Notice of Objection to the 2023/24 Annual Governance & Accountability Return (AGAR) under Section 27 Local Audit and Accountability Act 2014

Please provide all of the following information, you may choose to use this form.

Name of authority:	**Spooner Row Community Council**
Name and address of objector:	[redacted]
Email address of objector:	[redacted]
Date objection submitted to auditor:	05/08/2024
Are you a registered elector of the authority?	YES
Are you objecting to an item of account you believe to be unlawful?	YES
Are you objecting to a matter about which the auditor could issue a Public Interest Report?	YES

Notes for completing this form

Before completing this form, you should read the NAO publication Local authority accounts: A guide to your rights (nao.org.uk). The guide provides more information on the objection process.

You **must** also provide the authority to whose accounts you are objecting with a copy of this objection when you send it to the auditor.

You must send the notice to the authority's external auditor during the 30-working-day period for the exercise of public rights. This period is set by the authority, so you will need to confirm the exact dates with the authority yourself. Please email this information to sba@pkf-l.com for the attention of Rebecca Plane (Head of Challenge).

The form is designed to help you summarise the key points of your objection. By providing a summary you will help the auditor determine whether they will consider your objection more quickly. At this stage, you do not need to provide all of the information/evidence you hold – once the auditor has determined whether they will consider your objection further, they may ask you for any further information you hold.

If you are objecting to an item of account, please summarise the reasons why you believe the item to be unlawful, including any details of specific balances or amounts:

The figure stated in the The Staff Costs (Box 4) is incorrect. Following consideration of the Council's bank account I cannot validate the figure shown in the AGAR.

All Other Payments (Box 6) is incorrect. Following consideration of the Council's bank account I cannot validate the figure shown in the AGAR. Furthermore, the invoice from NPTS (£179.45 No. 20794) has created an under reporting of costs for 2023/24. This invoice should have been paid in accordance with its payment terms when received in February 2024 but it was paid late and into the next financial period. The argument from the Clerk [redacted] was that he invoice related to a subscription for 2024/25 so it could be paid late but this ignored the payment terms set by the issuer and the underreporting for the period.

The 2023/24 AGAR was not administered as it had been in previous years. The Clerk delayed the supply of page 5 to councillors. On the night of the ordinary council meeting to agree the AGAR, the Chair asked for permission to devolve the matter to the Clerk. Unlike that of previous years, no detailed discussion took place. No attempt was made to motion the acceptance of each entry within page 5. Three councillors said yes and only one councillor asked to see it, of which 3 pages were shown to him without the Clerk removing her hands from the document. With his acceptance the AGAR was signed off by the Chair. I was not present at this meeting but a member of the public was able to provide an important insight with sufficient detail to allow that stated here, such that I am comfortable in including it into this report. [redacted]

If you are objecting to a matter about which you would like the auditor to issue a Public Interest Report, please summarise the key points of the matter and explain why you think the auditor should bring this to the attention of the public. If possible, also indicate details of amounts involved:

Financial management and preparation of accounting statements

The Clerk upon becoming the RFO in May 2023 dispensed with the need for Quarterly Financial Statements. The Minutes will show that they were not presented to Council for discussion. I was forced to bring a motion that the QFS be reinstated. The End of Year Statement (setting of budget) presented earlier this year contained multiple errors. The statement did not reconcile with the bank account. In another instance a contractor expense was shown as Zero when it had been paid, further corrupting the end of year total balance. In another instance a contractor expense was shown as Zero, with the invoice received but ignored past its payment terms and when finally paid the debit moved into a new financial year. The Clerk claimed that she was right to do ~~this~~ but the payment terms on the invoice stated otherwise. In addition the contractor, when spoken to by me, referred to this invoice as "being outstanding".

Internal Control

There is limited evidence of internal control because those who should be enforcing such controls choose not to do so or evidence the fact back to full council. The Chair and Clerk appear to do as they please and with 3x co-opted councillors (all co-opted by the Chair) arriving with no previous experience as parish councilors, my questions and concerns are referred to as being disruptive and then ignored. With the previous RFO departed, once widely shared information is now hidden by the Clerk, making the normal checks and balances you would expect from a parish council almost impossible. One such SharePoint folder (timesheet records for all clerks) available to me since 2019 simply disappeared during the review period. When challenged the Clerk stated "GDPR" and no more. I took this to mean that she had restricted my access or removed the backups from SharePoint altogether. I had no way to confirm.

