

Agenda Item 3
Update on Action Points from Internal Audit Report 2020/21

| Recommendation number | Detail | Priority (Low/Medium/High) | Management Response | Responsible Officer | Due Date |
|---|---|----------------------------|---------------------|---------------------|--------------|
| Visit 1 – 28/10/2020 | | | | | |
| 6.1 – Update Petty Cash Totals at month end | <p>I performed a physical count of the petty cash and stamps held by the Town Hall (including enforcement, and the repaid Boat Park and Beach Gardens floats). I found that the monies contained in the tins/bags agreed to the value shown on the finance system, but that there was a £2.73 difference between the value of stamps shown (£35) and the value counted on 06/10/20 (£32.27). The Receptionist said that 5 2nd class stamps had been used in September (when the franking machine was not working). Due to reduced usage of petty cash during the lockdown, only one petty cash reimbursement has been claimed in relation to the Town Hall (for expenditure to August 2020), so the value of the 5 stamps has not yet been adjusted on the finance system. The value has also not been adjusted on the 'Petty Cash totals' spreadsheet, which is the manual record of the Council count and reconciliation of balances held, last updated on 14/08/20.</p> <p>I recommend that the Petty Cash totals spreadsheet is updated at month end in order to ensure that items with a poor inherent audit trail (cash and stamps) are fully reconciled regularly in the absence of the petty cash reimbursement (which updates totals on the finance system).</p> | L | Agreed. | TH3/TH6 | October 2020 |
| Status: Implemented. | | | | | |
| 22.1 – Fully complete vehicle key issue log | The Council maintains a vehicle key issue log in a hard-back A4 log book. This records the date, key number, name of employee signing the key out, and has space for the signature of the employee on sign-out, and the stores supervisor on sign | L | Agreed | OPS1 | October 2020 |

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| | <p>in. There is also a comment column if the return of the key is delayed (e.g. the vehicle is in the garage). I checked a random sample of 5 pages of the log book for the financial year, and found that 2 of the sample pages had a gap or gaps where the key had not been formally signed back in. The first sample had 3 gaps; the second 1. A flick through the other pages in the log book indicates that the majority of pages are fully completed.</p> <p>I recommend that all pages of the log book are fully completed in order to ensure that the issue and return of keys is fully evidenced.</p> | | | | |
| <p>Status: Recommendation completed.</p> | | | | | |
| 22.2 – Gas oil records | <p>Records of diesel usage are maintained on gas oil sheets. The sheets note the date of usage, meter reading before and after, quantity used and vehicle registration. The driver who fills up the vehicle is required to sign the sheet. The majority of records in the year appear to be correctly maintained, but there the following issues were identified:</p> <p>The sheets add up overall, but there are small errors noted for the quantity used on individual lines. Note that these balance out and the records appear complete overall (for the period 01/04/20 to 20/10/20, which is the latest entry).</p> <p>On two occasions the driver has not signed the sheet against the usage record - one related to the digger, and the other to the dumper.</p> <p>I recommend that all sheets are fully completed.</p> | L | Agreed | OPS1 | October 2020 |
| <p>Status: Recommendation completed.</p> | | | | | |
| 22.3 – Fully complete Daily Vehicle Check | Daily vehicle check sheets are maintained for each vehicle when the vehicle is in use. The sheets cover one month and note the date, driver, hours or mileage, whether or not the | L | Agreed | OPS1 | October 2020 |

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| | <p>vehicle is in serviceable condition, the action taken if not and there is space for a signature. A sample of 5 sheets were checked to ensure that they had been properly completed. One sheet did not have an entry for the final mileage for the month/total mileage used for the final visit, and another contained an entry on which the total mileage had not been calculated for one trip (although the start and end mileage were noted, so the total could be calculated retrospectively).</p> <p>I recommend that the sheets are fully completed.</p> | | | | |
| <p>Status: Recommendations completed.</p> | | | | | |
| <p>22.4 – Consider Daily Vehicle Check summary and issue of vehicles numbers to all vehicles</p> | <p>The September 2020 section of the file contained sheets for 12 vehicles, 10 of which had been assigned numbers and two of which (a Peugeot and a JCB Motorised Wheel Barrow) had not. Whilst the sheets are filed in month order, they do not appear to be filed in vehicle number, and there is no control sheet to confirm that all vehicle sheets for the month have been fully completed and are present in the file.</p> <p>I recommend that all vehicles are given a number, and that the Council considers introducing a monthly summary sheet on which the supervisor could place a tick for each sheet present, and sign and date the sheet to confirm that this check had been carried out. I further recommend that vehicle sheets are filed in number order behind the monthly summary. This would improve the audit trail and allow the Operations Manager to quickly confirm that all vehicle check controls had been complied with.</p> | L | Agreed | OPS1 | December 2020 |
| <p>Status: Recommendations completed.</p> | | | | | |
| <p>22.5 – Monthly check on radios</p> | <p>I checked to see that radio issue sheets are correctly maintained. The depot manage the issue of radio for</p> | L | Agreed | OPS1 | December 2020 |

