages, light & heat, contractual spend etc.) is known and authorised in advance (budget setting or tender process). These are, in the main, paid via direct debit, standing order or on-line banking. Evidence was noted in the minutes of advance variable direct debits being properly authorised.
1. An ad hoc expenditure requirement is identified and noted to the clerk/RFO – this can be from a number of sources and depending on the financial amount will be discussed in advance with council, committee or chair. If required, this is approved in advance by council committee before the expenditure incurred. My audit testing showed via the minutes that there is where appropriate discussion of expenditure before the orders are placed.
2. The order is made via the office – councillors are not allowed or permitted to place amend or vary orders.
3. The supplier invoice, when received, is reviewed by the RFO and box stamped and passed to budget holder for authorisation and review. My audit testing showed that supplier invoices do all have a box stamp.
4. The authorised invoices are then returned to the RFO and are input into the financial reporting package.
5. On a weekly basis a payments list is prepared by the RFO, and councillors are invited to approve the payment sheet and approve the invoices via email. The RFO sets the payments up on the on-line banking screens and prints this out in hard copy and the clerk verifies the list to the bank print. The clerk then authorises the physical payment on the bank system. Dual access is not required to access bank. The RFO accesses bank account and inputs payment and Town Clerk reviews input against schedule and signs that it is correct.
6. The payments list is taken to committee for approval in accordance with regulations.

In conducting our walk-through testing, we identified that the correct VAT is recorded on the system and could be agreed to physical invoices and the VAT return, which in turn was proved to the physical refund and HMRC website. We also agreed to documentary evidence and supplier invoices payments made by bacs and DD – there were no errors.

Confirm all section 137 expenditure meets the guidelines & does not exceed the annual per elector limit of £8.41 (2021: £8.32 per elector.)

The council has no S.137 expenditure because they have GPC. This was approved in May 2019 at the annual meeting. I have verified this to the minutes.

Confirm that checks of the accounts are made by a councillor.

The client has an internal audit committee, with a detail remit and schedule of works. In July 2021 a body of review work was presented and documented. No errors or omissions were noted. I am under no doubt the council has robust internal controls in place.

C. RISK MANAGEMENT AND INSURANCE

Internal audit requirement

This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

Audit findings

As part of the audit committee remit of works the Council undertakes risk assessments that cover a number of categories. Evidence was noted in Audit Committee meetings of review and adoption of the risk management policy and documentation. These are very comprehensive and detailed documents.

Godalming TC is insured with Zurich on a 3-year deal. Asset cover seems consistent with the asset register, and money cover is adequate for a council of this size. The certificate is in date.

D. BUDGET, PRECEPT AND RESERVES

Internal audit requirement

The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.

I confirmed that the 2022-23 budget and precept setting process was completed and approved by council at the meeting held on 13 January 2022, which is within the timescales set within the financial regulations and submitted its application on time to the precepting authority.

Councillors receive regular reports on budget against actuals via reports to the Policy and Management Committee. I reviewed the report for the period to end of June 2022 and was able to confirm that the budget is well managed and reported on. Overspends have been properly explained and approval for funding sought from Councillors.

The Council has well developed reserves, which are properly maintained and recorded. At the interim audit date the council has £428 of general reserves and £465 of earmarked reserves. It is forecasted that at the end of the council year general reserves could be at £300k. The RFO is aware that the general reserve is a little on the low side (below the 50% of precept rule of thumb). This has been discussed with council so that a strategy can be put in place to bring the reserves level up over time.

I discussed the earmarked reserves with the RFO and RFO was able to provide explanations and reasons for all reserves. I am of the opinion these are bonafide reserves.

E. INCOME

Internal audit requirement

Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.

Audit findings

The council has multiple income sources to support the precept, including, grants, donations, room and facility hire income, rental income, and other miscellaneous sources.

A review of the nominal ledger report and cashbooks shows income is clearly recorded with sufficient narrative description to identify the source. There was no evidence of netting off and the income item appears to be posted to the correct heading to which the expenditure related.

I verified the precept and council tax support grant to remittance advice, bank statement and minute evidence – there were no errors.

I verified a CIL receipt recoded in the cashbook to bank statements – there were no errors.