I am able to evidence that this Clerk lies and uses the minutes of this council to distort the truth. I do not use these words lightly. In one example the then RFO Cllr Stephen Ward backed up my earlier challenge to the minute regarding a statement made by me that was completely false. After hearing the Clerk comment the minute was correct, Cllr Ward stepped in and stated[redacted]*didn't say that and it should be removed"*. This is not a one off example and I am resigned to seeing minutes where my positive input is airbrushed out and my questions are presented as being disruptive. Reasonable and rational debate does not exist. Any such concern is taken and presented as a criticism, to further support the false narrative often repeated that I am a disruptive councillor.

And then you have the element of connivance. Examples of this are the 2022/23 and 2023/24 Payrolls. The Clerk recorded handover hours with the outgoing RFO, accepted responsibility for payroll from April/May 2023 but then failed to conduct it properly. The Clerk recorded monthly payroll hours and presented the appearance that all was fine, choosing as she did to state a monthly pay figure for Council to agree but this figure was not calculated by HMRC Basic Tools (as it should have been). The Clerk in January 2024 came to Council and announced that she had not been using this software. When questions were asked of the Chair as her Line Manager, the Chair denied all knowledge. This would later turn out to be a lie, as the Minutes for the earlier Employment Sub-Committee (Cllr Hewitson/Cllr Price) show that the Chair recognised a problem with payroll and stated that she would take over the operation of HMRC Basic Tools with immediate effect but did not do so. Other aggravating factors are that the Clerk charged for regular monthly meetings with the Chair/Line Manager and neither party raised payroll concerns back to Council. And that the Clerk successfully used HMRC Basic Tools with one of her other Councils but would not use it for SRCC. In addition the Clerk argued that the earlier pay period was incorrect in that several pay elements had not been addressed by the previous RFO. I do not recall the Clerk raising payroll concerns for this period when Cllr Stephen Ward was RFO.

I am particularly concerned at the added costs incurred by Council. The independent pay review as conducted by NPTS came with a cost and was then ignored by Cllr Hewitson and Cllr Price (sub-committee). I was the councillor who recommended that the Council appoint NALC as an independent payroll provider. NALC rebuilt the missed monthly payroll, carried the payroll through to the Year End and dealt with the HMRC. **This work came with further cost and an HMRC penalty.** The extent of this penalty was never discussed within a meeting and no other councillors asked about it.

When the 2023/24 Staff Cost within the AGAR was first raised with the previous RFO, Stephen Ward, I am told that his reply was that an element of double accounting was likely to have taken place. Ex councillor Martyn Lemon had also raised concerns over the rise in Staff Costs to the extent that he requested access under the Public Rights Notice. Mr Lemon has been disappointed at the lack of what he called the openness shown by the Clerk regarding the Public Rights but unfortunately, [redacted] will not now be progressing his concerns with you.

Other control issues surround the poor state of this Councils mandated policies, in that most are out of date and have been for some time. This was mentioned by me to the Clerk at her job induction but my request that she should address this specific matter promptly was ignored.

It is also the case that the Clerk has claimed additional hours for additional tasks which have been agreed by Council (note my earlier co-option comment) without any evidence of real need. One such example is the provision of the Councils new web site with NALC; the Clerk came to Council and explained that she had expended her normal hours for that month and that in order to deliver the new website she would need an additional 15 hrs and this was agreed. The NALC managed web site service is delivered via a Wordpress template and promoted as a managed solution for parishes with limited time or IT skills. It provides what I consider to be a bare minimum but legal solution. When I approached the NALC Officer who delivered the solution I asked of the typical input to the task required from a Clerk from a council of similar size, to which he replied to be 2 hrs. Given that SRCC uses SharePoint the actual time taken to zip up the various files (agenda/minutes) would be far less given that SharePoint does this automatically. One other aggravating factor arises following a conversation with the MD of Aubergine, an IT company recommended by NALC. SRCC had shortlisted this provider for its web site need and then everything had gone quiet. When I approached its MD, Mark Tomkins, and asked of our interaction with his firm he replied that he had been disappointed that after only 2 interactions from our Clerk she had then failed to reply to any of Aubergine's chasers, such that they had closed the file. The Clerk was given additional time to deal with the provision of a new website, exhausted this time and returned for substantially more but a breakdown of certain individual tasks would indicate that the level of need was not justified. The Clerk has not updated Council as to any unused hours from this project. As to the new website it does not contain a full and transparent record of all minutes and agenda. Certain sections are incomplete months after it went live. And yet, as limited as it is in content, councillors often repeat that it is still under construction.

