

GODALMING TOWN COUNCIL

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I HEREBY SUMMON YOU to attend the **AUDIT & GOVERNANCE COMMITTEE** Meeting to be held in The Oglethorpe Room, Wilfrid Noyce Centre, Godalming on THURSDAY, 9 JULY 2026 at 6.30pm

DATED this 3rd day of July 2026

Andy Jeffery

Andy Jeffery
Chief Executive Officer

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 [YouTube](#) page.

Committee Members: Councillor - Thomson - Chair
Councillor - Marshall
Councillor - Steel
Councillor - Crooks
Councillor - Martin

A G E N D A

1. **MINUTES**

To approve as a correct record the minutes of the meeting held on the 28 May 2026, 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. INCOME CONTROLS

Members to receive the report on the review of income controls (report attached for the information of Members).

9. PAYMENT CONTROLS

Members to receive the report on the review of payment controls (report attached for the information of Members).

10. PAYROLL CONTROLS

Members to receive the report on the review of payroll controls (report attached for the information of Members).

11. PROPER BOOKKEEPING

Members to receive the report on the review of proper bookkeeping (report attached for the information of Members).

12. VAT CONTROLS

Members to receive the report on the review of VAT controls (report attached for the information of Members).

13. DATE OF NEXT MEETING

The next meeting of the Audit & Governance Committee is scheduled to be held in the Oglethorpe Room on Thursday 29 October 2026 at 6.30pm.

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 Thomson/RFO	11 September 2025	Latest bank recs reviewed at each meeting of Audit Committee	Chair to review and sign at each meeting of the Audit Committee	Ongoing
Internal Control – Meeting 1 – 9 July 2026					
Income Controls	Cllr Thomson	10 July 2025 (Min No 108-25)	Reviewed 10 July 2025 – no issues identified	Item on this agenda	
Payment Controls	Cllr Thomson	10 July 2025 (Min No 109-25)	Reviewed 10 July 2025 – no issues identified	Item on this agenda	
Payroll Controls	Cllr Thomson	11 September 2025 Min Nos 110-25 & 272-25)	Reviewed 11 Sept 2025 – amendments completed	Item on this agenda	
Proper Book-keeping	Cllr Thomson	10 July 2025 (Min No 111-25)	Reviewed 11 Sept 2025 – no issues identified	Item on this agenda	
VAT Controls	Cllr Thomson	10 July 2025 (Min No 112-25)	Reviewed 10 July 2025 – no issues identified	Item on this agenda	
Miscellaneous – Meeting 2 – 29 October 2026					
External Auditor's Report	RFO	8 August 2025	To be Considered by Full Council on 17 September 2025	Annual review to be completed by September 2026	Submitted to Auditor, awaiting report
Asset Control	Cllr Thomson/RFO	12 September 2024	Revaluation Completed March 2024.	Next Full revaluation due 2030	Valuations for insurance of any CAT properties to be undertaken prior to completion of transfers and risk liability transferring to GTC

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
Review of Suppliers	RFO /TC	Ongoing Insurance contract reviewed for 2024/25.	Review suppliers to ensure best value for money being achieved		
Financial Regulations	RFO	17 April 2025	Financial Regulations updated by this committee 17 April 2025	Approved by Annual Council 20 May 2026	
Procedures	RFO	Ongoing SOP's for Facilities function written and being updated by Operations & Compliance Officer.	Creating a Standard Operating Procedures File for each position	Ongoing, procedures are updated as required due to operational/ software changes etc.	Annual review of SOP'S
Budgetary Controls	Cllr Crooks	11 September 2025 (Min No 273-25)	To be reviewed in 12 months	Next review due 29 October 2026	Date to be agreed with Cllr Crooks for checks to be conducted by 10 October 2026
Risk Management – Meeting 3 – 4 February 2027					
Risk Management Strategy	RFO	20 May 2026		Approved by Full Council 20 May 2026	
Insurance	RFO	18 April 2024	To be reviewed in detail at each contract renewal	Current Insurance based on 3-year contract due for reviewed for renewal for April 2027	.
Risk Assessment – Re-use of Land at Nightingale Cemetery	Cllr Steel / RFO	1 February 2024		Digitisation of Nightingale Cemetery record completed	Risk assessment to be produced as part of application for Faculty. Due to Godalming Minister being interregnum it was not possible to progress Faculty. With new incumbent in post Nov 2025, work on Faculty application resumed.

