

Church Stretton Town Council

MINUTES OF THE TOWN COUNCIL EXTRAORDINARY MEETING HELD VIA ZOOM REMOTE MEETING PLATFORM ON TUESDAY 2nd MARCH 2021 at 7.00 p.m.

Those present: *Councillors:* Cllr L Antill, Cllr S Baker, Cllr C Carson, Cllr N Carter, Cllr L Chapman, Cllr H Claytonsmith, Cllr H Luff, Cllr M Morris, Cllr R Hickman, Cllr M Walker, Cllr B Welch, Cllr D Wilks.
Officers: Mr. C Maclean (Locum Town Clerk), Miss B Clarke (Responsible Finance Officer)
Unitary Councillors: Cllr L Chapman
Members of the Public: 29

The Locum Town Clerk advised everybody present at the meeting of the purpose of the meeting and explained the background to the terms and content to be discussed by Councillors.

The Chairman and Councillors noted with deep regret and sadness the passing of Miss P Morris, Personal Assistant to the Clerk. A moment of silence was observed to remember Miss Morris's service to the Council and community.

20.121 **WELCOME**

The Chairman welcomed everybody to the meeting.

Cllr Welch advised Councillors that the purpose of this extraordinary meeting was to address the challenge raised by a resident to the Council's AGAR submission for the financial year 2019/2020.

20.122 **TO RECEIVE APOLOGIES**

Apologies were received post meeting on behalf of Cllr Braid.

20.123 **DISCLOSABLE PECUNIARY INTERESTS**

To declare any disclosable pecuniary interest in a matter to be discussed at the meeting and which is not included in the register of interests (in accordance with the new code of Conduct adopted by Church Stretton Town Council on 26th June 2012). **NONE**

20.124 **AUDIT AND AGAR BACKGROUND**

The RFO advised Councillors of the background to the appointment of a new internal auditor and the results of his review which covered the period prior to her appointment. The auditor had recorded concerns over previous practices and lack of controls.

Councillors noted that the internal audit process consisted of two interim reviews with a final review at the year end. It was noted that the final report comprised the amalgamation of the three reviews but that no comment had been recorded by the auditor on the progress achieved since the raising of the relevant points.

Following the raising of the challenge discussions have been held with the external auditors on the interpretation of the reporting requirements. Whilst it is recognised that progress to address the various points has been made, these are not sufficient to merit the stance previously adopted by the Council. The purpose of the meeting is to update Councillors on the result of these discussions and Councillors are recommended to accept the challenge and review the responses which will be provided to the external auditors.

20.125 **QUESTIONS FROM MEMBERS OF THE PUBLIC**

A resident enquired how the perceived VAT shortfall would be covered by the Council. The RFO advised that £12,000 had been recorded in the accounts to be paid to HMRC. A provision of £32,000 had been put aside in reserves to account for partial exemption calculations and possibility that this may require to be paid over. The reserve would be maintained through to the financial year 2023/2024.

A resident enquired about the total costs involved in rectifying the whole situation. The RFO explained that the internal audit costs ran at £300 per day for three days to cover the year. External audit costs normally range from £1,000 to £1,500 per annum, based on the normal review process. As a result of the challenge, external audit costs run at £355 per hour and the final cost will not be known until the invoice is received. General reserves would be used to cover these costs. The RFO further advised that the costs of putting it right were internal to the Council team as it was effort on their part to resolve.

A resident enquired on the financial impact to the Council of these issues. Cllr Welch advised that the costs would be factored into the existing budget.

A resident expressed concerns over the scale of the issues and the perceived lack of understanding by Councillors of these. Further concerns were raised over the perception that these issues were the responsibility of the current members of staff. The resident enquired whether in light of the situation Councillors would consider resigning.

Cllr Welch advised that no blame for these issues is attached to the staff and it is fully appreciated that considerable effort is being undertaken to resolve matters. Cllr Welch further stated that the Council had always adhered to the requirements of the internal auditor. Questions do arise over the level of scrutiny of the accounts in the past. The Council does not demur from its responsibilities over the use of public monies. Given that the election is being held on 6 May, Cllr Welch advised that the Council welcomes the opportunity for residents to stand as a Councillor and would expect to see Councillors in the new Council discharge their responsibilities fully.

A resident enquired over the timing of the departure of the previous internal auditor. Cllr Welch advised that this had occurred at the time the previous RFO role holder retired and it was understood that the internal auditor who had been in post for a number of years made the decision to retire at that time and stand down from his post.

20.126 **FINANCIAL MATTERS**

a) AGAR Challenge

The Locum Town Clerk noted with Councillors the proposed response from the Council to the external auditors. Councillors were asked for any questions or doubts over the detail set out. Councillors noted that the documents presented would be submitted as the formal response to the acceptance of the challenge.

Proposed by Cllr Chapman, seconded by Cllr Carter and

RESOLVED (unanimously) to reconsider the submission of the original Annual Governance Statement for 2019/2020 financial year and resubmits a revised statement to reflect that the boxes should have been ticked 'No' and the accompanying AGAR response sheet is submitted to detail the changes being made.

Councillors discussed the position of the Pavilion in relation to its ownership by the Council and its location within the Trust and Charity.

Proposed by Cllr Antill, seconded by Cllr Chapman and

RESOLVED (unanimously) to donate the Pavilion to the Brooksbury Charity subject to approval by the Charities Commission

20.127 **FURTHER QUESTIONS FROM MEMBERS OF THE PUBLIC**

Councillors considered the suspension of Standing Orders to allow members of the public be invited to raise further questions.

Proposed by Cllr Clayton-Smith, seconded by Cllr Morris and

RESOLVED (unanimously) to suspend the Council's Standing Orders to allow further questions from members of the public.

A resident enquired about how the information would be shared with the residents. Cllr Welch advised that details would be provided at the Annual Assembly on Thursday 22 April.

A resident requested further detail on the £32,000 reserve and what it related to. The RFO advised that this related to the Pavilion and the lack of a partial exemption calculation.

The resident further asked whether there were any more skeletons to be identified. The RFO advised that the consultants had undertaken detailed analysis over 10 months. Considerable effort and challenges were addressed to enable conclusions to be drawn. The other issues which had arisen resulted from the associated charities and the failure to treat these as separate entities.

The resident enquired whether there were now issues with the previous AGAR submissions, especially if they had been completed with favourable responses. The RFO advised that it had come to her attention that the external auditors identified an incorrect submission relating to the Risk Assessment for the previous financial year submission but could only refer the resident to the internal audit report in relation to his concerns.

No further questions were raised by the residents.

Proposed by Cllr Chapman, seconded by Cllr Hickman and

RESOLVED (unanimously) to end the suspension of the Council's Standing Orders and return to Council business.

The Chairman declared the Public meeting ended at 7.50pm.

20.128 **CONFIDENTIAL ITEMS**

Under the Public Bodies (Admission to Meetings) Act 1960 S1(2), it is RESOLVED (unanimously) that in view of the confidential nature of the business about to be transacted, it is in the public interest that the public and press are excluded from these items.

a) Recruitment of Town Clerk

Councillors considered the timings of the recruitment process in and around the election in May.

Proposed by Cllr Chapman, seconded by Cllr Morris and

RESOLVED (unanimously) to proceed with the recruitment process to identify a short list of candidates and for the final interviews to be conducted by Councillors of the new Council post-election.

b) Associated Papers to the Position

Councillors noted the revised Application Form, Information Pack, Job Description and Person Specification.

Meeting ended at 8.05pm.