Internal controls must also extend to the correct management of an employee. With the pay review, this Council faced a claim from our Clerk that it had not managed her correctly and we could not defend it. Other aggravating factors include an independent pay review conducted by Norfolk Parish Training Services (NPTS) which the Employment Sub-Committee of SRCC ignored. An NPTS exploratory meeting at which the Chair/Line Manager presented no documentation behalf off the Council, leaving the officer from NPTS to state *"Can I start by saying it has been extremely difficult to know what your Clerk is doing"*. It was in this meeting that the NPTS Officer asked Cllr Hewitson as Chair/Line Manager why was our Clerk visiting planning application sites, to which the Cllr Hewitson replied she did not know about these visits. It was in this meeting that the NPTS Officer asked Cllr Hewitson why the Clerk was travelling to check that the playing grass had been cut every 2 weeks, to which the Cllr Hewitson replied she did not know about these visits. It was in this meeting that the NPTS Officer identified the significant number of occasions that our Clerk was contacting South Norfolk Council, apparently for advice on various matters, adding that this was unusually high and identified an immediate training need to reduce time wastage. Cllr Hewitson replied that she was not aware of such a high number of contacts and I have seen no minute to show that this training need addressed. The independent Pay Report was ignored. The 2 members of that sub-committee (Cllr Hewitson/Chair & Cllr Price) made the contract decisions on behalf of SRCC but failed to engage with me over my questions of what HR documentation/payroll documentation had been used to establish the need to increase the payroll point from SP8 to SP18 and extend the Clerks hours. Both councillors ignored the requests. When the Clerk was challenged on the apparent non quorate nature of the sub-committee meeting my initial question was ignore and only partially answered several weeks later when I pushed for an answer. The Clerk explained that she had taken legal advice and her position was correct. As the Council has received no invoice for independent legal advice I called upon the Clerk to confirm who had given it. Again her response was delayed for several weeks when finally, after yet another reminder, she named Norfolk Parish Training Services (NPTS). Knowing that NPTS are not large enough to offer a legal department I contact the Principle, Julie King, to be told that NPTS do not offer legal advice but that she would find out which employee had interacted with the Clerk. A few days later NPTS confirmed by email that they had interacted with the Clerk and offered the following;

> "Section 7.48 refers to the reference in the Charles Arnold Baker on Local Council Administration relating to COMMITTEES – VOTING AND NON-VOTING MEMBERS which states that "a committee must consist of more than one member" and references the case law: R v Secretary of State, ex p Hillingdon London Borough Council (1986)."

Having then learned of the case law I spoke with NALC and obtained the full text. I was unable to come to the same interpretation as that used by our Clerk. NALC also raised concerns. The Terms of Reference for the SRCC sub-committee are not clear on this issue and our Standing Orders require a quorate of 3. I therefore do not consider the outcomes of this sub-committee as being legal.

Internal Audit

On multiple occasions I raised concerns with the apparent lack of quality and accuracy of the internal audit. In 2023 I had questioned the merit of an IR that consisted of a 30 minute meeting with the Clerk, negligible sampling within that window and cost only £70. Mm concerns were roundly rejected by the outgoing RFO Cllr Ward and misrepresented in the minutes. When I spoke to the Internal Auditor (Robin Goreham) regarding the previous year's audit I raised a number of red flags to which the auditor replied *"what do you expect me to find in the limited time I have"*. When I asked as to the meetings held he confirmed it was a single MS Teams meeting with the Clerk lasting just over 30 minutes and his fee was £70. I mention this because the fee for 2023/24 increased to £120 but my research shows that Mr Goreham continued to charge his other parish councils the lower fee. No explanation was given for the increased cost and I am at a loss as to why the Clerk and IR would leave themselves open to a possible claim that some sort of arrangement was agreed to the benefit of both sides.

