

GODALMING TOWN COUNCIL

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E-Mail: office@godalming-tc.gov.uk
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107-109 High Street
Godalming
Surrey
GU7 1AQ

27 January 2023

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, 2 FEBRUARY 2023 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 3 November 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. REVIEW OF RISK ASSESSMENT – PHYSICAL & INFORMATION SECURITY

Members to consider the risk assessment on Physical & Information Security (attached for the information of Members).

9. REVIEW OF RISK ASSESSMENT – REPUTATION

Members to consider the risk assessment on Reputation (attached for the information of Members).

10. REVIEW OF RISK ASSESSMENT – FINANCIAL

Members to consider the risk assessment on Financial (attached for the information of Members).

11. EXTERNAL AUDITOR APPOINTMENT

Members to note that PKF Littlejohn LLP have been re-appointed as our External Auditors until the financial year 2026/27 (notification letter attached for the information of Members).

12. HEALTH AND SAFETY MANAGEMENT SYSTEM

Full Council authorised Members of this committee to agree the appointment of a provider of an integrated Health & Safety management system for the Council on a 36-month contract term. The cost of service to be no more than £3,120 per annum.

Members to consider the confidential proposals of three Health & Safety management system providers (attached for the information of Members) and resolve to agree the appointment of one of them.

13. DATE OF NEXT MEETING

The next meeting of the Audit Committee is scheduled to be held in The Pepperpot on Monday, 17 April 2023 at 7.00pm.

14. 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	3 November 2022	Task & Finish Group to review H&S governance and documentation	On this agenda	RFO to contact identified organisations to conduct initial meeting and obtain scope of work and costs
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	
Miscellaneous – Meeting 2					
External Auditor's Report	RFO	Taken straight to Full Council on 29 September 2022	To be reviewed when next report received	Annual review to be completed by September 2023	

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
Asset Control	Cllr Boyle/RFO	3 November 2022	Onward recommendation to Full Council on 23 September 2021 of new Fixed Asset Disposal Policy	Annual review to be completed by September 2023	Revaluation of buildings to be organised within next two years
Review of Suppliers	RFO /Facilities Supervisor /TC	Ongoing	To perform a competitive quote exercise for IT Services.	Ongoing task	To perform a competitive quote exercise for IT Services.
Financial Regulations	RFO	3 November 2022	Review of Financial Regulations completed by this Committee 3 November 2022. Onward recommendation to Full Council on 15 December 2022	Annual review to be completed by September 2023	
Procedures	Cllr Welland	Ongoing	Creating a Standard Operating Procedures File for each position	Ongoing task	
Budgetary Controls	Cllr Welland	3 November 2022	Conducted 3 November 2022 – to be reviewed in 12 months	Annual review to be completed by September 2023	

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 November 2022	To be reviewed at least every three years	Next review to be completed by 31 March 2025	
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

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
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Risk Assessment – Physical & Information Security	Cllr Welland/RFO	10 September 2020	To be reviewed at least every three years	On this agenda	
Risk Assessment – Reputation	Cllr Stubbs /RFO	6 February 2020	To be reviewed at least every three years	On this agenda	
Risk Assessment – Health & Safety	Cllr Stubbs /RFO	3 November 2022	To be reviewed at least every three years	Next review to be completed by 31 March 2025	
Risk Assessment – Financial	Cllr Crooks /RFO	10 September 2020	To be reviewed at least every three years	On this agenda	
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	

Year End – Meeting 4					
Internal Auditor's Reports	RFO	3 November 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	

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
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	

Risk Assessment



Area:

Physical & Information Security

Date of Assessment: 02/02/2023

Date of Last Assessment: 06/02/2020

Responsible Persons Name: Town Clerk – Andy Jeffery

Name of Assessor: Ross Welland

Date of Next Assessment: January 2026

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>Task Frequency</u>
Break in or unauthorised entry to Town Council premises	Staff Councillors Customers Hirers	Alarm systems where appropriate Good quality locks on all doors Good control of keys Slave & master key system Controlled entry system whereby visitors buzz to be let into main office Receptionist at front door to ensure visitors are expected or to guide to seating whilst enquiry dealt with.	3	3	9	Medium	Alarms & CCTV cameras serviced annually to ensure in good working order Business Continuity Plan reviewed annually to ensure reflects current needs and working practices Insurance reviewed annually to ensure adequate for current needs Adequate property maintenance budgets held	Facilities Supervisor – annually Audit Committee – annually RFO – at least annually or more frequently if new risk identified RFO – annually

<p>High risks 12-25 Immediate action required to either eliminate or adequately control the risk before further activity takes place.</p>	<p>Medium risks 5-10 Review existing control measures to determine effectiveness. Where necessary implement further risk reducing measures.</p>	<p>Low risks <5 Adequately controlled. No actions required but keep assessment under review. Additional controls will further reduce risk.</p>	<table border="1"> <thead> <tr> <th rowspan="2">Likelihood</th> <th colspan="5">Severity</th> </tr> <tr> <th>Negligible</th> <th>Minor</th> <th>Moderate</th> <th>Major</th> <th>Catastrophic</th> </tr> </thead> <tbody> <tr> <td>Rare</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td>Unlikely</td> <td>2</td> <td>4</td> <td>6</td> <td>8</td> <td>10</td> </tr> <tr> <td>Possible</td> <td>3</td> <td>6</td> <td>9</td> <td>12</td> <td>15</td> </tr> <tr> <td>Likely</td> <td>4</td> <td>8</td> <td>12</td> <td>16</td> <td>20</td> </tr> <tr> <td>Almost certain</td> <td>5</td> <td>10</td> <td>15</td> <td>20</td> <td>25</td> </tr> </tbody> </table>	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
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		Maintain a Business Continuity Plan to minimise impact of damage to computer and paper systems					Test back up works adequately	RFO - annually
		<p>Test of back up done annually to ensure it works</p> <p>Adequate insurance</p> <p>Maintain fabric of our buildings to ensure effectiveness of security measures</p> <p>Minimise the use of personal information on physical media</p> <p>Computers & information storage media are appropriately physically and logically protected.</p> <p>CCTV cameras installed as a preventative measure at WNC, BW and PP</p>						

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.

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Data loss or data / privacy breach Accidental release of personal data / information	Staff Councillors Customers Hirers	Computers and information storage media are appropriately physically and logically protected. Suppliers of information services are subject to procurement checks and ongoing assurance activity Personal email accounts are not used by staff or councillors under any circumstances Data protection training for all staff and councillors Data retention schedule for information	4	3	12	High	Data Protection Policy reviewed regularly Reviews / checks of suppliers of information services Staff training Training for Members on Data Protection / use of Council provided email accounts	Policy & Management Committee – every two years RFO – ad hoc / when required Town Clerk – as part of the induction process for new employees and every 4 years for existing Employees Town Clerk – as part of the induction process

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Assault on member of Staff or Councillor	Staff Councillors	<p>Maintain Lone Working Policy – ensure staff are aware of it and follow its guidance</p> <p>Include Councillors within Lone Working Policy if on GTC business</p> <p>Controlled entry system whereby visitors buzz to be let into main office Door locked when lone working with staff told they do not have to open if they are not comfortable. When multiple staff working, ability to call police by at least one staff member if visitor is acting in a threatening manner.</p> <p>Encourage Chairs to receive appropriate training so know how to manage contentious meetings</p>	3	1	3	Low	Lone Working Policy reviewed regularly	Staffing Committee – on work programme for regular review

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Risk Assessment



Area: **Reputation**

Date of Assessment: 02/02/2023

Date of Last Assessment: 06/02/2020

Responsible Persons Name: Town Clerk – Andy Jeffery

Name of Assessor: Joan Heagin

Date of Next Assessment: January 2026

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>Task Frequency</u>
Failure in some area of the Council's activity – by act of negligence or omission – that generates negative publicity	Residents and local businesses Council employees Councillors	Competent staff Good recruitment processes Appraisal system Induction & training of staff Good office systems and clarity about who is responsible for what Effective press strategy Disciplinary procedures Good contract management	3	3	9	Medium		