I verified a selection of sales invoices drawn from the monial ledger and agreed these back to the hard copies, the VAT and charge rates were agreed to underlying charge sheets. There were no errors.

F. PETTY CASH

Internal audit requirement

Petty cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for.

Audit findings

The council no longer maintains petty cash floats, and now uses expenses claims.

G. PAYROLL

Internal audit requirement

Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.

Audit findings

Previous internal audits have confirmed that all employees have a signed contract of employment, based on the NALC model, and are paid in accordance with the NJC salary scales. There are no councillor allowances.

The payroll is processed using Sage 50 payroll and is processed in house by the RFO. Payroll is then reviewed by the Clerk and signed off electronically by two councillors prior to payment to staff.

The council has fulfilled its obligations in respect of auto-enrolment and uses LGPS.

I tested the tax deduction and pay scales for a full time & part time employee – there were no errors. I am of the opinion salaries are correctly calculated and paid.

I tested the month 6 PAYE and NI Liability and agreed this to a physical payment made on the 30th August. The PAYE and NI liabilities are paid on time. I also verified the HMRC record and can confirm there are no outstanding liabilities.

All council employees are paid through the payroll for all council work undertaken. No employees are paid separately for any other council work undertaken. Casual labour payments are correctly recorded via the payroll.

Pay increases are based on an annual appraisal and a fixed % e.g., an annual cost of living increase or an incremental scale increase, where applicable.

H. ASSETS AND INVESTMENTS

Internal audit requirement

Asset and investments registers were complete and accurate and properly maintained.

Audit findings

The fixed asset register is maintained on excel, additions and disposals have been agreed to a schedule prepared by the RFO and have been correctly added at cost or written off the asset register as obsolete. There have been no fixed asset purchases since the year end.

I tested a sample of payments to PWLB, the loan interest and capital repayments were agreed to PWLB debt management letters. There were no errors.

The council does not hold any long-term investments i.e., over 1 year.

I. BANK AND CASH

Internal audit requirement

Periodic and year-end bank account reconciliations were properly carried out.

Audit findings

Financial Regulation 2.2 On a regular basis, at least once in each quarter, and at each financial year end, a member other than a cheque signatory shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including exceptions, to and noted by the Audit Committee.

The bank reconciliations for all accounts are completed on a monthly basis by the RFO, and are presented to the Audit committee meetings for review. I reviewed the bank statement folder and can confirm monthly reconciliations were filed in order and signed off by the RFO. I was also able to prove that the June reconciliation was reviewed, and counter signed in accordance with financial regulations. I was able to confirm all the balances to the bank statements and found no errors.

Due to the council's budget exceeding €500,000, it does not benefit from any protection form the Financial Services Compensation Scheme (FSCS). However, it is clear the council carefully considers its banking arrangements and has an adopted Investment Strategy dated the 22nd May on its website, which were re-adopted by Full council at its annual meeting.

J. YEAR END ACCOUNTS**Internal audit requirement**

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.

Section 1 – Annual Governance Statement

	Annual Governance Statement	<i>'Yes', means that this authority</i>	Suggested response based on evidence
1	We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>	YES – accounts follow latest Accounts and Audit Regulations and practitioners guide recommendations.
2	We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>	YES – there is regular reporting of financial transactions and accounting summaries, offering the opportunity for scrutiny.
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.	<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>	YES – the Clerk is experienced and advises the council in respect of its legal powers.
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.	<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>	YES – the requirements and timescales for 2021/22 year-end were followed.
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.	<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>	YES – the council has a risk management scheme and appropriate external insurance.
6	We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	<i>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.</i>	YES – the council has appointed an independent and competent internal auditor has completed two audits during the year.
7	We took appropriate action on all matters raised in reports from internal and external audit.	<i>responded to matters brought to its attention by internal and external audit.</i>	YES – where matters are raised, action taken by council is recorded
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.	<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>	YES – no matters were raised during the internal audit visits.
9	Trust funds including charitable – In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/asset(s),	<i>has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>	N/A – the council has no trusts

	including financial reporting and, if required, independent examination or audit.		
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Section 2 – Accounting Statements

