

Annual Internal Audit Report 2023/24

Godalming Town Council

www.godalming-tc.gov.uk PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS

During the financial year ended 31 March 2024, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2023/24 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			✓
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2022/23, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2022/23 AGAR tick "not covered")			✓
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	✓		
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2023-24 AGAR period, were public rights in relation to the 2022-23 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2022/23 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
			✓

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

Date(s) internal audit undertaken

19/09/2023

15/04/2024

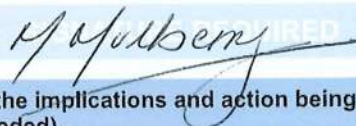
DD/MM/YYYY

Name of person who carried out the internal audit

Mulberry & Co

ENTER NAME OF INTERNAL AUDITOR

Signature of person who carried out the internal audit



Date

15/04/2024

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

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

Section 1 – Annual Governance Statement 2023/24

We acknowledge as the members of:

Godalming Town Council

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2024, that:

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

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

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

09/05/2024

and recorded as minute reference:

MIN 649-23

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

Chair

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

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Section 2 – Accounting Statements 2023/24 for

Godalming Town Council

	Year ending		Notes and guidance
	31 March 2023 £	31 March 2024 £	
1. Balances brought forward	764,098	853,538	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	928,755	1,041,644	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	269,160	1,128,713	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	536,234	646,046	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	77,703	77,703	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	494,538	1,017,336	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	853,538	1,282,810	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	836,759	1,288,428	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	1,985,356	3,027,653	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	1,382,692	1,349,262	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust funds (including charitable)		✓		The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.
11b. Disclosure note re Trust funds (including charitable)			✓	The figures in the accounting statements above exclude any Trust transactions.

I certify that for the year ended 31 March 2024 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

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

RCTong REQUIRED

Date

15/04/2024

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

09/05/2024

as recorded in minute reference:

MIN 650-23

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

[Signature] SIGNATURE REQUIRED

Explanation of Variances 2023/24

Godalming Town Council

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

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

- variances of more than 15% between totals for individual boxes (except variances of less than £500);
- a breakdown of approved reserves on the next tab if the total reserves (Box 7) figure is more than twice the annual precept value (Box 2).

	2023 £	2024 £	Variance £	Variance %	Explanation Required?
1 Balances Brought Forward	764,098	853,538			
2 Precept or Rates and Levies	928,755	1,041,644	112,889	12.15%	
Youth Service		40,000	40,000	#DIV/0!	NO
SLA Grant		6,625	6,625	#DIV/0!	
Earmarked Reserves		59,000	59,000	#DIV/0!	
			105,625		
3 Total Other Receipts	269,160	1,128,713	859,553	319.35%	
Community Infrastructure Levy	24,957	339,726	314,769	1261.25%	Two major developments - £102k Mole Valley (assisted living for the elderly) and £199.4k Westbrook Mills (housing) 2022/23 - £1.7k Council Support Grant, £6.8k Youth Holiday Programme, £6k Apprentice Grant, £9.0k Welcome Back Fund, £1.2k Local Regeneration Grant; 2023/24 - £101.2k UK Shared Prosperity Fund, £3k Museum Intern Grant, £14.6k Youth Holiday Programme
Grants	25,023	118,749	93,726	374.56%	£29k Cemetery lodges (ex JBC)
Premise Hire Charges	66,794	69,954	3,160	4.73%	£275.9k Monies from dissolved Joint Burial Committee (JBC), £6.6k reduction in Museum SLA funding from WBC; £19.8k Grave Digging Fees (ex JBC); £5.2k Additional market income (two new regular markets - Faircombe Station and Ethical Vegan)
Rents	18,199	47,681	29,482	162.00%	£11.5k decrease in Community Store donations as can now receive donations directly; £6.6k one off donation to youth service in 2022/23 not repeated in 2023/24
Other Receipts	57,521	353,958	296,437	515.35%	
Donations	31,275	12,977	-18,298	58.51%	
Interest Received	5,614	42,251	36,637	652.60%	Increase in interest rates and shifted majority of excess funds into a higher interest bearing account
Cemetery Revenues	0	143,416	143,416	#DIV/0!	£48.8k interments, £6.5k Monuments and £88.1k Grave Purchases (see below)
Recharge to JBC	39,776	0	-39,776	100.00%	JBC was dissolved as at 31 March 2023. All assets and operations were transferred to GTC
			859,553		
4 Staff Costs	536,234	646,046	109,812	20.48%	
Administration	383,572	410,302	26,730	6.97%	£15.3k 4% Inflationary increase, £10.1k Grounds Assistant moved from part time to full time
Festivals & Civic	1,537	1,039	-498	32.40%	
Youth Service	97,894	173,086	75,192	76.81%	£3.9k 4% Inflationary increase, £67.8k Increase in service provision to include mobile service funded by UKSPF grant (2 staff moved from part time to full time, one apprentice, and two new part time staff).
Museum	53,232	61,620	8,388	15.76%	£2k 4% Inflationary increase, Curator position vacant for several months in 2022/23
			109,812		