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<p>Inaccurate information generates the perception that the Council has failed in circumstances that generates negative publicity Eg failure by a third party (Go Godalming or the Chamber of Commerce) where public perception cannot distinguish between the third party & the Town Council</p> <p>Particular risk associated with social media</p>	<p>Residents and local businesses</p> <p>Council employees</p> <p>Councillors</p>	<p>Clarify relationships and partnership working</p> <p>Good press strategy</p> <p>Good working relationship with local journalists</p> <p>Monitoring of social media & IT Code of Conduct</p>	3	3	9	Medium		

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An individual Councillor presumes to act or speak for the Council in contravention of Council policy, says something controversial or contravenes the law		<p>Clarity of Members understanding of respective roles and management processes</p> <p>Induction and training of Members</p> <p>Effective press strategy and Code of Conduct</p> <p>Monitoring Officer</p> <p>2015 Guidance on the role of the Council's representatives on external bodies</p>	3	3	9	Medium		

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A member of staff while acting or speaking for the Council does so in contravention of Council policy, says something controversial or contravenes the law		Competent staff Good recruitment processes Appraisal system Induction and training of staff Good office systems and clarity about who is responsible for what Effective press strategy Disciplinary procedures IT Code of Conduct	3	2	6	Medium		

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Risk Assessment



Area: **FINANCE**

Date of Assessment: 02/02/2023

Date of Last Assessment: 06/02/2020

Responsible Persons Name: Town Clerk – Andy Jeffery

Name of Assessor: Bob Crooks

Date of Next Assessment: January 2026

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>Task Frequency</u>
Income May not receive the Precept on the due date.	The community and GTC	Ensure reserves are adequate to cover 6 months or 50% of the Precept to allow the organisation to continue trading.	4	3	12	Medium		RFO – ongoing.
Rent not received on properties or no hire fees received from community centres.	The community and GTC	Have adequate Insurance cover for loss of rent and loss of gross revenue.	3	3	9	Medium		RFO/TC arranges insurance annually and reviews levels of cover to ensure adequate.
Insufficient revenue is generated to fund operations.	The community and GTC	Ensure a medium to long term budget is in place to anticipate future revenue requirements, taking into account the impact of inflation , and enable strategies to be developed to address potential shortfalls.	4	2	8	Medium		RFO develops a rolling three year high level budget for Council consideration.

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<p>Money Laundering Money received could be illegally acquired and therefore as a consequence the Council may suffer a financial loss.</p>	GTC	<p>All signatories to be approved by the bank and provide the required level of identification. Two Member signatories to sign all withdrawals . Ensure as far as possible that all dealings with customers are legally binding.</p> <p>Only approved Officers and Members named on nominated bank mandate to liaise with any financial institution in relation to the finances of the organisation.</p>	4	3	12	High	<p>RFO arranges bank mandate and liaises between bank and Members to fulfil identification requirements</p> <p>RFO is main liaison with bank.</p>	
<p>Banking Facilities Provision Banks could make a loss or become insolvent.</p>		<p>Ensure monies are placed with approved and recognised institutions. Follow CIPFA Treasury Management Guidelines.</p>	4	2	8	Medium	<p>RFO to monitor banking institutions' credit rating at least annually.</p> <p>RFO to keep abreast of CIPFA Treasury Management Guidelines and ensure adherence.</p>	<p>Annually</p> <p>Monthly as and when these change</p>

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<p>Investments Investments may be lost through market forces.</p> <p>Investments may be misused/ fraud/corruption.</p>		<p>Follow Council's Investment Strategy Policy.</p> <p>Insurance cover for Fidelity Guarantee (which covers the misappropriation of funds by Officers and Members) to cover total reserves.</p>	4	2	8	Medium	<p>RFO to ensure compliance with approved Investment Strategy Policy.</p> <p>Review both Investment Strategy Policy and insurance cover annually.</p>	<p>As and when investments change</p> <p>Annually</p>