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| | <p>operations and car park enforcement staff. Operations staff have 7 radios (1 on main controller and 6 handhelds for use on site); car parks have 2. The radios held by the operations team and the senior enforcement officer (who has access to the depot) are monitored via the use of a hardback A4 book, in which the issue and return of radios is logged, with staff signing to evidence receipt.</p> <p>Most of the radios are signed out by the staff member using the radio, and signed back in by the stocks supervisor; but the radio issued to the second enforcement officer is signed in and out by the user (as they have no access to the depot, and their shifts often end after the depot has closed, meaning that there is no-one from Operations present to log the return of the car park radio).</p> <p>I recommend that the Council considers a monthly check (perhaps at month end) to confirm that the car park radio exists and is in good working order. This will help to ensure that there is control over smaller assets, without impacting on the practicality of daily operations.</p> | | | | |
| <p>Status: Recommendations completed.</p> | | | | | |
| 22.6 – Loose leaf radio sheets | <p>The radio issued to the second enforcement officer is monitored via the use of loose leaf sheets in a green index file. One of the sheets was missing at the start of the audit but subsequently located at the back of the clipboard on which the current sheet is held. The sheets are not sequentially numbered but do follow in date order.</p> <p>I recommend that the loose leaf sheets are sequentially numbered, and that the completed sheets are transferred to</p> | L | Agreed | OPS1 | October 2020 |

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| | the archive folder as soon as possible, in order to ensure that a complete record of radio issue and return is maintained. | | | | |
| Status: Recommendations completed. | | | | | |
| 22.7 – Place name on each page of personal clothing record | <p>Clothing stocks are issued following the submission of a signed clothing request form. The form is signed by the stocks supervisor on issue, and by the Operations Manager or Deputy on review. The personal clothing issue record is updated to record all clothing issued (note this does not include stocks of masks or gloves which are classified as consumables, but records those stocks which are in use for a longer period of time). The signed request forms are filed behind the related personal clothing record, all of which are filed alphabetically in the Personal Clothing Issue folder (an A4 lever arch).</p> <p>I found that some of the personal clothing issue records included supplementary sheets on which details of stocks issued were recorded. The sheets have a corresponding date (for the issue of the first set of clothing), but do not contain the relevant staff name. This may make it easier to tie records back if the papers are misfiled.</p> <p>I recommend that any supplementary sheets are labelled with the staff name in order to make it easier to tie records back should the records become detached.</p> | L | Agreed | OPS1 | October 2020 |
| Status: Recommendation completed. | | | | | |
| 22.8 – Ensure clothing request forms are fully completed | I checked a sample of operations staff clothing records to confirm that all clothing request forms had been signed by the employee requesting clothing, the stores supervisor, and the operations manager; and that the related clothing record had been updated. I found that the majority of sample requests were fully completed and that all requests tied back to the | L | Agreed | OPS1 | October 2020 |

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| | <p>clothing record, but that one of the clothing requests had not been signed by the employee to whom the clothing was issued. Staff must sign the form to evidence both the request and the receipt of the clothing, in order to ensure that the matter could not be disputed at a later time.</p> <p>I recommend that the clothing request forms are fully completed.</p> | | | | |
| <p>Status: Recommendation completed.</p> | | | | | |
| 22.9 – Ensure all goods in are recorded | <p>Consumable stocks in and out (the latter excluding clothing issued to staff) are recorded on a spreadsheet. I checked a sample of 5 delivery orders to confirm that the items delivered had been properly recorded on the goods in spreadsheet.</p> <p>I found that 4/5 orders were fully reflected on the goods in spreadsheet, but that the fifth order (relating to 5 items) excluded a pack of saws. I checked with the Stores Supervisor and this appears to be an oversight, as saws are included on this list (and were included from a later order from the same supplier). The oversight may have occurred if the saws were not delivered at the same time as the rest of the order.</p> <p>I recommend that all consumable stocks are recorded on the stock movement record.</p> | L | Agreed | OPS1 | October 2020 |
| <p>Status: Recommendation completed.</p> | | | | | |
| 22.10 – Information on red tagged equipment | <p>I checked to see that stock loss/write-off controls are operating effectively. I found that there is a red label system in place for equipment which is damaged or malfunctioning. The user of the equipment places a red tag on and notes the problem and date. The matter is then reported to the Operations Manager or her Deputy for a decision. Equipment</p> | L | Agreed | OPS1 | December 2020 |

