

KILMINGTON PARISH COUNCIL

MINUTES OF THE PUBLIC INTEREST REPORT MEETING HELD AT 7.30pm ON WEDNESDAY 16th OCTOBER 2019 AT THE BEACON, THE BAPTIST CHURCH, KILMINGTON

Present: Cllrs B. Trott (Chair), M. Collier (Vice Chair) M. Jones,
E. Styles, S Huscroft, P. Ball, J. Mear, A Dare, S. Seward

In Attendance: A Jenkins (Clerk/RFO)

Members of Public: 13

1. Councillor Ben Trott (Chairman's) Statement to the meeting in relation to Internal Control Issues within Kilmingtion Parish Council from 2016 onwards:-

"Good evening Ladies & Gentlemen, thank you for attending. I will read a statement presenting the up to date position regarding the administration and finances of Kilmingtion Parish Council and open the floor to questions afterwards.

The previous Clerk and Responsible Financial Officer to the Council had been in post for many years and prior to the period April 2016 onwards had always discharged the duties expected in an efficient and proper manner.

During the period April 2016 to November 2018 difficulties with the former Clerk and RFO to the Council began to surface, minutes, accounts and other matters were either late or not completed.

Thus it was necessary for the Council to address the situation. The Council initiated an Employee Capability process, with verbal warnings being issued. On seeing no improvement, a written warning was issued on the 14th August 2018. This then led to a formal disciplinary hearing on the 9th November 2018.

At this stage the previous Clerk to the Council tendered their resignation, but agreed to remain in post until the appointment of a new Clerk.

The vacant position was advertised in January of this year and Adrian Jenkins was appointed on the 12th March with an agreed start date of the 6th April 2019.

Following the appointment of the new Clerk, the handover of papers, files and documents pertinent to the running of the Council were handed over in a very piecemeal fashion. In spite of repeated efforts to effect a complete handover, by telephone and in writing, there are still numerous documents and items which have not been handed over.

The Council instructed Beviss & Beckinsale to act on our behalf in recovering these outstanding items. Regrettably this only resulted in the handing over of out of date files from the period 2000 – 2012. We have been advised that the chances of success in pursuing this further, when weighed against the likely further costs, on top of the £676.80 already spent, is not a risk that should be undertaken lightly. In view of this we have taken the decision that all reasonable steps to recover the items have been taken and that we need to draw a line under this part of the process.

At all stages of this process the Council have kept in close liaison with Devon Association of Local Councils, East Devon District Council, District & County Councillor Ian Chubb and The Monitoring Officer at East Devon.

Although every effort has been made to update records and collate information relating to Council business, there are still gaps in the official records.

These include –

- Incomplete minutes from 2016 through to February 2019.*
- Missing bank statements, paying in books and cheque stubs.*
- No receipts/payments file for April 17-March 18.*

No AGAR (Annual Governance & Reporting) was completed for the year 2017/18.

Letters issued by the External Auditors dated 27th July 18, 24th August 18, 5th February 2019 and 20th March 2019 were addressed to the previous Clerk and were not advised or presented to the Council. There were some charges from the external auditor as a result of the time spent issuing letters, total costs for this were £576.00 We were also unaware that a Public Interest Report had been issued in respect of our failure to submit the 2017/18 AGAR.

This has created some difficulties in completing the AGAR for 2018/19 as there were no figures to bring forward from the 2017/18 report. Advice was taken from the National Association of Local Councils, who advised that the bank balances of the Councils current and deposit accounts should be used to enable this report to be produced.

The new Clerk has worked tirelessly on the Councils behalf to bring the financial accounts and records up to date, processes he has initiated to enable the completion of the AGAR were –

- Copy Bank Statements obtained.*
- Preparation of a list of all payments and receipts made in 17/18 and 18/19 for the Councillors to study and agree that to the best of our recall all payments were correct (in the absence of up to date minutes) and had been agreed at the various meetings held in those two years.*
- Completion of AGAR Pro forma Bank reconciliation forms for both years.*
- Explanation of variances in excess of 15%*

The AGAR for 2018/19 has now been completed and following receipt of the Internal Auditor's report was formally approved by the Parish Council at a Council meeting on the 18th September. It was then submitted to the External Auditors who have issued an interim report but will not issue their final report until after the 1st November.

The AGAR Annual Governance Statement, end of year accounting statements, items of expenditure above £100, Internal Auditors report, assets register and the External Auditors interim report have all been published on the website.

The last VAT reimbursement claim for the Council was for the year ending 31st March 17. The Clerk is currently attempting to obtain duplicate invoices from suppliers so that the claim for the missing two years can be completed.

The HMRC PAYE records have also been looked at and the Clerk uncovered outstanding penalties for late RTI submissions and overdue payments. The outstanding fines of £1,900 have been paid, and the Council have instructed Thomas Westcott, Chartered Accountants, to act as agents and investigate further.

At no stage throughout the work to bring the financial records up to date has Council found evidence of financial impropriety, or unauthorised payments or withdrawals. The Council has now instituted the following revised processes to ensure we discharge our duties correctly, –

- All draft minutes to be produced in a timely manner as per standard normal practice, and that they are considered, approved and signed at the next Council meeting.*
- All invoices received to be dealt with in an efficient and prompt manner and all payments to be duly approved and properly recorded in the minutes.*
- All finance and budgetary reporting procedures to the Council must be properly followed.*
- All correspondence to be dealt with promptly and efficiently and brought to Councillors attention.*
- All records, files and documents to be kept safe and in an orderly manner.*
- All Council policies and procedures to be reviewed.*
- A review of the Council information published on the website to ensure that it complies with the Transparency Code.*

The Clerk has also conducted an audit of Councillors training. All Councillors have subsequently attended ‘Being a Good Councillor’ on the 30th September. Further training to be implemented includes Chairmanship and Finance for Councillors.

The failings identified can in the main be attributed to the inactions of the previous Clerk, however there was also a failure by the Councillors in not identifying the issues at an earlier stage and for this we are all deeply sorry. With the proper procedural practice now being followed and the training being provided to the Councillors the Governance of the Council has been improved. We have taken steps to address the past failings and to ensure that they do not recur.

I must extend special thanks to Adrian Jenkins, the new Clerk for the extraordinary patience, diligence and hard work he has put in since taking up the role. And also for the guidance he has given to the Parish Council. With his assistance and guidance Kilmington can be the efficient and effective Council worthy for our village and its future.

Thank you for your attention. I now open the floor for questions”.

2. Questions

Members of the Public questioned as to whether there had been any financial impropriety. The Chairman stated that no financial impropriety had been discovered.

The Clerk also stated that since his appointment on the 6th April 2019 he had prepared

financial accounting statements of all payments made by the Council since the 1st April 2017, the date of the last completed AGAR audit. These payments had all been confirmed by Councillors as being correct and the bank statements had also shown that the bank balances were correct and in order. The Internal Auditor had since carried out a full internal audit of the Accounts and had discovered no signs of any financial impropriety.

The Clerk stated that the 2018/19 AGAR governance documents including the accounting statements and Internal Auditors report had now been published on the website and that the External Auditors report would also be published on the website when it is received in November.

In answer to other questions, the Chairman reiterated that Councillors in conjunction with the new Clerk had put in place measures to prevent a recurrence of the previous internal control issues.

The Chairman then thanked everyone for attending and closed the meeting.

The meeting closed at 7.55pm

Signed *B Trott*

Date *12/11/19*