

FINANCIAL REPORT FOR WIX PARISH COUNCIL

12th JULY 2010

Missed Audits 2002-2009

Following our meeting of the 30th June 2010, I have recently written to Joy Sheppard CEO of EALC to champion our suggestion that the Audit Commission defer release of the second instalment of precepts when Annual Returns are outstanding. A copy of the letter is attached. I have also written to Wayne Rickard of the Audit Commission in response to his Report in the Public Interest letter of 28th May 2010. A copy is attached.

Annual Return 31.03.2010

No request to see the files was received from parishioners in respect of the Notice to Exercise Electors Rights which has been on the WPC Notice Board from 14th June 2010 to 9th July 2010 and no queries were raised in respect of information provided at the last meeting other than the discussion that took place at the meeting in respect of our Asset Register.

I have revised the Asset Register to reflect the outcome of the discussion (See attached). I feel it is appropriate to read out several paragraphs from Governance Guidance Notes which basically allows us to determine the value of assets so long as we are consistent. Any changes will need to form part of future Annual Returns.

Assuming no others questions the Annual Return will be submitted.

Year to Date

I enclose a schedule showing activity to date.

As at the 8th July 2010 bank balances total £13360.58. The sum of £7000 will be transferred from the Cheque Account to the Bonus Account in an effort to maximise interest but at current rates this will not amount to much. A refund of VAT in the sum of £207.50 is awaited. Cheques issued but awaiting presentation amount to £450 and are in respect of Audit Costs. Of balances available £695.11 is ring fenced for Fireworks. This has reduced by £100 since it was the Fireworks Committee's practise to provide the main prize in the Wix Village Fete Raffle and it was agreed last year that we would continue this tradition.

The schedule shows actual spend against what was budgeted for in the Precept. You can see that Subs to EALC are £32 higher than budgeted due to the purchase of Governance Guidance Notes. No additional spend is anticipated. We have yet to receive an invoice or incur any expense in respect of the following headings Field, Rent, Training, Gateways, Youth Club, Playground, or Contingency. The original budget still looks reasonable for most of these headings. However, we have won a full grant in respect of the Gateways and as mentioned previously the £500 set aside for this can now go towards replacing the old blue and white signs.

The future of the Youth Club has yet to be determined. The original budget related to Hall rent. If it does not continue we will under-spend. If we are fortunate enough to find a leader to run the club we will have to use the contingency fund to help meet the cost.

Donations to the Village Hall and St Mary's Church have been made in full and no addition expenditure is expected.

Audit expenses are going to be a lot higher than allowed for in this years precept but this is largely down to us still awaiting advise on what it will cost to sort out the mess of previous years. We have a £1000 unspent from last year. I am hopeful that we may have some slight under-spend across the two years.

Insurance on new assets and assets we did not know we had may show an increase against budget but with Sue Hubble's research for the best deal this is likely to be minimal.

The Clerks Salary, Lighting Costs and Miscellaneous/ donations are currently under budget but are likely to be there or there about by the year end.

Any questions please ask.

I will be accountable for any queries relating to the finances of WPC during the missed Audits period to date, but now pass on the mantle of RFO to Sue Hubble.

Steve Pilling
Ex Responsible Finance Officer

Wix Parish Council

1 Baytree Close
Wix
Manningtree, CO11 2GL

01255870819

JOY SHEPPARD CEO
EALC
2-2A Twyford Court
High Street
Great Dunmow
Essex CM6 1AE

10.07.2010

Dear Joy,

WIX PARISH COUNCIL
PUBLIC INTEREST REPORT re MISSED AUDITS YEARS ENDING 2002-9

I am writing further to our recent telephone conversation concerning the above matter.

A meeting took place on the 30th June 2010 to discuss the Audit Commission letter of the 28th May 2010 (copy already sent to you) and I enclose a copy of my RFO Report made at that meeting.

You will see that WPC have fully accepted that it was at fault for not having the correct procedures in place. It also accepts the Audit Commission comments and recommendations. I have responded to Wayne Rickard of the Audit Commission accordingly and have confirmed that all matters have been addressed (copy attached).

The present members of Wix Parish Council are however very unhappy that the non submission of Audit Returns was allowed to go on for so long and if there had been no change in its make up, it would seem that the matter could have gone on for several years more. The only method of control being exercised by the Audit Commission during the seven years between 2002 and 2008 was to write standard letters to the person involved in the fraud. In fact WPC were still being sent standard letters even after the Audit Commission was advised of the problem back in 2008. A situation we find unbelievable.

Back in 14th August 2009, I wrote to Lawrence Newman (Partner), Lubbock Fine and sent a copy to Mark Bartlett of Audit Commission (see copy attached), with the suggestion that the second precept instalment be deferred if a Parish Council fails to submit its Annual Return on time. This simple

control measure should at least encourage prompt submission of Annual Returns by Parish Councils and limit the amount of any potential fraudulent activity/poor management.

No response to this suggestion was received from either Lubbock Fine or the Audit Commission.

In our recent telephone conversation you indicated that the suggestion had merit and that if agreed by WPC you would champion for a change in legislation on our behalf. You will see from my RFO Report of the 30th June 2010, a proposal to this affect was made. I can confirm it was unanimously supported and on behalf of WPC would ask that you take the matter up.

Please acknowledge receipt of this communication.

Yours Sincerely

Steve Pilling
Responsible Finance Officer (07836 505060)

Wix Parish Council

1 Baytree Close
Wix
Manningtree, CO11 2GL

01255870819

WAYNE RICKARD
Audit Commission
Room 215
Tamar Science Park
1 Davy Road
Derriford, Plymouth
Devon PL6 8BX

10.07.2010

Dear Mr Rickard,

WIX PARISH COUNCIL
PUBLIC INTEREST REPORT re MISSED AUDITS YEARS ENDING 2002-9
AUDIT RETURN YEAR ENDED 2010

I am writing further to your letter of the 28th May 2010 concerning the Public Interest Report.

After a Public Notice, a meeting took place on the 30th June 2010 to discuss your comments and recommendations and I enclose a copy of the Chairs Report and my RFO Report made at that meeting.

You will see that WPC have fully accepted that it was at fault for not having the correct procedures in place. It also accepts the Audit Commission comments and recommendations. At the same meeting the figures for the current year ending 31.03.2010 were discussed and agreed.

WPC now believe it has already taken sufficient measures to ensure robust procedures are in place to cover all points raised. These procedures have been reviewed by our Internal Auditor and the Annual Return for 2010 has been completed without qualification and is attached.

Based on your Fee Scale I have calculated a fee of £400 is payable for this year. I will be grateful if you can confirm and, if correct, raise an invoice for this amount.

As you will appreciate, WPC are keen to conclude this sorry episode and concentrate on current parish matters. I will be grateful if you can confirm that the action taken meets with your approval and also what your fees will be for dealing with the Public Interest Reports in respect of the missed audits.

I look forward to your prompt response.

Yours Truly

Steve Pilling ACIB CBC
Responsible Finance Officer (07836 505060)