

Do the Numbers Limited  
37 Upper Brownhill Road  
Southampton, SO16 5NG  
023 8077 2341

10<sup>th</sup> December 2017

Janet Stanton, Clerk  
Fleet Town Council  
The Harlington Centre  
Fleet, GU51 4BY

Dear Janet,

**Subject: Review of issues covered at interim Internal Audit visit 2018**

At my visit to the council last week, the focus was largely on the systems for recording income and addressing the additional risk associated with cash takings. A check on making supplier payment systems more efficient was also carried out. The points below relate solely to those matters covered in the visit.

Other parts of the systems of the council will be addressed at my next visit, but seem to be running well.

Control area	Issue	Recommended Action
Card sales through the box office	The Ticketsolve software has extensive reporting capabilities so the box office team should always be able to agree the card terminal total.	If a discrepancy arises, the software reports should be used to resolve it before the takings sheet goes to the accounts team.
Non ticket sales	When customers pay invoices at the box office by card, the council incurs extra card processing fees.	Any customers wanting to pay invoices should be encouraged to do so directly using FPS.
EPOS software	The EPOS software is held on a very elderly PC that appears to lack processor power to run reports rapidly.	When computer hardware needs are next assessed, the software should be moved onto the Duty Managers' computer.
EPOS reports	It is not clear whether the EPOS software is being regularly updated. Reports that would aid control – such as remote Z reading by individual till – do not seem to be available.	When the software is running on a newer computer, the software version should be checked and updated if necessary.
Bad debts	The council has previously agreed to write off very old irrecoverable debts but they were still on the ledger.	Once debts are more than a year old they should be written off if deemed unrecoverable by officers (with an audit trail for that view)

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Registered in England No. 7871759

Director: Eleanor S Greene

Contactless cards	The council has one contactless card reader and two older ones. As contactless payments are quicker, do not involve cash and the change cannot go wrong, they should be encouraged.	When the terminals are next updated, contactless capability should be added to all terminals and its use encouraged at events and large bookings.
Electronic banking	The council has still not brought electronic payment of suppliers into use despite the amount of time and money it will save. Paying performers by cheque makes FTC look behind the times, when it is not.	Registration for online banking should be commenced and then the financial regulations updated with the best practice procedures already adopted by other town councils who use the same accounting software.
Financial Regulations	The current document still refers to superceded legislation. Para 6.1 overly restricts officers from carrying out the provisions in 3.2	The regulations should be updated to include electronic payments and current legislation
Agenda packs	The agenda packs for the council are very large and include documents that need not be ratified by members.	There is no need for the whole cashbook to be included in the agenda pack. Members may want to inspect the report on screen when checking the bank.
Transparency Code	The council should ensure that all documents on the website are in PDF rather than word or excel format and that any third party documents (such as bank statements supporting a grant application) are redacted to comply with data protection.	All new documents should be uploaded in PDF format and each time a document is uploaded, an old one be checked or corrected.

I will return to the office on 7<sup>th</sup> March 2018 when the focus will be on preparation for the year end closedown, facilities usage and the Cemetery.

Please find enclosed my bill for the first part of the annual fee. If either you or your members have any queries, please do not hesitate to contact me.

Regards



Eleanor S Greene

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13<sup>th</sup> March 2018

Janet Stanton, Clerk  
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Dear Janet,

**Subject: Review of issues covered at interim Internal Audit visit 2018**

Further to my visit to the office last week, where the focus was on preparation for year end. Any outstanding points from prior reports have not been repeated in this report.

Control area	Issue	Recommended Action
Burials	The burial software is very comprehensive. Quarterly reviews of completeness between it and the accounts system should be maintained.	In advance of the year end all burials and memorials should be checked for billing and payment.
Event creditor balances	FTC maintains income and costs for ongoing events as creditors on the very prudent basis that then funds are ringfenced in case of cancellation.	As soon as events have been completed, costs should be finalised as quickly as possible – certainly with in 60 days – and the transactions moved to the P&L. All event creditors should be reviewed for the year end.
Year end stocks	Pleas ensure that the values of stock counts are entered on the ledger before closedown.	RBS should ensure this is done accurately.
Wages control accounts	There appear to be some small discrepancies on the wages control accounts.	All control accounts should be accurately reconciled for year end.

I will return to the office on 9<sup>th</sup> May to complete the review for the year. If either you or your members have any queries, please do not hesitate to contact me.

Regards



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10<sup>th</sup> May 2017

Janet Stanton, Clerk  
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Fleet,  
GU51 4BY

Dear Janet,

**Subject: Matters arising from Internal Audit visits for year ending 31 March 2017**

Following my visits to the offices of the council during the year, please find below a summary of the matters that remained outstanding as at the audit date.

Overall I found the systems and controls of the council to be in excellent order and that the visits went well.

The council has a clear understanding of the logistical and organisational challenges that will be faced during the upcoming project, but the systems have an appropriate level of resilience.

<b>Control area</b>	<b>Issue</b>	<b>Recommended Action</b>
Trade debtors	There are a few persistent overdue debtors on the ledger.	Members should support officers in ensuring that users of council facilities pay for them promptly.
Bank accounts	The council has now grown to a size where it has, by necessity, significant reserves. Most of these funds are held in minimal / non interest bearing accounts.	The council should look into appropriate longer term sources for contingency reserves and ensure that only the required amount is held in the current account.
Members Interests	The members' interests forms are there to protect Councillors from accusations of conflicts of interest.	Please could all members ensure that their home address within the parish is listed, along with all sources of regular remuneration
Electronic payments	The council has had the systems in place to allow this for some time.	As soon as a dedicated finance officer is in place, electronic payments should be implemented, allowing a significant saving in overall officer time.
External Audit report	The external auditor noted (for the second year running) that the numbers generated by Omega did not add up on the annual return.	This is a historic anomaly related to a 49p rounding error some years ago. Omega will remain off kilter until there is a 49p the other way. Spreadsheet checks should be used to test the summation of the return.

Event balance sheet codes	There are several events whose ticket sales and costs are held in the balance sheet for many months afterwards, awaiting performers' invoices.	The overall distortion to FTCs figures is not material, but performers should be encouraged to bill within 30 days or settle for an amount provided to them by FTC.
Transparency code	The website of the council complies with the bulk of the transparency code, but a few items remain to be uploaded.	The council should upload its asset register, a map of the land it manages and details of the buildings.
Transparency code	The council has a lengthy staffing structure that should be made available to the public	Sample organisation charts from other councils can be adapted to allow FTC to meet this requirement
Transparency Code	The risk assessment of the council has not been uploaded to the website	All approved policies and documents should be uploaded
Transparency code	Best practice states that the full agenda pack is uploaded so that interested parties can review documents.	The new receptionist may be able to assist in bringing this system into full compliance.

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

Regards



Eleanor S Greene