AGAR box number		2020/21	2021/22	Auditor notes
1	Balances brought forward	502,377	519,501	Agrees to 2020/21 carry forward (box 7)
2	Precept or rates and levies	711,154	769,225	Figure confirmed to central records
3	Total other receipts	263,113	428,417	Agrees to underlying records
4	Staff costs	385,471	420,299	Agrees to underlying records
5	Loan interest/capital repayments	77,703	77,703	Confirmed to PWLB records
6	All other payments	493,969	455,043	Agrees to underlying records
7	Balances carried forward	519,501	764,098	Cast correctly and agrees to balance sheet
8	Total value of cash and short-term investments	507,787	752,200	Agrees to bank reconciliation
9	Total fixed assets plus long-term investments and assets	1,977,504	1,980,004	Matches asset register
10	Total borrowings	1,446,469	1,415,083	Confirmed to PWLB records
11	For Local Councils only - Disclosure note re Trust funds (including charitable)	YES	NO	N/A as the council has no trusts

The year-end accounts have been correctly prepared on an income and expenditure basis. The box 7 and 8 reconciliation has been completed using the RBS information and shows total debtors of £36,193.24 made up of debtor control (£18,128.64), VAT control account (£17,938.50) and prepayments (£126.10), and total creditors of £24,295.31 made up of creditors (£13,705.67), Revenue in Advance (£1,054.35), Accruals (£2,420.00), Deposits control (£492.56) and High Street parking deposits (£6,622.73).

The AGAR correctly casts and cross casts and the comparatives have been correctly copied over from the 2020/21 AGAR. Figures have been verified against underlying accounting records where appropriate.

The variance analysis has been correctly completed with sufficient detail to explain the changes over 15% compared to the previous year's totals.

K. LIMITED ASSURANCE REVIEW

Internal audit requirement

If the authority certified itself as exempt from a limited assurance review in 2021/22, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")

Audit findings

The council did not certify itself exempt in 2021/22 due to exceeding the income and expenditure limits and this test does not apply.

L: TRANSPARENCY

Internal audit requirement

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

Audit findings

The council has income and expenditure in excess of £200,000 and as such is required to follow the "Local Government Transparency Code 2015" which is recommend practice not law.

Code requires local authorities in England to publish the following information quarterly:

Expenditure exceeding £500	Is published monthly
Government Procurement Card transactions	Council does not have this
Procurement information	On the website and On-going

Additionally, local authorities are required to publish the following information annually:

Local Authority Land	This is on a tab on the website
Social Housing Assets	Council does not have this
Grants to voluntary, community and social enterprise organisations	This is on a tab on the website
Organisational Chart	This is on a tab on the website
Trade union facility time	This is on a tab on the website
Parking account	Council does not have this
Parking spaces	Council does not have this
Senior salaries	This is on a tab on the website
Constitution	Council does not have this
Pay multiple	This is on a tab on the website
Fraud	Council does not have this

M: EXERCISE OF PUBLIC RIGHTS - INSPECTION OF ACCOUNTS

Internal audit requirement

The authority, during the previous year (2021-22) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).

Audit findings

Inspection - Key date	2020/21 Actual	2021/22 Proposed
Date Inspection Notice Issued	11 June 2021	10 June 2022
Inspection period begins	14 June 2021	13 June 2022
Inspection period ends	23 July 2021	22 July 2022
Correct length	Yes	Yes
Common period included?	Yes	Yes

The council signed the AGAR at the meeting to be held on 28th April 2022.

The website of the council contains copies of the accounts, AGAR, notice of conclusion etc.

I am satisfied the requirements of this control objective were met for 2021/22.

N: PUBLICATION REQUIREMENTS

Internal audit requirement

The authority has complied with the publication requirements for 2021/22. Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website / webpage.

Before 1 July 2022 authorities must publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited
- Section 1 - Annual Governance Statement 2021/22, approved and signed, page 4
- Section 2 - Accounting Statements 2021/22, approved and signed, page 5

Not later than 30 September 2022 authorities must publish:

- Notice of conclusion of audit
- Section 3 - External Auditor Report and Certificate

•Sections 1 and 2 of AGAR including any amendments as a result of the limited assurance review.