Consideration of the Internal Audit dated April 2024

1. The Internal Audit is titled to an entity that does not exist; this Council's legal name is Spooner Row Community Council, not that as stated.
2. The Internal Audit states that the precept was agreed at a Council meeting held on 01/12/22; SRCC did not hold a meeting in December.
3. The Council Asset Statement in paragraph 3 is incomplete and not a true reflection of the assets held.
4. The auditor's statement that he saw no significant variances in the budget is incorrect; significant increases occurred in this period, such as payroll. The omission of a reference to a Staff Cost that increased by 123% is worrying.
5. The auditor's statement regarding the Earmarked Funds Summary is wrong and downright misleading (and the auditor was told this by me last year); there has been <u>no motion</u> specific to the purchase of land to the value of £35k, the Council does not have a five-a-side football pitch (this entry relates to a proposal by the Primary School delayed by them for 6 months in May 2023, with no further update received) and the other entries have been repeated year after year but not progressed. The list appears to be a repeat of the previous year, the very year that I had told the IR that the entries on the Earmarked List were not all backed up by motions and had not moved forward in months if not years.
6. The auditor states that the bank is reconciled on a quarterly basis; this was the case with the previous RFO but for this period councilors no longer receive quarterly statements.
7. The auditor states that the bank account is balanced monthly and well presented; the minutes will show such consideration of the cash book by Council. This Councilor no longer has an Appointed Checker (Cllr Lemon resignation) and this Council no longer has Deputy RFO (I resigned this role when my concerns were continually ignored by the Chair and Clerk). Failings such as the unpaid invoice from NPTS was not identified.
8. The auditor states that Finance Reports are presented to councilors each month; this is not true. Councilor's only see a monthly Payment List which in this period moved from the agenda to a separate Payments Appendix. I raised concerns that the Payments Appendix was not made public alongside the Agenda meaning that a resident had no way to question a payment prior to its payment. My transparency concern was ignored.

9. The auditor states that this Council operates a payment system with Microsoft SharePoint; this is not true as MSP do not offer this service and this service is provided by our bank. This entry shows a lack of understanding by the IA.
10. The auditor states that this Council will shortly move [away from Microsoft SharePoint] to Scribe; this is not true as these systems do very different things. This entry shows a lack of understanding by the IA.
11. The auditor states that the move to Scribe will allow "cloud" access to councilors; councilors do not have open access to Scribe and access resides with the Clerk only.
12. The auditor states that the Equals Card is for emergency authorised spends; this is not true as the card is used for general spending. This entry shows a lack of understanding by the IA.
13. The statement contained in the paragraph concerning the Clerks salary is borderline fraudulent. To recap, the Clerk took over from the outgoing RFO to operate her payroll via HMRC Basic Tools in April 2023. The Clerk presented a payroll figure to Council each month as normal until January 2024 when she announced that she had not been using HM Basic Tools and no reporting of payroll data to HMRC had taken place for the entire tax period to that point. The Clerk blamed the previous RFO. The Clerk confirmed that she had generated no pay slips and would not explain now the net pay figure quoted on each monthly Payment Appendix had been calculated. The Clerk refused to operate her payroll. To move forward I motioned that an independent payroll provider, such as NALC, be tasked with rebuilding the missed payroll, operating the last remaining months, generating the 2023/24 and act as our agent for future contacts with the HMRC (payment of late payment penalties). The additional costs from NALC and the late payment penalty were unnecessary, given that the Clerk was being paid to conduct this payroll. In all of this, Cllr Hewitson as Chair and this employees appointed Line Manager stated in January 2024 and again in February that she had no advance knowledge of this payroll failure. These responses are simply not credible for the following reasons;
    a) The complete failure of controls and oversight of the employee by the Line Manager
    b) The Clerk expenses monthly meetings with the Chair and Line Manager, of which no record of the matters discussed are held on SharePoint.
    c) The earlier minutes of the Employment Sub-committee (Cllr Hewitson is also Chair of the ESB) show a discussion about payroll and that the Chair would take over responsibility for operating this employee's payroll. This did not happen.
    d) The closeness of the personal relationship evident between the Chair and the Clerk. Cllr Ward, the previous RFO, had told Cllr Lemon and myself that Cllr Hewitson discussed to him that she had employed Mrs Dawn Clarke within her business prior to this employee joining the Council. **This was not disclosed by either party at interview** and the name of Mrs Clarke was the only name on the candidate list for the position of Clerk. Following the Clerks payroll admission, I pressed the Chair as to this Councils failure, once again, to operate the role of Liane Manager in accordance with HR norms. The Chair replied that she would pass the Line Manager responsibility to the Employment Sub-committee but, becoming increasingly angry, she shouted *"But I won't give up my socials with Dawn!"*. At the next Ordinary Meeting the Chair reneged on her statement to step away from the Line Manager role and motioned herself as Chair onto the Employment Sub-committee.