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| | <p>is repaired where it is economic to do so, and replaced if not. The Stores Supervisor keeps a log of any equipment sent for repair (noting the equipment, date that the equipment was sent to repair, the company to whom the item was sent, and the date that the equipment was returned) in order to ensure that there is a note of Council equipment which is not on site.</p> <p>I found that there were two pieces of equipment which had been red-tagged. Both had been notified to management. One (a chainsaw) did not contain a note of the date that the fault developed.</p> <p>I recommend that the red tag includes a note of the user who identified and reported the issue, a note of the person to whom they reported the issue, details of the issue itself and of the date of malfunction. This will help to ensure that there is a full audit trail associated with any malfunctions, and that repairs or write-offs can be undertaken in a timely manner.</p> | | | | |
| Status: | | | | | |
| Recommendation completed. | | | | | |
| Visit 2 – 11/12/2020 | | | | | |
| 2.1 – Authorisation of invoices | <p>"I checked to see that a sample of payments made in the year were supported by invoices, authorised (signed by an appropriate officer to confirm that the invoice was correct and related to a genuine supply to the Council) and minuted for approval by Members. I found supporting paperwork in place for all 14 payments (covering 37 invoices) in the sample.</p> <p>I noted that 24/37 samples were noted by Council, as the Council's financial regulations place the requirement to authorise payments at the officer level (due to the volume of transactions). 12/37 are due to be on payments lists which will be noted at a future Council meeting. 1/37 relates to the</p> | L | Agreed. This is a temporary measure due to the C-19 pandemic to limit contact and sharing of physical documents. The approved signing and authorisation process will be resumed when deemed safe to do so. Control measures continue to be in place. | TH3 | Unknown-As soon as it is deemed safe |

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| | <p>income refund (and so is not a payment for services under the Financial Regulations).</p> <p>Of the 37 samples, the majority had not been authorised in the normal way (signed off by the budget holder or Clerk) prior to payment. This was for two reasons: the Council's financial regulations place the authorisation of the expenditure at the purchase order stage, meaning that as long as the related invoice agrees with the purchase order it is treated as approved. In addition, the remote working requirements of Coronavirus disrupted the Council's normal working practices. In order to ensure that the Council continued to pay suppliers in a timely manner, the Finance Manager completed the authorisation process, but the related invoices were not marked in the normal manner.</p> <p>I recommend the Council returns to its normal authorisation process as soon as possible in order to improve the audit trail for payment approvals."</p> | | | | |
| <p>Status: Restricted working practices endure. Control measures continue to be in place.</p> | | | | | |
| 7.1 – Signed timesheets | <p>I checked a sample of other payments to employees to confirm that they were reasonable, properly support and approved by the Council. I found that all overtime and standby allowances paid for the sample month of July 2020 agreed to timesheets and hourly rate calculations, but noted that none of the timesheets were signed as the Council was still operating CV-19 lockdown protocols.</p> <p>I recommend that the Council returns to signed timesheets at the earliest opportunity in order to ensure that staff self-certify the hours claimed.</p> | L | <p>Agreed. This is a temporary measure due to the C-19 pandemic to limit contact and sharing of physical documents. The approved signing and authorisation process will be resumed when deemed safe to do so. Control measures continue to be in place.</p> | TH3 | <p>Unknown-As soon as it is deemed safe.</p> |

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Status:

Some timesheets are both signed and submitted electronically, with others submitted electronically only. All are authorised upon submission by management. This process will be reviewed by the end of the current financial year.

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| 15.1 – Prompt action for non-payment | <p>I checked to see that all boats are parked within their grids and payment is received in respect of a sample of occupied grids. I found that all boats were parked within grids, but that two of the sample boats tested were in the wrong bays (a boat that had been in the D row was moved to the B row following discussion with the Visitor Services Manager as the boat would not fit in its D row space - the owner is to pay B rates from next year; and another boat was in the next door bay). I found that, for the 12 sample spaces, 8/12 had paid their fee; 1/12 had been invoiced but had not yet paid (the customer was very late paying the previous invoice); 1/12 was empty; 1/12 the invoice had been credited as the space was not used; 1/12 was occupied by an abandoned boat.</p> <p>The Visitor Services Manager confirmed that he was taking action to impound the boat of the customer who hasn't yet paid, and the boat which had been abandoned.</p> <p>I recommend that action is taken to deal with the abandoned boat and the non-paid boat at the earliest opportunity, in order to ensure that only boats for which payment has been made are parked in the boat park.</p> | M | Action is about to be undertaken to deal with the abandoned boat and the non-paid one is due to Covid and the customer is refusing payment. This will also be dealt with under the impound procedure. | TIC1 | December 2020 |
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Status:

One boat was impounded and the other boat was removed by the owner.

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| 15.2 – Amend payment details in year if boat changes rows | I recommend that where owner's estimates of boat length proves inaccurate such that they need to move to a larger space, that they pay the appropriate fee and that records are updated accordingly. I also recommend that boat owners are reminded to ensure that they are parked in the correct space. This will ensure that the correct fee is paid, and make it easier | M | This is agreed. The complication with the customer being referred to here was that he was very close to the limit of the bay and it seemed to be a genuine mistake on his part. Additionally, in putting his boat into | TIC1 | April 2021 |
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| | to confirm that all boats are correctly parked in the right bay for their size and the price paid. | | the smaller bay he damaged it on the corner and there was a suggestion (from him) that we might be liable. On this occasion the simplest solution seemed to be to allow him to use the larger bay for the remainder of the year on the understanding that the full rate would be occurred from next year. The records on Avalon should have been updated, although I believe it was on the spreadsheet that we use. This was however very much a one of solution. | | |
| Status: Implemented | | | | | |
| 15.3 – Agreement for/ policy on early payment discounts during pandemic | I found that one of the customers took advantage of the 10% early payment discount, even though payment was not made early. The Visitor Services Manager confirmed that, due to the pandemic and the closure of the Boat Park, a decision was taken to allow the discount anyway as an incentive for customers to make a payment. I recommend that any such changes are reported back to and/or formally agreed by Council in light of the potential duration of changed ways of working due to the pandemic. | L | We came under significant challenge for raising payments on 1 st April due to the pandemic and therefore I retained the 10% discount for early payment. This was referred to Council in July. This would not have normally been the case. | TIC1 | May 2021 |
| Status: Implemented | | | | | |
| 15.4 – Amend Avalon to include kayak storage | The Council started offering kayak storage at the Boat Park this year. The invoicing system (Avalon) has not yet been updated for the change, which means that the one fee charged for 20/21 has been accounted for outside of Avalon. Whilst the income has been reflected in the Council's finance | L | Before promoting the option of kayak storage at the boat park, we wished to wait for the installation of the kayak stand which has only recently been installed (mid Nov). In | TIC1 | April 2021 |