It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

Audit findings

I was able to confirm that the publication requirements for 2021/22 have been met and the Notice of Public Rights is published on the council website.

O. TRUSTEESHIP

Internal audit requirement

Trust funds (including charitable) – The council met its responsibilities as a trustee.

Audit findings

The council has no trusts, and this test does not apply.

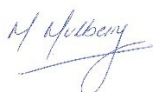
Achievement of control assertions at interim audit date

Based on the tests conducted during the interim audit, our conclusions on the achievement of the internal control objectives are summarised in the table below. A further review and update of this opinion will be conducted at the final audit.

	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 assesses 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 2021/22, 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 (2021-22) 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 2021/22 AGAR.	✓		
O	Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

Should you have any queries please do not hesitate to contact me.

Yours sincerely



Mark Mulberry
For Mulberry & Co

Interim Audit - Points Carried Forward

None at the interim stage

Rita Tong

From: admin@saaa.co.uk
Sent: 11 August 2022 15:52
To: Rita Tong
Subject: SAAA 2022 Opt-out Communication
Attachments: PNG image

Option to opt out of the SAAA central external auditor appointment arrangements

Dear Clerk/RFO/Chairman, Godalming Town Council,

Under the Local Audit (Smaller Authorities) Regulations 2015, SAAA is responsible for appointing external auditors to all applicable opted-in smaller authorities, for setting the terms of appointment for limited assurance reviews and for managing the contracts with the appointed audit firms. Smaller authorities are those whose gross annual income or expenditure is **less than £6.5 million**.

The next 5-year appointing period runs from 2022-23 until 2026-27 and SAAA has undertaken a procurement exercise to appoint auditors to each County area from 1 April 2022. Now that the submission deadline for the 2021-22 Annual Governance and Accountability Returns has passed, this is to advise you of the option to opt-out of the next round of 5-year audit appointments.

All authorities require an appointed external auditor even if the authority meets the criteria to qualify for exemption, as a Certificate of Exemption is required to be submitted to the external auditor and the auditor must be in place in case of objections from local electors

During the previous 5-year period **all** smaller authorities were 'opted-in' to the central procurement regime managed by SAAA - no authority decided to 'opt-out' and follow the various complex procedures required under statute to appoint their own external auditor. **If you wish to continue as part of the SAAA sector led auditor appointment regime then no action is required, you will remain part of central scheme.**

However, all authorities must be given the option to opt-out of the central procurement and appointment scheme and appoint their own external auditor for the next 5-year period, although the process is onerous for smaller authorities.

This communication is to advise that whilst all smaller authorities are opted into the central procurement of external auditors by default, any authorities who do not wish to be part of the SAAA arrangements must formally notify SAAA that they wish to opt out within **8 weeks** of this communication but no later than **28 October 2022**; this decision must be communicated to SAAA via e mail to admin@saaa.co.uk.

If notification of your decision to opt out is not received within this 8-week period, then your authority will be regarded as opted-in for the next five-year period beginning on 1 April 2022 and ending on 31 March 2027.

-

Opting-out

Opting out is a significant decision which requires careful consideration; to assist authorities considering opting out further guidance has been developed to clarify what opting out means in practice. This detailed information can be found at www.saaa.co.uk

An authority that wishes to opt out must formally reach and record that decision in a way that meets the requirements of its own governance framework, by convening a full council meeting or an extraordinary council meeting.

Key implications are:

- an opted-out authority regardless of size (including exempt authorities) **MUST** appoint an appropriate external auditor;
- the appointed auditor **must** be a registered auditor as defined by the Companies Act and a member of Institute of Chartered Accountants (England and Wales).
- an opted-out authority **must** convene an appropriate independent auditor panel which meets the requirements of the Local Audit and Accountability Act 2014 (LAAA). Detailed guidance on auditor panels is available in Schedule 4 of the LAAA Act and from CIPFA;
- an opted-out authority will need to develop its own specification for its external audit contract, will need to negotiate the price for this work on an individual basis and will need to manage the contract, including any disputes, and any independence issues that may arise;
- an opted-out authority must ensure full compliance with the relevant requirements of the Local Audit and Accountability Act and supporting Regulations;
- any opted-out authority that does not successfully appoint an appropriate external auditor in the correct manner and notify SAAA who their external auditor is by **30 November 2022** will have an external auditor appointed for it by the Secretary of State through SAAA. **This will result in additional costs of £300 which will have to be met by the authority.**

Regards,
admin@saaa.co.uk



www.saaa.co.uk • SAAA Ltd, 77 Mansell Street, London E1 8AN

This email is for the sole use of the intended recipient and may contain privileged and/or confidential information. If you receive this in error, please notify the sender immediately and do not use, rely upon, copy, forward or disclose its content to any other party.