5 Loan Interest/Capital Repayment	77,703	77,703	0	0.00%	NO	
6 All Other Payments	494,538	1,017,336	522,798	105.71%	YES	JBC was dissolved as at 31 March 2023. All assets and operations were transferred to GTC
Cemeteries	0	118,213	118,213	#DIV/0!		
Solar Panels	0	22,100	22,100	#DIV/0!		Solar panels fitted at BWP per Capital Works Programme
Garden Room	0	7,500	7,500	#DIV/0!		Room for sensory affected youth at BWP
Election Expenses	0	48,204	48,204	#DIV/0!		£36k 2023 May Elections, £12k prior year By Elections (2)
Youth Service	0	43,890	43,890	#DIV/0!		UKSPF Vans, equipment and activities required to expand service
Neighbourhood CIL Awarded	0	270,226	270,226	#DIV/0!		£125k Busbridge School MUGA, £108.9k Broadwater School Canopy, £13.6 Farncombe Community Garden accessible pathways, £23k Godalming Junior School Astro turf
7 Balances Carried Forward	853,538	1,282,810	429,272	50.29%	YES	£32.5k from 2023/24 budget, £275.9k from JBC, less £81k reallocated to other EMR
General Reserve	418,991	665,404	246,413	58.81%		Costs for May 2023 elections transferred to Income Statement
Election Reserve	26,602	4,000	-22,602	84.96%		Net gain from CIL receipts and payments - see comments in above sections
Community Infrastructure Levy	241,522	299,076	57,554	23.83%		£32k reallocated from JBC less £12.9k Kings Coronation and £10.6 Staycation Live
Emerging Projects	30,435	42,591	12,156	39.94%		Directed donations not yet spent
Youth Provision	0	5,250	5,250	#DIV/0!		Payment owed for dissolution of JBC - share of cash reserves
Busbridge Parish Council	0	25,000	25,000	#DIV/0!		
Afghan Refugees	529	529	0	0.00%		
Land & Property Maintenance	127,615	215,000	87,385	68.48%		Increase due to additional assets taken on with dissolution of JBC
Flood Wall Maintenance	6,000	6,000	0	0.00%		
Mayors Charity	1,844	1,060	-784	42.52%		
Capital Works Programme	0	1,900	1,900	#DIV/0!		
Professional Fees	0	17,000	17,000	#DIV/0!		Funds set aside to revalue all buildings in 2024/25 for insurance purposes
		1,282,810	429,272			
8 Total Cash and Short Term Investments	836,759	1,288,428	451,669	53.98%	YES	JBC was dissolved as at 31 March 2023. All assets and operations were transferred to GTC
Cemeteries	0	271,076	271,076	#DIV/0!		Cash received less cash paid out in 2023/24 - see notes above for both elements
Community Infrastructure Levy	0	69,500	69,500	#DIV/0!		
		340,576	340,576			
9 Total Fixed Assets plus Other Long Term Investments and Assets	1,985,356	3,027,653	1,042,297	52.50%	YES	JBC was dissolved as at 31 March 2023. All assets and operations were transferred to GTC. This includes the land for the two cemeteries and two cemetery lodge houses.
Cemeteries	0	971,629	971,629	#DIV/0!		Solar panels fitted at BWP per Capital Works Programme as part of Net Zero Council objective.
Solar Panels	0	22,100	22,100	#DIV/0!		Room for sensory affected youth at BWP. This is part of a larger project (funded by CIL) to provide additional office space for staff and better use of smaller garden for youth activities.
Garden Room	0	7,500	7,500	#DIV/0!		UKSPF Project - 2 Vans purchased to deliver a mobile youth service. One is an activity van and one is a mini-bus. Project funded by Waverley Borough Council and requires quarterly monitoring reports regarding progress against objectives and monies spent.
Youth Service	0	41,068	41,068	#DIV/0!		
10 Total Borrowings	1,382,692	1,349,262	-33,430	2.42%	NO	
Excessive Reserves Ratio	0.9190	1.2315				

Section 3 – External Auditor’s Report and Certificate 2023/24

In respect of

Godalming Town Council

1 Respective responsibilities of the auditor and the authority

Our responsibility as auditors to complete a **limited assurance review** is set out by the National Audit Office (NAO). A limited assurance review is **not a full statutory audit**, it does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and hence it **does not** provide the same level of assurance that such an audit would. The UK Government has determined that a lower level of assurance than that provided by a full statutory audit is appropriate for those local public bodies with the lowest levels of spending.

Under a limited assurance review, the auditor is responsible for reviewing Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with NAO Auditor Guidance Note 02 (AGN 02 as issued by the NAO on behalf of the Comptroller and Auditor General. AGN 02 is available from the NAO website – <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/> .

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2024; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

2 External auditor’s limited assurance opinion 2023/24

(Except for the matters reported below)* on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met. (*delete as appropriate).

(continue on a separate sheet if required)

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

(continue on a separate sheet if required)

3 External auditor certificate 2023/24

We certify/do not certify* that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2024.

*We do not certify completion because:

External Auditor Name

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature

SIGNATURE REQUIRED

Date

DD/MM/YYYY