

Hackney City Tennis Clubs (HCTC)

Final report - Finance and Operating systems review

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22nd November 2016

SUMMARY REPORT WITH BOARD COMMENTS ON RECOMMENDATIONS

Adequacy of financial controls

The Board should establish a procedure for regular review and authorisation of financial transactions by themselves and the Acting Director of Tennis. *Management accounts are reviewed regularly at Board Meetings. Authorisation thresholds and requirements are laid out in the newly adopted Financial Procedures document.*

The Board need to safeguard the Bank balance and should consider moving some of the funds to another financial institution. *This has been done. All holdings with a single bank holding company are insured as they are below the threshold of the Financial Services Compensation Scheme.*

Completeness of Income

HCTC and LBH work together to improve court facilities, padlock control access and increase income generation over all sites. There are also a number of incoming producing activities that HCTC have suggested to LBH which have been rejected eg refreshments/café, table tennis – can some of these be researched further? *Controlled access is something LBH are planning to evaluate. Other activities are issues which will have to wait until the tender process is complete.*

HCTC and LBH agree on the court allocation policy for summer and winter. If there are any exceptions to be made for Staff or Board members this should be documented and agreed. There should be a standard reply that HCTC and LBH sign off that can be sent out to complaints re court availability. *There are no exceptions for staff or board members except for those made for coaches. These are subject to change and are agreed with the Council in advance. Currently coaches have no booking privileges and can book on the same terms as the public. Any revised privileges will be available on the HT website.*

Payments

The Board should document which expenses can be authorised by the Director of Tennis/Operations Managers, including details of what is considered 'standard' expenditure and what financial limits should be applied. *Accepted. The Board will develop a 'Schedule of Delegation' that will identify authorisation limits and a 'standard' expenditure list.*

The monthly payroll should be authorised by a Director. *This is already being done.*

HCTC take over responsibility for maintenance and repair of courts and LBH monitor.

SLA put in place between HCTC and LBH – HCTC should agree to maintain to hold sinking fund for repairs etc to enable them to plan strategically in line with forward plan.

Both of these points will be subject to a new agreement with LBH which is likely to involve a competitive tender.

Procurement review

There should be clear procurement guidelines and a file of contracts should be maintained together with an electronic record of all contracts and renewal dates. *Accepted. The Board has incorporated procurement guidelines into the Financial Procedures document and will maintain a register.*

Reporting to relevant authorities (including London Borough of Hackney) – including both financial and non –financial data

That the reporting system to LBH is changed to monthly rather than bi-monthly to allow accurate monthly management accounts to be prepared on a timely basis.

That LBH provide a comprehensive list of all reporting requirements and a Service Level Agreement is agreed on and put into place.

HCTC have reviewed other Booking Systems and assessed these against the volume required and the reporting requirements of LBH (although these have not been confirmed as yet) as well as the data they require in house for reporting, planning and reconciliation purposes. Open Play is the current preferred option and the trial dual running of the system alongside Booking Bug for one site is recommended.

OpenPlay, the new booking system has been trialled at Hackney Downs and is now operational for court bookings at all venues. Coaching programmes will be moved over to OpenPlay in the coming months. OpenPlay has been linked into Xero (the new accounting package). This should make monthly reporting to LBH possible. Reporting requirements will be specified by LBH in a tender document which we anticipate will be provided.

Accuracy of accounting records

I would recommend either having an in-house staff member with financial expertise to do all the bookkeeping or having a bookkeeper either on site once a week or in the short term at least a shared e mail address where all invoices are sent to and these can be viewed. *Accepted. The Board is considering this issue in relation to workforce needs to implement the Forward Plan. The Board recognises that the bookkeeping function needs to be much closer to the physical operations of Hackney Tennis.*

Research into Xero as to migration costs and work involved alongside the booking system review. *See above.*

Staff structure/responsibilities

The Operations Managers employment status is reviewed and addressed. *The Operations Managers will be employees very soon.*

The service from Peninsula is reviewed in detail as currently HCTC do not utilise this service fully *This is currently being undertaken.*

The bookkeeper works from the Pavilion on a regular basis or there is an alternative financial resource employed in house who can do all the bookkeeping and also reconcile the income to bookings. They could also prepare the budgets and forecasts and management accounts as well as key reconciliations.

Future consideration: The new booking system that is being reviewed can be directly linked into the Xero accounting system. It may therefore mean that HCTC need to be in a position to move the accounting system to Xero from 1 April 2017, the start of the new financial year. This should be part of any implementation plan of Open Play or ANO. Although Quickbooks could still continue to be used it would require lots of manual entries again which could be avoided with integrated systems. *Xero has been implemented and integrated with OpenPlay. New bookkeeping arrangements to be considered with other workforce issues.*

Systems/Handbook testing – assessment and recommendations

A finance manual with key procedures/limits etc should be prepared. *Accepted. A Financial Procedures Manual has been finalised and adopted.*

Assets – use of these for income generation

HCTC and LBH to work together on facilities improvement plan – eg installing more floodlights, pavilions at other sites etc.

The Pavilion rooms could be utilised more and does not seem to be an area of real focus for the organisation. However, the new website (which has been put on hold during the period of uncertainty) should increase awareness and bookings once launched. A partnership with LBH on this could increase usage. *Both of these issues are dealt with in 5-year plan which will form basis of HT tender.*