10. BUDGETARY CONTROLS

Budget Setting Process

The current process for setting the budget is:

- the Town Clerk gains visibility of potential new initiatives from Members through the Leaders of Political Groups Meeting. Officers may also raise initiatives in this forum which are usually derived from either best practice seen at other Councils, known legislative changes that need to be adhered to or technological changes that could improve efficiencies;
- RFO seeks advice from the Town Clerk on what, if any, new initiatives are likely to be undertaken in the new budget year;
- financial implications of new initiatives are developed and incorporated into base budget;
- base budget is reviewed and amended for known inflationary and other adjustments;
- draft budget is presented to the Policy & Management Committee for review and comment; and
- once agreed, budget is taken to Full Council to be approved and for the Precept to be set.

Ongoing Oversight

Once the budget has been agreed, it is loaded into Omega (the financial system operated by the Town Council) which enables budget monitoring to be performed. Budget monitoring is done at every Policy & Management Committee meeting.

At each Policy & Management Committee meeting actual expenditure to date (by line item and by cost centre) is compared to the profiled budget and significant variances explained. Where any potential issues are identified, they are discussed and a course of action agreed (and reflected in the minutes of the meeting).

Officers are able to spend against the approved budget, within Financial Regulations and Standing Orders. If during a financial year a spending requirement is identified that has not been budgeted for, the item is taken to the Policy & Management Committee for authorisation.

Quotes are required for any significant expenditure not covered by existing contracts.

The Internal Auditor reviews our compliance with our own Financial Regulations. The External Auditor reviews whether budget monitoring is done.

Published Data

The Council is required to publish its approved budget on its website; this information can be found on the [Financial Information](#) page.

The Council must also demonstrate that performance against budget is monitored at least quarterly. Godalming Town Council performs its budget monitoring within the Policy & Management Committee, whose agendas can be found online within the Town Council [Agendas & Minutes](#) section.

Risk Assessment



Area: **Environment**

Date of Assessment: 06/09/2022

Date of Last Assessment: 3 Feb 2022

Responsible Persons Name: Town Clerk – Andy Jeffery

Name of Assessor: Bob Crooks

Date of next Assessment: January 2025

Signature: _____

<u>Hazards</u>	<u>Persons at Risk</u>	<u>Existing Precautions</u>	<u>Severity</u>	<u>Likelihood</u>	<u>Numerical Risk</u>	<u>Risk Rating</u>	<u>Additional Controls</u>	<u>Freq</u>	<u>Current position</u>
Lack of awareness of environmental changes from Climate change and local resource demands, leads to shortages and inadequate sustainable provision for future needs. Especially as regards increasing demands on water and energy resources as temperatures rise and housing developments grow	Community and officers/staff	Track forecasts of environmental change eg EA website/flood alerts and predictions. Track weather projections. Climate Change Action Plan developed in response to declaration of Climate Emergency for the Town and its community Maintain network of contacts/resources that can be activated at short notice to provide adequate response	4	3	12	High	Generally seek to promote and adopt good practice across Council activities. Specifically <ul style="list-style-type: none"> Office produces Annual footprint report to Carbon Trust standards which stimulates staff awareness and action Pesticides removed from materials used in ground maintenance work Stall holders at council events pushed not to use single use plastic Training for Officers and Councillors All Councillors sit on E&P Committee which assesses environmental impacts of planning 	As reqrd 6 wkly	Councillors to set out best practices for each area of activity, including identification of Re-use, Re-duce, Re-cycle opportunities, following NALC guidelines No specific staff training undertaken over this period All staff aware of and seek to use more environmentally friendly products and services in their work Last footprint assessment undertaken for 2018/19. Officers to be asked to

High risks 12-25
Immediate action required to either eliminate or adequately control the risk before further activity takes place.