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
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<p>Assets Assets may be damaged/ stolen.</p> <p>Inability to replace assets that are damaged, lost or stolen.</p>		<p>Ensure all assets are appropriately maintained through regular inspections.</p> <p>Ensure the Asset Register is updated regularly</p> <p>Have adequate insurance to cover loss or damage.</p> <p>Ensure all assets are retained in a safe and secure environment (e.g. civic regalia is kept in alarmed strong room).</p> <p>Annual budget includes a maintenance line item for regular scheduled maintenance and unplanned maintenance. Reserves are built up over time to ensure ability to replace or repair major capital assets.</p>	4	3	12	High	<p>Facilities Supervisor has a scheduled maintenance programme and performs regular reviews for unplanned maintenance.</p> <p>RFO maintains Asset Register which is reviewed by the Internal Auditor each year.</p> <p>RFO/TC review insurance cover annually.</p> <p>RFO prepares budget annually with provision for both short and long term asset maintenance.</p>	<p>In line with Maintenance Programme</p> <p>As and when assets change and annual audit</p> <p>Annual</p> <p>Annual</p>

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<p>Liquidity Insufficient funds available when required to make payments when due.</p> <p>Unable to recover debtors' amount.</p> <p>Long term inability to repay loans.</p>		<p>Cash flow not a significant issue as Council receives the Precept (its main income) in two instalments in advance and holds healthy levels of cash reserves in the bank.</p> <p>Cash flow is a required element of consideration per the Councils' Investment Strategy Policy.</p> <p>Casual users of community centres are required to pay their account before the service is provided. Regular users and ad hoc debtors are subject to the Council's credit control procedures.</p> <p>Repayments are fixed interest (not variable) and have been built into the base budget.</p>	3	3	9	Medium		<p>RFO monitors cash flow regularly.</p> <p>Policy to be reviewed annually</p> <p>RFO performs credit control each month.</p>
			4	2	8	Medium	RFO ensures repayments are built into annual budget.	Annual provision

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<p>Insurance Cover is inadequate or incomplete for organisational needs.</p>		<p>Insurance cover reviewed with insurance agent annually to revise levels, ensure new areas of risk are included and remove no longer required areas of coverage.</p> <p>Fixed Asset Policy requires major assets (e.g. buildings and civic regalia) to be reviewed every 5-7 years to ensure values insured are appropriate.</p>	4	2	8	Medium	<p>RFO/TC review insurance coverage annually.</p> <p>RFO/Audit Committee and Internal Auditor ensure compliance with Council's policies and procedures.</p>	<p>Annual</p> <p>As and when risks change</p>

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<p>Activities Outside Legal Powers Budget spent without a legal power to do so and therefore <i>ultra vires</i>.</p> <p>Internal Controls The Council does not have an adequate system of internal controls to prevent and/or detect fraud and errors.</p> <p>Council fails to adhere to internal controls and opens itself up to qualified audit, fraud and damage to its reputation.</p>		<p>Council has achieved General Power of Competence and currently has two CiLCA qualified Officers.</p> <p>Officers to advise Members where potential plans may not fall within existing powers.</p>	3	3	9	Medium	<p>TC to ensure Council does not operate <i>ultra vires</i>.</p> <p>TC to ensure Council continues to meet the eligibility criteria for General Power of Competence every four years.</p>	<p>On going</p> <p>Every 4 years</p>
		<p>Included on the Audit Committee programme is an annual review of key internal controls for major areas.</p>	4	3	12	High	<p>Chairman of Audit to ensure Member assigned to do review each year.</p>	<p>Annual</p>
		<p>Internal Auditor includes within its programme a review of the Council's adherence to its own Standing Orders, Financial Regulations and internal controls.</p>	4	3	12	High	<p>RFO to liaise with Internal Auditor to accommodate the Internal Auditor's review of internal controls.</p>	<p>Every 6 months or annually? Randomly timed inspections?</p>