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| | <p>system, its absence from Avalon (which is used by the TIC to invoice and monitor collection of Boat Park debt) weakens the audit trail.</p> <p>I recommend that kayak storage is added to Avalon as soon as possible.</p> | | <p>August we were approached by a customer who was very keen to store their kayak and pay the full annual fee of £70. I was aware that we could store this by the kiosk. The payment was logged on the spreadsheet, but I was unable to find the time to add the kayak locations to the Avalon system. This has now been done.</p> | | |
| <p>Status: Implemented</p> | | | | | |
| <p>15.5 – Consider debt management system and integration of figures with Sage</p> | <p>The Avalon system does not have a traditional aged debt report (showing a summary of debtors with debt totals by age profile). It is possible to run a list of all invoices paid and, separately, all invoices outstanding. Cancelled invoices do not show on either report. In practice, debt management is carried out using a monitoring spreadsheet which is updated for details of payments made and debt control measures taken (contacts attempted and made, and promises to pay). Given the increased risk of error and accidental overwriting with spreadsheets, this information would be better recorded within a debtors system.</p> <p>The Avalon system is not integrated with Sage, so Boat Park or Beach Hut income which is invoiced through Avalon does not appear on the Council's accounts (as income or a debtor) until money is actually received. This means that the Council's accounts are understated for income and debt (albeit given the size of the Council, this understatement is unlikely to be material).</p> <p>I recommend that the Council considers a debtor module for</p> | <p>H</p> | <p>To be reviewed.</p> | <p>TIC1/TH1/TH3</p> | <p>April 2021</p> |

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| | Avalon (if one exists), or the use of the main finance system (Sage) for large annual invoices; and that consideration is given to whether or not there should be greater integration between the two systems to ensure that the accounts are fairly stated. | | | | |
| Status: Invoices have been raised on SAGE for Seasonal/Annual permits in 2021/22. The possibility of integrating systems is still under review. | | | | | |
| 15.6 – Formal monthly check on boat park | <p>I noted that due to the coronavirus lockdown, the 20/21 invoicing for storage was done based on confirmation from prior year customers that they wished to continue to store their boat. No physical check was made on the boat park itself at that time. In normal years, a physical review of the site should be carried out to ensure that all users of the boat park have received an appropriate invoice, but this was obviously not possible due to the pandemic.</p> <p>The Visitor Services Manager confirmed that it had taken a little while to realise that the abandoned boat was abandoned.</p> <p>I recommend that a physical review of the site is carried out prior to each invoicing run in future periods, and that the site is formally checked each month (with a note made on the boat park map of which boats are in each bay and which tickets are displayed). This will help to ensure that all boat park users are charged for the service that they receive, and that action can be taken to remove abandoned vehicles at the earliest time.</p> | M | Agreed. We are also establishing a weekly and monthly monitoring system for the boat park which will ensure that required checks are undertaken and logged formally. | TIC1 | May 2021 |
| Status: Implemented | | | | | |
| 15.7 – Clear signage that charges apply | I found that the boat park noticeboard (next to the trailer row) contains a schedule of fees and charges, and notes that users should pay at the TIC if no attendant is present, that charges | M | While it is possible that some people using the boat park may be unaware of the need to pay, this is unlikely. | TIC1 | May 2021 |

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| | <p>apply 24 hours per day, and that the area is covered by CCTV and by Enforcement Officer patrols.</p> <p>However, the fact that there is only one sign, and that it is located in the middle of the boat park, might mean that users may be unaware of the charges.</p> <p>I recommend that a sign is placed at the entrance to the Boat Park, or an existing sign modified, to advice that charges apply 24 hours per day and that enforcement action will be taken for non-payment. This recommendation was made during the previous audit.</p> | | <p>There is a, albeit small sign (due to health and safety) on the vehicle entrance saying charges apply, a notice of the fees and charges attached to the kiosk and a very large sign by the slipway itself. All users should also be expected to review the noticeboard before using the slipway which is clearly titled 'Noticeboard'. However there remains a clear need to re-enforce the message and make the payment procedures simpler and clearer.</p> <p>We will review the sign by the entrance and will also add further signage to the kiosk to explain the payment procedures.</p> | | |
| Status: Implemented | | | | | |
| 15.8 – Complete re-lining of car park as soon as possible | <p>The white lining for the boat park has been carried out in sections, with rows B and C still only outlined in blue pending their proper re-lining. The work has been carried out in sections in order to enable users to continue to store boats while sections of the parking area are lined.</p> <p>The lack of proper white lining and numbers on rows B and C make it more difficult to check that boats are in the correct storage bay, and I noted that two of the boats in row B were in the wrong space (one had been moved by agreement from row D as the boat was larger than calculated, the other was in an adjoining space).</p> | M | This work is due to take place in March 2021. | TIC1 | March 2021 |