Medium risks 5-10
Review existing control measures to determine effectiveness. Where necessary implement further risk reducing measures.

Low risks <5
Adequately controlled. No actions required but keep assessment under review. Additional controls will further reduce risk.

Likelihood	Severity				
	Negligible	Minor	Moderate	Major	Catastrophic
Rare	1	2	3	4	5
Unlikely	2	4	6	8	10
Possible	3	6	9	12	15
Likely	4	8	12	16	20
Almost certain	5	10	15	20	25

Risk Assessment

<u>Hazards</u>	<u>Persons at Risk</u>	<u>Existing Precautions</u>	<u>Severity</u>	<u>Likelihood</u>	<u>Numerical Risk</u>	<u>Risk Rating</u>	<u>Additional Controls</u>	<u>Freq</u>	<u>Current position</u>
Lack of resources to deal with a large scale environmental change e.g. flooding							<p>applications and reports any issues to Policy and Management Committee who in turn advise the planning authorities WBC and SCC</p> <ul style="list-style-type: none"> Council officers to engage with environmental emergency provisions at borough and county level – WBC are lead org for us and we support and deliver as required by WBC 		add to work programme and complete one for 2021/22 to identify reductions achieved over those 3 years and where more could be done.
Council Office waste ends up in landfill sites. Personal/official papers exposed. Waste not properly sorted prior to collection – collectors charge for contaminated loads refused by recyclers	Council officers/contractors	Contract provisions, Staff awareness of recycling provisions including GDPR requirements Good signage	4	2	8	Medium	On-going actions to sustain staff awareness and brief staff on latest opportunities and legal provisions.		We use Chambers waste management for all venues. They separate GTC waste at their centre, to pull out recyclable/re-usable items eg food, printer cartridges and paper

High risks 12-25

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Medium risks 5-10

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Incorrect disposal of Hazardous materials (including Asbestos) – risk to health and environment		<ul style="list-style-type: none"> All buildings checked for Asbestos and disposed of in an appropriate way. Recent asbestos found in Wilfrid Noyce Centre – specialists contracted for safe removal and disposal. Every building has its own Asbestos Report which details where, if any, asbestos resides. This must be reviewed every five years. Report must be given to any contractors performing works on the building. Identification and removal of alien and hazardous flora from Council land 	4	2	8	Medium	Site visits. Contract penalties JBC changed provisions to ensure use of env friendly products eg in removal of weeds, and SCC seek to use similar in maintaining verges		Inspections for asbestos completed for all GTC venues with no major quantities of asbestos found. Any found is safely disposed of by specialist asbestos removers who provide certificates of safe disposal
Using goods and services that have an adverse impact on the environment	Council officers/contractors	EIAs required in contracts prior to work commencing. Purchasing criteria include need for eco-labelling, fair trade sourcing and avoidance of single use plastics	4	2	8	Medium	Check provenance and constitution of goods used in significant amounts. Contract management to ensure adherence to		Are there any environmental inspections/assessments carried out on existing contracts/contractors?

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Risk Assessment



<u>Hazards</u>	<u>Persons at Risk</u>	<u>Existing Precautions</u>	<u>Severity</u>	<u>Likelihood</u>	<u>Numerical Risk</u>	<u>Risk Rating</u>	<u>Additional Controls</u>	<u>Freq</u>	<u>Current position</u>
Electricity, heating and fuel sourced from fossil fuels		Using electric van. Contract for electricity and heating provisions contain provenance requirements	2	3	6	Medium	environmental/ sustainability regulations. Local traders and suppliers are first port of call to be used wherever possible for supplies eg stationery Review sourcing of energy for GTC premises and transport especially at contract renewal points.		Procurements factor in environmental impacts as part of assessments Electricity sourced from green providers Seeking to remove use of gas across estate, now only 3 properties left using gas. These will be changed over when opportunity arises as transition can be expensive Now all GTC properties have electricity supplied from renewable resources 1 Council e-vehicle now recharged with electricity from green sources. The other Council vehicle currently operates on petrol, will be changed to an e-vehicle when there is a need to replace it.