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<p>Audit Audit not performed</p>		<p>External auditor is appointed by Smaller Authorities Audit Appointments for all Town and Parish Councils. External Auditor then informs Council of significant dates and follows up if information requested not provided.</p>	4	2	8	Medium	RFO to liaise with both External and Internal Auditors to ensure audits are conducted and any information requested provided in a timely manner.	Annual
<p>Audit performed and identifies areas of concern that result in a qualified audit opinion.</p> <p>Auditor does not have necessary expertise to conduct audit.</p>		<p>See Internal Controls, Legal Powers. Council appoints suitably qualified Officers.</p> <p>Audit Committee sets appointment criteria which includes evidence of necessary skills, experience and qualifications.</p>	2	2	4	Low		

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Auditor recommendations not addressed by Council.		Internal Auditor checks that all of their recommendations and those of the External Auditor have been considered and addressed .	4	2	8	Medium	Auditor's recommendations are reported to the Audit Committee to determine an appropriate response. This is then forwarded to Full Council for agreement.	

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Rita Tong

From: admin@saaa.co.uk
Sent: 01 December 2022 11:50
To: Rita Tong
Subject: Notification of external auditor appointment

Notification of external auditor appointment for the 2022-23 financial year for the 5 year period until 2026-27

Godalming Town Council, Surrey,

Dear Clerk/RFO/Chairman, Godalming Town Council,

Smaller Authorities Audit Appointments (SAAA) is the independent, sector led organisation responsible for the appointment and contract management of external auditors to smaller authorities since the Local Audit and Accountability Act 2014 established new arrangements for the accountability and audit of local public bodies in England. Smaller authorities are those whose gross annual income or expenditure is **less than £6.5 million**.

Under the Local Audit (Smaller Authorities) Regulations 2015, SAAA is responsible for appointing external auditors to all opted-in smaller authorities, for setting the terms of appointment for limited assurance reviews and for managing the contracts with the appointed audit firms.

This communication is to notify you that SAAA has appointed an external auditor to the authority for the 5-year appointing period from 2022-23 until 2026-2, following a procurement exercise to appoint auditors to each contract area from 1 April 2022.

Your current appointed auditor will conclude any outstanding work on the 2021-22 Annual Governance and Accountability Returns and the new appointed auditor (if changed) will be responsible for the arrangements in respect of the 2022-23 AGAR process onwards.

The contact details of your appointed external auditor and fee scales are shown in the appendix to this letter and can also be found on the SAAA website: www.saaa.co.uk.

The audit firms all have previous experience of conducting limited assurance reviews for smaller authorities and have dedicated support personnel. SAAA will monitor the performance of the appointed firms in providing the audit services in terms of quality and compliance with their statutory terms of appointment.

If your authority has any potential conflict of interest relating to the auditor appointment, for instance if a Councillor or close relation is employed by the appointed auditor, you should advise SAAA immediately.

Exempt authorities

Since 2017-18, authorities where the higher of income or expenditure for the financial year was £25,000 or less and who meet all the qualifying criteria have been able to declare themselves as 'exempt' from a limited assurance review by an external auditor. However, all authorities, even if they declare themselves 'exempt', still need to fully complete, agree and publish an annual return (AGAR).

All authorities require an external auditor appointment 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 a named auditor must be in place to deal with questions or objections from local electors about the accounts.

Annual Governance and Accountability Return (AGAR)

The Annual Governance and Accountability Return (AGAR) needs to be completed in accordance with "proper practices" as set out in '*Governance and Accountability for Smaller Authorities in England, a Practitioners' Guide*', and then be published in accordance with any applicable Transparency Code.

Annual Governance and Accountability Return forms will be sent out by your appointed auditor electronically at the end of the financial year. It is assumed that your authority is willing and able to accept documents electronically by e-mail; whilst an authority may request paper copies this may incur an administration charge.