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
Risk	RFO	Ongoing	Identify areas to review to ensure risk is being managed appropriately within the Council	Ongoing	
Year End – Meeting 4 – 15 April 2027					
Internal Auditor's Reports	RFO	28 May 2026 - Interim Audit (Min No 53.280526)	To be reviewed at next interim audit	Ongoing	
Management of Debt (particularly Bad Debt)	RFO	16 April 2026 (Min No 644-25)	To be reviewed annually	Annual review to be completed by April 2027	
Review of Effectiveness of Internal Control	Cllr Thomson /RFO	16 April 2026 (Min No 641-25)	To be reviewed annually	Annual review to be completed by April 2027	
Annual Governance Statement	Cllr Thomson /RFO	16 April 2026 (Min No 642-25)	To be reviewed annually	Annual review to be completed by April 2027	
Annual Accounting Statements	Cllr Thomson /RFO	16 April 2025 (Min No 643-25)	To be reviewed annually	Annual review to be completed by April 2027	
Review of Credit Control Procedures	RFO	18 April 2024	To be reviewed at least every three years	Next review to be completed by April 2027	
Review of Council Banking Arrangements	Cllr Thomson /RFO	20 July 2023 Full Council Min 117-23	To be reviewed each Administration	Next review to be completed after May 2027	
Review of Treasury & Investment Policy	Cllr Thomson /RFO	16 April 2026 (Min No 645-25)	To be reviewed annually	Annual review to be completed by April 2027	

Godalming Town Council Audit Committee: Internal Review

Area of Review: Income Controls – 2026/27

Test		Success Yes/No	Notes
A)	Ensure that precept is received on time and is the amount agreed in the budget.	Y	Remittance advice from WBC seen and checked. Includes 50% of precept as per budget and received on 9 April 2026.
B)	Ensure that rents from Cemetery Lodges, The Square and Allotments are received regularly.	Y	Cemeteries Lodge income received by direct debit each month (bank statement sighted for April and May 2025). Allotments not yet invoiced for 2026/27 but all rents received 2025/26. The Square – car park rent being received monthly and main rent quarterly.
C)	Ensure bank interest is received.	Y	CCLA and HSBC accounts now both paying interest. Amount varies but correctly accounted for in financial system. CCLA interest for Apr, May, June checked to bank statement.
D)	Ensure sales invoices are correctly made out and VAT accounted for where applicable.	Y	See table of invoices checked.
E)	Ensure monies received meet invoices raised and are banked properly.	Y	Ditto.
F)	Ensure receipts are properly recorded in the cash book.	Y	Ditto.
G)	Ensure that more than one person is present when significant amounts of cash are received and counted.	N/A	No longer deal in cash bar one market trader who pays £40 per week. Other insignificant ad hoc cash receipts noted such as street collections.

Invoices Checked 2026/27

Invoice No	Amount	Correct Fee	Correct VAT	Correct Addition	Posted to Ledger	Paid	Banked
GT6315	49.58	Y	N/A	Y	Y	Y	16/11/25
CEM896	185.00	Y	N/A	Y	Y	Y	28/05/26
CEM890	2,880.00	Y	N/A	Y	Y	Y	30/04/26
BW5120	529.20	Y	Y	Y	Y	N	30 days to pay
BW5105	119.70	Y	Y	Y	Y	Y	30/04/26
WN4299	189.00	Y	Y	Y	Y	Y	25/06/26
WN4286	568.80	Y	Y	Y	Y	N	30 days to pay
PP1571	729.90	Y	Y	Y	Y	Y	12/06/26

Date review/ check carried out: 19 June 2026

By: Cllr Ruth Thomson

GODALMING TOWN COUNCIL AUDIT REVIEW

INTERNAL REVIEW

AC 09.07.26
Agenda Item 9

Test	1	2	3	4	5	6	7	8	9	10
Payment ID	PR081	PR085	PR087	PR084	PR077	PR082	PR088	PR074	PR086	PR088
Payee	A.R.C Funeral Contractors	Champion	Darren Pepe	LGRC	Phones for Business	Shorts	Van Arnhem Nursery	Waverley BC	Bubble Soccer	Cluskeys
Amount	£5,050.00	£627.29	£200.00	£430.08	£377.16	£26.28	£156.00	£14,133.50	£345.00	£85.02
Date	27-Apr-26	11-May-26	31-May-26	08-May-26	01-Apr-26	29-Apr-26	08-Jun-26	31-Mar-26	20-May-26	09-Jun-26
A) Check that there is payment authority from 2 Councillors.	Y	\	Y	Y	Y	Y	Y	Y	Y	y
B) Check that invoice being paid has been passed by instigator of requisition.	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
C) Check that invoice has been entered correctly on system, including VAT.	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
D) Check that payment is within reasonable time period.	06-May-26	29-May-26	10-Jun-26	26-May-26	27-Apr-26	13-May-26	19-Jun-26	10-Apr-26	03-Jun-26	19-Jun-26
E) Confirm payment has has gone through the bank.	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