High risks 12-25
Immediate action required to either eliminate or adequately control the risk before further activity takes place.

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Risk Assessment

<u>Hazards</u>	<u>Persons at Risk</u>	<u>Existing Precautions</u>	<u>Severity</u>	<u>Likelihood</u>	<u>Numerical Risk</u>	<u>Risk Rating</u>	<u>Additional Controls</u>	<u>Freq</u>	<u>Current position</u>
Energy wasted – needless expenditure and consumption		Insulation of GTC premises Use of LED bulbs	3	3	9	Medium	Assessment of all GTC-owned buildings		New Council Office provisioned with insulation prior to habitation Wilfred Noyce centre insulated as part of recent renovation programme. Extent of insulation in the Pepperpot and at Broadwater is unclear Eashing cemetery building not able to be easily insulated Lighting being upgraded to LED as and when opportunity arises
Loss of bio-diversity on Council Land		Re-wilding programme being implemented Engagement with SCC on their tree-planting and other diversity improvement schemes/opportunities Removal of any invasive species eg Knot weed found on GTC land	2	4	8	Medium	On-going assessment of all Council-owned land (including parks and kerbside spaces, though as Highways authority SCC are responsible for taking action to improve		Removed Knotweed infestations found around Wilfred Noyce centre, to be checked annually. Work underway to improve biodiversity at Eashing cemetery Community Orchard being established For any tree fellings proposed in planning applications, replanting is sought

High risks 12-25

Immediate action required to either eliminate or adequately control the risk before further activity takes place.

Medium risks 5-10

Review existing control measures to determine effectiveness.
Where necessary implement further risk reducing measures.

Low risks <5

Adequately controlled. No actions required but keep assessment under review. Additional controls will further reduce risk.

Likelihood	Severity				
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12. HEALTH & SAFETY CONTROLS – BUILDINGS MAINTENANCE

Councillor Michael Stubbs met with Darren – Buildings Maintenance on 18 July 2022. Karen was also in attendance (she was at Eashing Cemetery for another reason).

The in-house Maintenance Team has been in existence for three years consisting of Grounds Maintenance and Buildings. In that time Darren has worked on the New Offices, Refurbishment of Broadwater Community Centre and Community Store and is now working at Eashing Cemetery.

Lone working - Darren is the only one involved with Building Maintenance and therefore works on his own much of the time. He texts Karen or Rita at the start of work at whichever site he is at that morning and when he starts at others. He keeps his phone with him at all times. **I felt this procedure needs to be improved soon. Maybe an office phone used to track all notifications, which should include when jobs end as well as begin.**

He does occasionally have a volunteer to be with him for jobs where he can't be on his own, like work using a cherry-picker or ladder. **An apprentice may be a good way forward.**

Risk Assessments – There are no formal risk assessments covering the specific types of work Darren undertakes or the tools that only he would use. He does not have access to and relevant risk assessments created/used by Jason. **This needs to be addressed.**

PPE - He keeps all his PPE in his van as can receive a phone call one evening to visit a site other than the one he had planned. (He lives in Cranleigh so could waste time driving to Eashing Cemetery only to go to BWP).

If subcontractors are needed on projects for Karen, she will review the H&S and Risk Assessments; not Darren. **This needs to include all subcontractor situations.**

Work Load - His line Manager is Andy who gives him the work projects, but can also give instructions which change what Darren has planned to do, meaning some work takes longer as it seems he hasn't any support.

There needs to be a procedure for planning the work and any special PPE or equipment needed and the right number of personnel allocated to the project - a Plan of Work.

The original organisation was that Ground Maintenance Supervisor or team would work with Buildings Maintenance if need be, but that doesn't seem to have happened. **Needs looking at.**

Training - Darren has a lot of experience and is an efficient hardworker. He has had training for Working at Height, Ladders, MEWP, H&S Awareness, Abrasive wheels (Small Tools), Manual Handling. **He needs Risk Assessment training, as part of a complete training needs assessment.**

Space – There is very little space at Eashing Cemetery for both Grounds Maintenance and Building Maintenance, as the tractor and other equipment take up a large area. Darren needs work bench etc to cut, drill, saw etc. and somewhere to store materials safely. **There needs to be research into another location for the workshop as it's not safe where it is.**

Tools - The right tools for the right job. Some of the tools appear to not be suitable for continual use. ie the work is more than just DIY which is carried out occasionally. The work

done by Darren is continual and the tools need to be appropriate for the job to enable it to be carried out efficiently and safely.