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| | I recommend that the white lining and numbers for rows B and C is actioned as soon as possible, and that (unless otherwise agreed) boat owners are reminded that they need to park in the correct bays. This will make it easier to ensure that all users have paid the correct fee for their storage. | | | | |
| Status: Implemented | | | | | |
| 15.9 – Boat Park receipt records | <p>Batches of tickets issued from the receipt books are summarised on the Daily Return (which frequently covers several days). The Daily Return should note the attendant name, date, ticket range and total collected (ideally split by value and number sold to enable the calculation to be checked). The return is then counter-signed by a senior TIC officer, and the total sales for that return are entered onto the till, with a note is made on the TIC banking sheet (which records the results across all income codes for up to 4 days of bankings). The TIC banking sheets are then sent to the Finance team at the Town Hall, totalled for the month, and the gross totals then posted to the finance system before the bank reconciliation is carried out.</p> <p>I found that some of the Daily Returns were not fully completed, or did not agree in total to the value of daily receipts covered by that return. For instance, Daily return 0075 contained only a total of £325 with no note of the related receipt numbers, and had no till receipt attached to confirm monies ‘banked’ with the TIC. A review of returns 0074 and 0076 indicates that 0075 covered the span 5631-5643, but the total of these tickets was £305 (ticket number 5637 was missing from the book, which may account for the £20 difference). Daily return 0081 was noted as covering 5735-5753 with a value of £835 cash + £107 cards = £960, but the total of the related receipts came to £995.</p> | H | <p>Recommendations (see numbers in last paragraph)</p> <ol style="list-style-type: none"> 1. When receipt books are used up, to procure new ones with date, amount, and type of payment (cash or card). In the meantime, to update the staff notes to ensure these are added to the top of the current receipts and a check added to the weekly management check list 2. A daily return is already completed by boat park staff, although this does not cover all the requirements set out here. This will be reviewed for 2021. One key aspect is that this is a single sheet of paper which covers the whole period but it will now be developed as a single piece of paper for each day which can be | TIC1 | April 2021 |

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| | <p>Most of the differences between what the daily return notes as having been sold for the period, and what is recorded in the TIC banking sheet, relates to:</p> <ol style="list-style-type: none"> 1. Launch fees sold by the TIC (not shown in the Daily Return, but shown as part of the Daily Launch fees processed on the till and reflected in the banking sheet); 2. Card receipts from the new card machine (introduced 30/07/20), the totals of which were not included in the daily return or banking sheet. These were identified during the bank reconciliation process. Both the Finance Officer and Visitor Services Manager spent a considerable amount of time reconciling these payments as they did not initially appear on any of the summary paperwork; and 3. Small differences between what the receipts said had been paid for a launch, and the amount actually banked. <p>I was unable to fully reconcile the differences on banking for two samples (both of which were in the same return). The reconciliation work carried out by staff indicates there is a difference of about £146 between expected and actual bankings, with £5304 expected based on the launch fee receipts, and £5158 shown as having been recorded at the date of the reconciliation of 14/09/20. This difference appears to be a permanent one, as the banking records show only 20p was received from the card machine in September (so £146 of launch fees were not 'sold' in August as part of the £5304 but banked in September).</p> <p>I recommend that the receipt book includes a note of the date, amount, and type of payment (cash or card). Daily Returns should be fully completed in future periods, with a note of the attendant, date, ticket range and the value and</p> | | <p>attached to the weekly return.</p> <ol style="list-style-type: none"> 3. The daily returns will allow a check of receipts and total cash etc 4. Add cash, card and BACS details to daily TIC banking sheet. We will also record the different payments on the EPOS system (i.e TIC sales, BP Cash sales, BP card sales) <p>TIC banking receipt to be attached to daily banking report</p> | | |