Date review carried out: 19 June 2026

By: Cllr Ruth Thomson

Phones for Business also called Runfold which was the name on the payment list

Shorts - two invoices paid, total £78.84

Cluskeys two invoices paid total £89.22

Waverly approved on the main payment file but paid separately

Godalming Town Council Audit Committee: Internal Review

Area of Review: **Payroll 2026/27**

Test	Success Yes/No	Notes
A) Whether all employees are in payroll system? Whether there are any ghost employees?	Y	All employees, including casual employees (but not self-employed contractors) are on payroll. No unidentified people found on the payroll. RT: payroll is approved by two councillors so ghost employees should be picked up on this approval also.
B) Whether all employees have contracts of employment?	Y	Contracts of employment exist for all staff and are kept by TC in locked filing cabinets. Contracts for three employees checked. RT: one new employee in period under review contract checked.
C) How wages are prepared?	Y	Payroll is now processed by a payroll bureau. New process reviewed and found to be satisfactory.
D) Whether correct PAYE codes are being used?	Y	PAYE codes picked up annually from HMRC notifications online. In-year changes prompted by employee and/or HMRC email notification.
E) Whether PAYE records are being kept correctly?	Y	System generated and no queries from HMRC. HMRC portal checked. Payroll bureau and GTC finance manager both access the portal and follow up queries.
F) Whether net pay paid correctly?	Y	Net pay per payroll reports agreed to bank statements for May 2026 payroll.
G) Does the payment to HMRC match the FPS submission to HMRC?	Y	FPS amount for May 2026 checked.
H) Whether HMRC paid correctly and on time?	Y	Amounts and payment for May 2026 checked. HMRC payment by variable direct debit.
I) Whether P45's, where applicable, are filed correctly?	Y	One leaver in May 2026, P45 checked correct.
J) Are all employees in the Local Government Pension Scheme? And if not, is there written evidence of their opting out?	Y	All staff eligible are for the scheme. Several part-time employees are not required to be enrolled and have not elected to be enrolled.
K) Are contribution rates (EE & ER) applied correctly?	Y	SCC check at year end. Confirmed ER rate was correct at 16.6%. Several employees rate checked on the payslips from the payroll bureau.
L) Are correct payments made to Pension Authority?	Y	Checked May 2026 payment.
M) How are annual pay awards advised?	Y	NALC advised new rates on 24 July 2025 for the 2025/26 year. Full year backdated increase applied in August 2025 pay run. JNC Youth Pay agreement advised in November 2025, Full year backdated increase applied in the December 2025 pay run.

Date review carried out 25 June 2026

By: Cllr Ruth Thomson

Godalming Town Council Audit Committee: Internal Review

Area of Review: **Proper Bookkeeping –2026/27**

Test	Success	Notes
Is there a procedure for checking that goods and services are received as ordered?	Y	Officers certify on invoices that goods/services have been received and query invoices where this is not the case.
Ensure proper procedure for checking suppliers' invoices and identifying VAT.	Y	As above – Officers check and certify suppliers' invoices. RFO/FM checks VAT accuracy.
Ensure proper procedure for recording suppliers' invoices.	Y	Documented in financial procedures.
Ensure proper procedure for making and checking payments.	Y	Completion of payment grid on each invoice – also payment checks carried out as part of this review – elsewhere on agenda – indicate procedure applied consistently.
Ensure proper filing system for purchase-ledger paperwork.	Y	Invoices filed alphabetically.
Ensure system in place for issuing sales invoices and/or receipts.	Y	Risk of not issuing all income due. Mitigation is budget monitoring and booking is linked to invoicing. Markets and Festivals managed via spreadsheet monitoring.
Ensure proper procedure for recording and checking sales invoices.	Y	RFO/FM checks each invoice when printed for obvious errors. Booking system has many automatic checks which eliminates many potential errors.
Ensure system for monitoring and ensuring prompt payment of sales invoices.	Y	Significant improvement in aged debt since last year. As at 19 June, only 4 over 60 days with value of £596. New Finance Manager is now keeping control of old debt.
Ensure proper system for paying-in funds received.	Y	Banking as required – items recorded on schedule. As at 19 June 2026, only receive cash for Friday market. All burials now paid by bank transfer.
Ensure proper filing system for sales-ledger paperwork.	Y	Files checked.
Ensure cash book is up-to date.	Y	Sighted electronic YTD Cashbook.
Ensure bank reconciliations are carried out properly.	Y	Evidence in the files; RFO/FM carries out reconciliations monthly; these are signed by Chairman of the Audit Committee at each meeting of the Committee.

Date review carried out: 19 June 2026

By: Cllr Ruth Thomson

Godalming Town Council Audit Committee: Internal Review

Area of Review: **VAT 2026/27**

Test		Success Yes/No	Notes
A)	Whether VAT records are properly maintained?	Y	Rialtas maintains VAT accounts. Rialtas calculates the VAT based on the VAT code selected when the invoice is input. The Finance Manager checks this against the invoice to ensure the system has calculated correctly. The VAT control account in the nominal ledger is reconciled to the VAT module. It is possible to post manually to the VAT control account in the nominal ledger however the system will flag a warning. VAT nominal balance agreed to VAT module balance as at 19 June.
	Whether GTC registered to submit VAT records online?	Y	Evidence of electronic submission sighted.
C)	Whether VAT forms are submitted correctly?	Y	Evidence of electronic submission sighted.
D)	Whether VAT paid correctly and on time?	Y	GTC receives refunds. 2025/26 refund of £20,501.20 was received on the 21.04.26.

Date review carried out: 19 June 2026

By: Cllr Ruth Thomson

The process for VAT submissions has changed since October 2020. 'Making Tax Digital' requires that accounting packages digitally submit VAT returns directly to HMRC. Unlike PAYE digital submissions, the Council does not get any email verification of a VAT submission. However, the HMRC portal does record each submission.