Advice and assistance are available from the various sector membership organisations:

National Association of Local Councils and County Associations - www.nalc.gov.uk

Society of Local Council Clerks - www.slcc.co.uk

Association of Drainage Authorities - www.ada.org.uk

Yours faithfully,

Smaller Authorities' Audit Appointments Ltd

Appendix

Auditor appointments for smaller authorities for the five financial years from 2022-23 to 2026-27

SAAA announced the conclusion of its procurement process and the award of limited assurance review contracts for five years to the successful external audit firms on 30 November 2021.

Responsibilities under the new contracts will relate to accounts for the financial year beginning on **1 April 2022**. The details of your specific appointment by contract (County) area are listed below.

Your Authority's Audit Appointment for 2022-23 to 2026-2027

Your appointed auditor will be **PKF Littlejohn LLP**.

Their contact details are:

PKF Littlejohn LLP,
SBA Team,
15 Westferry Circus,
Canary Wharf,
London E14 4HD
Email: sba@pkf-l.com
Tel.: 020 7516 2200

All auditor appointments are listed by contract (County) area and all the Auditor contact details are listed on our website on the Audit Appointments page.

Scales of Fees 2022-23 to 2026-27

The following fees have been determined by SAAA following consultation for the Audit Years 2022-23 to 2026-27.

Scales of audit fees

Scales of fees for smaller authorities, are based on bands of annual income or expenditure, whichever is the higher. This means that the fees are broadly proportionate to the public funds involved and the ability of each authority to pay.

Table 1 sets out the scales of audit fees for smaller authorities that complete their AGAR fully and accurately within the required timescales and provide the necessary supporting information and any explanations sought.

Authorities with neither income nor expenditure exceeding £200,000 will be subject to basic limited assurance audit review. Authorities with either income or expenditure exceeding £200,000 will be subject to intermediate limited assurance audit review.

Table1 - Scale of fees for bodies subject to limited assurance review

INCOME/EXPENDITURE BAND (£)	FEE FOR LIMITED ASSURANCE REVIEW (£)
0 - 25,000	0 (if a Certificate of Exemption is submitted)
0 - 25,000	210 (if a LAR review is required)
25,001 - 50,000	210
50,001 - 100,000	315
100,001 - 200,000	420
200,001 - 300,000	630
300,001 - 400,000	840
400,001 - 500,000	1,050
500,001 - 750,000	1,365
750,001 - 1,000,000	1,680
1,000,001 - 2,000,000	2,100
2,000,001 - 3,000,000	2,520
3,000,001 - 4,000,000	2,940
4,000,001 - 5,000,000	3,360
5,000,001 - 6,500,000	3,780

Note: An authority with neither income nor expenditure exceeding £25,000 that is **not** able to certify that it is an exempt authority as it does not meet the qualifying criteria, or if the authority wishes to have a limited assurance review by the external auditor, then the fee payable is £210.

Reminder letters

Where the auditor is required to send a reminder to any authority that has failed to submit either an AGAR or Certificate of Exemption to the external auditor by the statutory submission deadline will be charged £40 + VAT for each reminder.

Additional work and variations to the scale fees

If an active authority fails either to submit its Annual Return to the supplier for review by 30 September or (if it is an exempt authority) to provide a certificate of exemption, the supplier will consider issuing a public interest report, the cost of which will be payable by the authority pertaining to the fee income band of that authority as in Table 1 (above).

Extra fees may also be charged in other circumstances, for example where auditors are required to:

- consider objections to the accounts from local electors, from the point at which the auditor accepts the objection as valid;
- exercise special powers in relation to the review, such as issuing a report in the public interest; or
- undertake any special investigations, such as those arising from disclosures under the Public Interest Disclosure Act 1998.

Extra fees will be calculated and charged according to the work required, subject to the maximum hourly rates set out in Table 2 below.

Table 2 - Maximum hourly rates for additional work at smaller authorities

STAFF GRADE	MAXIMUM £ PER HOUR
Engagement lead	355
Senior manager/manager	215
Senior auditor	140
Other staff	105

Value Added Tax

The fee scales exclude Value Added Tax, which will be charged at the prevailing rate on all work undertaken.

SAAA – Smaller Authorities' Audit Appointments Limited

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

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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.