

Do the Numbers Limited

29th April 2021

Melanie Stephens, Clerk
Fair Oak and Horton Heath Parish Council
2 Knowle Park Lane
Fair Oak
Eastleigh
Hants SO50 7GL

Dear Melanie,

Subject: Review of matters arising from Internal Audit for 31 March 2021

Please find below the list of matters arising following my visits today and earlier in the year. I found the records of the council to be in very good order and felt that the visits went extremely well.

| Control area | Issue | Recommended Action |
|------------------------------|---|---|
| Minute signing | Due to COVID lockdowns, not all of the minutes to the year end had been printed and signed. | This should be done in advance of the AGAR being approved. |
| Debit cards | It appears that the office team have access to the debit cards, but not the grounds team. | It may be useful for the Operations Manager to have access to such a facility for out of hours purchases. |
| Petty Cash | The council still maintains a cash tin even though it is little used and not regularly checked by members. | Controls would be improved if the tin contents were to be banked and the operations manager to have a bank card |
| Asset additions | IT equipment, replacement play equipment and vehicles have been purchased in the year, not all of which are correctly included in the asset register. (The difference is well below the External Audit reporting limit) | RBS (accounting software provider) not supply an Asset Management module which could replace the current spreadsheet. This would allow the council to actively manage and track its mobile and fixed assets and improve reporting links to the accounts system. |
| Bank reconciliation approval | It appears that only one or two members of the council are carrying out the internal control checking of the bank reconciliation. | All members in rotation should perform the internal controls so that they are aware of the systems and understand the records of the council. |

37 Upper Brownhill Road, Southampton, SO16 5NG

eleanorgreene@thedunnefamily.co.uk

Registered in England No. 7871759

Director: Eleanor S Greene

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| Business rate COVID relief | It would appear that the buildings owned by the council which include rooms for hire should have been covered by Business Rates relief in 20/21 | It is unclear why this was not offered by the Borough Council, but this should be investigated to offset the income lost by lockdowns. |
| Former Scout Hut Site | The council is looking at placing a new building on the site and leasing it to a CIC to run a cafe. | At all stages the council should ensure that the building is a council asset and that the business running within it is a separate legal entity. |
| Web documents | All documents on the website should be in a non editable format where the presentation is controlled by the council – such as PDF | Please could files like the delegated decision list be updated to the correct format. |
| General reserves | The general reserve of the council is now significantly above the level in the guidance. For a council the size of FOHPC it should be around 3 months of revenue expenditure (<i>also raised last two years</i>) | Councils do not have the power to hold savings. Precepted funds should be used in a timely manner for the benefit of residents. As per paragraph 5.32 here the council bring forward projects to spend taxpayers money for their benefit. |

Please find attached my invoice for the agreed fee.
If either you or your councillors have any queries, please do not hesitate to contact me.

Regards



Eleanor S Greene

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