It has been put to me by an ex-councillor that the 2023/24 IR Report was a cut and paste of the previous year lightly edited to make it look current. I am tempted to agree with him.

Compliance with laws, regulation and proper practices

Reference should be made to my earlier statements.

Example 1

In 2022/2023 I was admonished by the then RFO (Cllr Ward) after I refused to authorise one of his scheduled online bank payments because upon checking as the Deputy RFO I could find no record of the invoice on SharePoint. Cllr Ward later apologized for his rebuke, noting that I was correct to defer this item as our Banking Mandate under clause 5.3 and 5.4 it *"states that the receipts should be available to you before authorisation"*. I mention this because the invoice was outstanding from the Cllr Hewitson and as such, the Chair knows that now she is authorising the payments scheduled by the Clerk that all invoices for payment must be in the correct folder on SharePoint. For a long time I noticed that invoices were not be uploaded but payments were still being authorised by the Chair each month. Consideration of the SharePoint folder **Documents>Invoices>FY23-24-Invoices** will show that regular invoices were being uploaded by Stephen Ward (I assume as part of the handover but the Minutes do not make clear why so late) until September 2023 but that the Clerk didn't then uploaded any invoices for 7 months, restarting on 17th April lasting until 21st April, when 52 invoices were added over three days. The Chair was clearly not checking each month's schedule of payments against the invoices on SharePoint before authorizing the payment. This Council does till not have a Financial Checker and neither the Clerk nor Chair seem concerned at this.

Example 2

The granting of community monies amounting to £15,000 to Spooner Row Suton & Wattlefield Village Hall (Charity) was flawed to such an extent that I was deceived not just by the limited documentation supplied by the said charity but also the Clerk (who listed a grant request that did not match the mandated policy) and certain fellow councillors, namely the Chair Cllr S Hewitson who brought the motion (whom again knew it did not match the policy) and who was also a Trustee of the Charity (having recently stepped down as its Chair), also Cllr N Skey who was also the Charities Treasurer, also Cllr Andrews (ex-Chair and Charity Trustee 2022) and Cllr Chapman (Mal Andrews next-door neighbour, co-opted on the day of the vote) – all for whom seemed to have far more knowledge of the charities standing than that given to myself and Cllr Morton as elected members. None of those linked to the Charity asked questions or properly considered the grant application. As an aggravating factor, please note that the May 2023 Election Candidate List showed of the 10 residents standing, 8 individuals to be either current Trustees of Spooner Row Suton & Wattlefield Village Hall Charity or ex-trustees of the same charity.

Example 4

That Village Hall Trustees did in May 2024 had listed a grant request for a RETROSPECTIVE event, also contrary to the Councils mandated policy. This was rejected after I argued the retrospective point but it does call into question the ability for this item to appear on an agenda in the first place.

Example 5

In January 2024 The Chair interrupted the agenda run through of that months expenses to explain that she had a selection of Invoices from Mr. Gareth Drewery that she wanted paid that month. She then presented 3 invoices totaling £495. There was no specific motion to support this specific expenditure. Mr Drewery lives close to Cllr Hewitson (Chair) and they are on first name terms, so not a normal contractor/client scenario. The multiple invoices appeared to be a crude attempt to disaggregate these costs. This level of expenditure required 3 quotes before the commencement of work but no such due diligence had been carried out by the Chair or Clerk. I reminded the Chair of this during the meeting but this was not minuted. A motion was called by the Chair for payment of the invoices but the agenda carried no such motion. The motion was carried and through all of this the Clerk remained silent.

Exercise of Public right

The dates submitted by the Clerk for the duration of the public notice period were incorrect.

Whilst I recognise that the current guidelines require only publication of the Public Rights on a web site, this council had previously publicised both the Public Rights and AGAR on its Notice Boards and other media channels since its inception. This high level of transparency is common with many parish councils but this stopped when the current Clerk became the RFO, with no explanation given to Council as to why this previous good practice had ceased.