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| | <p>numbers of tickets sold, separated by cash and card payments (with a note of the receipt numbers which relate to credit card payments). The total to be banked should be double checked back to the original receipt books to ensure that it is correct before being signed off, and both cash and card sales should be processed through the TIC till and added to the banking sheet so that the total takings for that period for boat park launch fees are captured by the banking sheet.</p> <p>The TIC banking receipt should be attached to the Daily Return receipt to complete the audit log. The total for this should agree to the total shown on the daily return and on the banking summary for that day.</p> | | | | |
| Status: Implemented | | | | | |
| 15.10 – Process notes and training | <p>I further recommend that this and all other control processes around the issue and verification of boat park and launch fee tickets are noted in a set of instructions for issue to staff dealing with the boat park, and are covered as part of an induction. This should improve both compliance and the audit trail.</p> | H | Agreed | TIC1 | April 2021 |
| Status: Implemented | | | | | |
| 15.12 – Ensure receipt books fully completed | <p>During the audit I noticed that one of the receipts (ticket 5714 from book 15) contained no details of the value of the ticket sold. Dates either side of this ticket were 12/08/20 and 15/08/20, indicating that the ticket was dispensed in mid-August.</p> <p>I recommend that staff are reminded to fully complete the details on the receipt in order to ensure that all monies are properly accounted for.</p> | L | Agreed | TIC1 | April 2021 |
| Status: Implemented | | | | | |

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| 15.13 – Complete reconciliation of individual launch fee tickets to accounts | <p>I checked a sample of launch fee receipts to confirm that the correct price had been charged, and that the monies had been received in the Council's accounts. I found that the prices appeared to be correct (there are a range of prices depending on the service and whether or not the user is entitled to a residents' discount), but I was unable to prove that all monies had been received in relation to 2/5 samples.</p> <p>Both samples were included within the bankings of 05/09/20, relating to Daily Return number 81, which covered tickets 5735-5753 and contained a mixture of card and cash receipts. I was able to prove that the boat park card receipts (£107 over four receipts up to 31/08/20) were included within the launch fee income for August 2020. I was able to prove that £853 of TIC cash and card receipts was included within the September 2020 launch fee income. This totals £960. The related reconciliation of individual tickets sales to bankings indicate that the total sales for this period should have been £995, a difference of £35.</p> <p>The Visitor Services Manager has carried out a reconciliation of individual tickets sales to income recorded in the accounts. This indicates that, up to 14/09/20, the amount due on individual tickets is £5304, of which £5158 had been banked. This gives a difference of £146 or 3%, which may be a timing difference (where monies have not yet been banked), or may be a permanent difference due to errors within individual tickets (where monies taken did not agree to the face value of tickets sold).</p> <p>I recommend that the reconciliation work is completed to see if the difference is a timing one. A recommendation on timely</p> | M | The reconciliation work will be completed and for next year we will have a weekly reconciliation process in place. | TIC1 | April 2021 |

| Recommendation number | Detail | Priority (Low/Medium/High) | Management Response | Responsible Officer | Due Date |
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| | checks on the accuracy of the Daily Return is made at recommendation 15.9. | | | | |
| Status: Implemented | | | | | |
| 18.2 – Ensure signed agreements held for all stallholders | <p>I checked to see that signed agreements were in place for all eight market stallholders present on the day of the site visit (23/10/20), and that all had been charged and had paid the correct fee. I found that google form agreements were in place for 5/8 (with their electronic submission counting as a signature), and a hard copy signed form was in place for 1/8, but that there appeared to be no agreement in place for 2/8 stallholders.</p> <p>A signed agreement should be in place for all stallholders to ensure that both the rights and responsibilities attaching to the licence to trade and the number of weeks and price charged have been agreed.</p> <p>I recommend that signed agreements are put in place for all stallholders.</p> | M | Agreed | TIC1 | Ongoing |
| Status: There are still some ongoing issues which will be addressed. | | | | | |
| 18.3 – Market charges | <p>I found that the Council revised its charges for the market at its meeting in March 2020. The fees charged were subsequently varied using the Town Clerk's delegated authority, as they were found to be too high in comparison with nearby markets. The Visitor Services Manager created a spreadsheet to calculate prices for a variable number of weeks and plot sizes, aimed to give an incentivising discount. I checked the prices charged for the period including 23/10/20, but was unable to agree the amount charged for 7/8 stallholders. The Visitor Services Manager confirmed that the bookings all related to regular traders who were charged at</p> | M | Agreed | TIC1 | January 2021 |

| Recommendation number | Detail | Priority (Low/Medium/High) | Management Response | Responsible Officer | Due Date |
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| | <p>the most discounted weekly rate (as the bookings were made for a continuous period).</p> <p>I recommend that Council reviews the charges again following a full year of in-house operation, and considers retrospective approval of the revised charges, including on-going discounts for regular traders, and how to deal with the setting of charges in future (whether by pre-approval at Council, or by delegated authority and the reporting back subsequently of prices set), in order to ensure that Members have agreed the charges levied.</p> | | | | |
| <p>Status: Council approved charges for 2021/22 following a review. These will be reviewed once again for the 2022/23 season, following an assessment of the 2021 summer season.</p> | | | | | |
| 20.1 – Coding of income | <p>I checked to see that income received in relation to beach hut rental had been paid in to the correct nominal code in the accounts. I found that 13/14 samples were paid into the correct code. 1/14 samples was paid in 3 instalments, with 1 of those being incorrectly coded to shore road huts current year, where it should have been coded to shore road huts receipts in advance (as the money was taken in 2019/20 but related to the 2020/21 bookings). The error was £200 against a total recorded income of £96.5k for 2019/20 (0.2%). This appears to be an isolated error.</p> <p>I recommend that all income is coded to the correct year.</p> | L | Agreed | TIC1/TH3 | Ongoing |
| <p>Status: Implemented</p> | | | | | |
| 20.2 – Replace hut numbers and repair door damage | <p>I checked to see that the Beach huts and bungalows are physically located in accordance with the plan and all included in the records. I found that the site plan for the spa huts included hut 27, which has since been removed. Other than that, all huts shown on the Shore Road and Spa plans were</p> | L | The Spa hut numbers have now been repainted and are in the process of being replaced. A maintenance programme exists for | TIC1 | December 2020 |