Overall – I felt there needs to be a review on how Building Maintenance operates as it is not how it was originally set up.

We need to invest in our staff and at present I feel Darren ...and Godalming Town Council are exposed if anything were to go wrong.

Health & Safety Governance Task & Finish Group

Notes of Meeting: 22nd August 2022

Present: Joan Heagin
Michael Stubbs
Rita Tong

Background:

The group was formed at the meeting of Audit on 25th April 2022 in response to a request from the Town Clerk and RFO for a review of Health and Safety governance arrangements.

At that time it had been decided to undertake a more detailed review of a number of risk assessments to establish the extent to which risk control measures prescribed were operated in practice. The group therefore decided to await the outcome of the review of health and safety risk assessments before commencing the wider review of health and safety arrangements required.

Cllr Stubbs reported on risk assessment arrangements for facilities, events and grounds maintenance at the July Audit meeting, but the review of arrangements for buildings maintenance remained outstanding. This has now been completed and the report will be presented to Audit at the September meeting.

The initial meeting of the H&SG was therefore convened.

Review of Risk Assessments

Whilst the initial review of risk assessments demonstrated a thorough approach, it also highlighted significant differences between the way in which processes were managed. Lack of consistency presents a risk in itself.

The subsequent review of the buildings maintenance function highlighted some more serious concerns.

Review of Health & Safety Policy

The group decided to use relevant HSE guidance as the basis for evaluation of the GTC management in this area.

They note that most organisations set out their policy in three sections¹:

- Statement of principles and objectives
- Responsibilities section, setting out who is responsible for specific actions
- Arrangements section, containing details of what will be done in practice in a response to specific aspects of risk

GTC currently have a H&S Policy dated 1st April 2021 and a H&S Policy Statement dated 19th May 2022, signed by the Mayor.

The May 2022 document contains the type of statements and commitments expected in the first section of the HSE endorsed approach. However even a cursory review of the April 2021 document reveals shortcomings when measured against the HSE yardstick of what should be included in the second and third sections. In particular the H&S Policy:

- sets out responsibilities for elected members, Town Clerk, Facilities Supervisor, RFO and other employees. However simply based on observations of GTC activities, including the review of risk assessments, it is felt that these descriptions of responsibilities is not reflective of what does (and does not) happen in practice
- references other policies as dealing with aspects of H&S, without specifying what they are. These could include Fire Safety, First Aid and Lone Working, but collectively these fall short of what would normally be expected as a set of H&S arrangements
- does not specify a competent person, which HSE identify as a crucial requirement²

Summary of discussions

1. GTC has evolved rapidly over the past 3 years, and HSE policy and arrangements have not kept up. When the RFO arrived at GTC there were 5 employees on the payroll. There are now 21, and the range of activities has expanded with responsibilities for the Museum, direct labour and youth services
2. The lack of a competent person is a particular concern. No one person internally has the knowledge to fulfill the role. The facilities supervisor may be an option, but suitable training, available time and reporting structures would all be issues. Sourcing externally is the alternative, but this would still require an internal point of contact that may still require some adaptation to job descriptions etc.
3. It was felt that GTC would benefit from an external audit of existing arrangements and recommendations for the most appropriate way forward. The RFO was therefore asked to obtain quotations to present to Audit at its September meeting.

¹ <https://www.hse.gov.uk/toolbox/managing/writing.htm>

² <https://www.hse.gov.uk/toolbox/managing/deciding.htm>

GODALMING TOWN COUNCIL

Disclosure by a Member¹ of a disclosable pecuniary interest or other registerable interest (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 registerable interest (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 Interests	Other Registerable Interests (Non-Pecuniary Interests)	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 registerable interest (non-pecuniary interest) is defined by Section 9 of the Godalming Members' Code of Conduct.