

Do the Numbers Limited

37 Upper Brownhill Road
Southampton, SO16 5NG

20th April 2016

Cheryl Gosling, Clerk
Fair Oak and Horton Heath Parish Council
Village Hall, Shorts Road
Fair Oak, SO50 7EJ

Dear Cheryl,

Subject: Review of matters arising from Internal Audit for 31 March 2016

Please find below the list of matters arising following my visits. Yet again I found the records of the council to be in exemplary order. The matters listed below are potential areas for further improvement and development.

Control area	Issue	Recommended Action
Accounting system	The council has for many years run its accounting system on a spreadsheet which has been fit for purpose and excellently maintained to date, but will be unable to cope with the demands of increased hall booking invoices and VAT registration.	The council should look to implement an "off the shelf", sector specific, accounts package that includes sales and purchase ledgers as well as cashbook and that offers integration with future hall bookings and asset management. Such a system will cost money, but the ongoing savings in staff time will compensate.
General power of competence	The Clerk is qualified such that if 2/3 of members are elected, the council could gain GPC	It may be worth the council looking into obtaining GPC to allow it to support the village more comprehensively.
Accounts presentation	There was a minor discrepancy in the supporting statement	Recruitment advertising had been identified in the ledger but not the accounts.
Fixed asset register	It appears that an obsolete item of machinery had not been removed from the register.	As the council continues to grow it may be worth investing in asset management software .
Bank statement approval	The council gets the bank statement checked monthly, but new members should familiarise themselves with systems.	It is best practice for each of the members in turn to initial the statement.
Reserves	The reserves of the council – both earmarked and general - are higher than best practice.	Some of the reserves associated with devolved assets may best be treated as endowment investments, but the council should be constantly aware of the planned allocation of reserves.

Please find attached my invoice for the amended fee of £750. If either you or your councillors have any queries, please do not hesitate to contact me.

Regards

Eleanor S Greene




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Director: Eleanor S Greene