| Recommendation number | Detail | Priority (Low/Medium/High) | Management Response | Responsible Officer | Due Date |
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| | <p>present.</p> <p>I noted that there were no hut numbers present on the Spa Retreat huts and was advised that this is due to the huts having been recently repainted. There was also some damage to the door on Spa hut 31.</p> <p>I recommend that the hut numbers are replaced as soon as possible to ensure that they are clear for hut users, and that the damage to the door of hut 31 is replaced in order to prevent further damage due to wind or water.</p> | | all beach huts and include both routine and emergency repair. | | |
| Status: Implemented | | | | | |
| 20.3 – Missing paperwork | <p>During the year, the Council was forced to close its beach huts during the first Coronavirus lockdown. On re-opening, it adopted social distancing measures which meant leaving every other hut vacant. As a result of these measures, the Council offered customers a transfer of their original bookings (to later in the same year, or to next year with dates adjusted for e.g. Carnival week as necessary), or full or partial refunds. I checked a sample of 8 refunds (4 full, 4 partial), and 4 re-bookings to confirm that transfers had been correctly effected (with replacement bookings being the equivalent value), and that refunds had been correctly calculated with reference to the value and duration of the period refunded. I also confirmed that any refunds were coded correctly in the Council's accounts.</p> <p>I found that the original bookings and subsequent transfers, refunds or partial refunds appear to have been correctly calculated and processed. I did note that the original paperwork relating to one of the samples could not be located, and that revised invoices issued by the bookings</p> | L | Agreed | TIC1 | December 2020 |

| Recommendation number | Detail | Priority (Low/Medium/High) | Management Response | Responsible Officer | Due Date |
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| | <p>system, Avalon, did not correctly account for VAT as it showed the net and gross amounts to be the same. However, the Council accounts for VAT using the figures calculated from gross sales, meaning that the correct amount of VAT has been declared in its accounts.</p> <p>I recommend that the missing paperwork be located as soon as possible to ensure that the audit trail is complete.</p> | | | | |
| Status: tbc | | | | | |
| Visit 3 – 23/02/2021 | | | | | |
| 5.1 – File credit notes once authorised | <p>I checked to see that credit notes and write offs are fully explained, properly authorised and for the correct amount. I found that there had been no write-offs during 20/21 to the date of the audit (01/12/20), but that there had been 13 Credit Notes issued, 7 to correct the VAT levied on the original invoice (which has no implications for the Council's net income), 3 cancelled due to the service not being provided, 1 to give a partial refund where the customer had paid for a full year's parking permit but (due to coronavirus) was not able to use their permit during the lockdown, and 2 to amend the income relating to car parks which required a small recalculation after the initial income was brought into the accounts. All were fully explained and for the correct amount.</p> <p>8/13 signed credit notes were on file. 2/13 signed credit notes were held by the Finance Manager pending filing. 3/13 had been returned in error to the Administration Officer who had requested the amendments.</p> <p>I recommend that all credit notes are signed and promptly filed in order to preserve the audit trail relating to credit notes.</p> | L | <p>There have been some difficulties with working from home and relocating within the Town Hall for social distancing purposes. This has meant that files are not always readily to hand.</p> <p>Finance officers will endeavour to file credit notes promptly when working from the office.</p> | TH3 | With immediate effect |

| Recommendation number | Detail | Priority (Low/Medium/High) | Management Response | Responsible Officer | Due Date |
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Status:
Implemented.

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| 15.11 – Stationery control sheet | <p>I checked to see that a sample of monies collected by attendants are fully accounted for. I found that receipts are issued from a series of receipt books, some of which are held by the TIC, and some held by the Seafront Advisors. The receipt books provided during the audit numbered 10-17 excluding books 11 and 12 (which could not be located). Book 10 was held by the TIC and started 27/08/18. Book 13 was held by the seafront advisors, and started 15/06/20. Given the Boat Park was closed due to the coronavirus lockdown from 17/03/20 – 13/06/20, it is possible that books 11 and 12 relate to prior years and have been archived. Total launch fees to 31/08/20 were £3.5k (vs £3.9k at the same point last year) which is broadly in line given the unpredictable impact of the pandemic.</p> <p>The Council maintains a controlled stationery register which shows the book number, start and finish ticket numbers, with space to record the signing out and signing back in of the stationery (name/signature, and date). The register shows books 11 and 12 being signed out in August 2019, but not their return.</p> <p>I recommend that staff are reminded that controlled stationery should be returned to the Town Hall once all tickets are issued, or at the end of the season (if appropriate), in order to ensure that the audit trail is maintained.</p> | M | Agreed. | TIC1 | April 2021 |
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Status:
All controlled stationery will be returned and reconciled at the end of the season.

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| 18.1 – Consider operational model for markets, and | I checked to see that the results from the operation of the Town Market are consistent year on year, and with budget. I found that there was a budget of £7.5k income for the 20/21 | M | Agreed | TIC1 | January 2021 |
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| Recommendation number | Detail | Priority (Low/Medium/High) | Management Response | Responsible Officer | Due Date |
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| inclusion of expenditure budget 21/22 | <p>year, but no expenditure budget (due to the fact that the Council has, in the recent past, used a market operator who paid over a fee to run the market). During 2019/20 the Council ran a winter market with licences in place for stallholders on a periodic basis. The market operator did not return during 20/21, so the Council brought the market operation back in-house. Total income as at 18/02/21 was £9.6k, against £7.0k for 2019/20. Costs of £1060 were incurred in 2020 per the Finance Manager, leaving a net receipt of £8.5k for 20/21.</p> <p>I recommend that the Council considers whether to return to the in-house operation of the market on a permanent basis. If the Council decides to do so, I recommend that the 21/22 budget includes a budget for market wages.</p> | | | | |
| <p>Status: Council agreed to operate the market in-house, and a budget was provided for market wages in 2021/22.</p> | | | | | |
| <p>Visits 4 & 5 – 17/05/2021</p> | | | | | |
| 3.1 – Publish Personnel Committee minutes | <p>I reviewed the Council and Committee minutes to see if there was any unusual financial activity. I found no such activity, but noted that the minutes of the Personnel Committee of 18/01/21 were not on the Council's website, although they had been approved at a subsequent meeting.</p> <p>I recommend that the minutes are uploaded as soon as possible in order to ensure that the Council complies with the transparency requirements for the publication of Council minutes.</p> | L | Agreed | TH2 | With immediate effect |
| <p>Status: The Minutes were uploaded to the website on 21st May 2021.</p> | | | | | |
| 21.1 – Include all outstanding leases in the lease report | I carried out a light touch review of leases in 20/21. The Finance Manager confirmed that, due to coronavirus and a scarcity of conveyancing resources, progress to finalise outstanding leases or rent reviews had been slow. | L | Agreed that the schedule should be kept up to date, but the Bowling Club lease completed summer 2019 | TH1 & 3 | 31 st May 2021 |

| Recommendation number | Detail | Priority (Low/Medium/High) | Management Response | Responsible Officer | Due Date |
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| | <p>The Finance Manager noted that a report on outstanding legal agreements was taken to the Policy, Finance and Performance Management Committee on 10/03/21. I checked the report back to the schedule of debtors and noted that it did not appear to include information on progress with the rental agreements relating to the Bowling Club and Prospect Nursery.</p> <p>I recommend that updates on the Bowling Club and Prospect Nursery are added to the lease and licence report.</p> | | and Prospect Nursery was assigned 1 st April 2021. | | |
| Status: Ongoing. | | | | | |
| 21.2 – Update or replace the lease section in the Schedule of Fees and Charges | <p>I noted some differences as between the schedule of debtors used by the Finance team, and the schedule of fees and charges which is presented to Council. The Finance Manager confirmed that the Finance team use the schedule of debtors to record rent and other fees due from debtors.</p> <p>I checked the charges made in the accounts back to the schedule of debtors and found that they were correct for the majority of debtors. Where charges were not made, this was due to the fact that rent reviews or lease assignments were taking place, with all outstanding rental amounts due to be invoiced on conclusion.</p> <p>I recommend either that the schedule of fees and charges is updated to agree with the schedule of debtors or, if the lease section of the schedule of fees and charges is no longer useful, that it is replaced by information from the schedule of debtors and reviewed by Members alongside the leases and licences report. This will ensure that Members have accurate</p> | M | Agreed | TH1, 3 & 4 | August 2021 |

| Recommendation number | Detail | Priority (Low/Medium/High) | Management Response | Responsible Officer | Due Date |
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| | information about what rental agreements are in place and the amount of rent due. | | | | |
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Status:
The leases/licences report that is submitted to Committee will include rental information.

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| 21.3 – Collate lease information and link to mapping system | <p>There are various databases which contain information about the rental properties held by the Council, and the leases in place for them. It would improve the audit trail, and help to ensure that all lease income was invoiced and collected, if the information held was brought together in one place. It is suggested such a schedule might include: the file number, asset number, property address and description, document type, lease in/out, tenant, lease/licence end date, annual rental and rent due dates. It could also be helpful if this schedule contained all of the information that the Council are required to disclose in relation to fixed assets under the Transparency Code 2015.</p> <p>It is recommended that the Council consider compiling all of the rental asset information in one place, and that this is linked to the Council's Pear mapping system.</p> | M | Agreed. | TH1, 3, 4 & 5 | March 2022 |
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Status:
This is still a work in progress and subject to additional staffing resources being made available.