

Minutes of the ANNUAL RETURN meeting held in the ANZAC ROOM, Meridian Centre, Peacehaven, on Tuesday 6th June 2017 at 7:30pm.

Members

Councillors: Wayne Botting
Daryll Brindley
Rachael Coles
Jean Farmiloe
Reg Farmiloe (Vice Chair)
Brian Gosling (Chair)
Lynda Hallett
Job Harris
Ann Harrison

Jackie Harrison-Hicks
Andy Loraine
Ron Maskell
Dave Neave
Amber Robertson
Robbie Robertson
Melvyn Simmons
Andy Smith

Present:

Councillors: Rachael Coles
Jean Farmiloe
Reg Farmiloe (Vice Chair)
Brian Gosling (Chair)
Lynda Hallett
Job Harris

Ann Harrison
Jackie Harrison-Hicks
Andy Loraine
Dave Neave
Robbie Robertson

ESCC Cllr's: Nigel Enever

In Attendance

Claire Lacey – Town Manager
Campbell McBryer – Leisure & Amenities Manager
Sally Thompson – RFO

GENERAL BUSINESS

C235 MAYOR'S ANNOUNCEMENTS

Firstly may we all stand to hold a minute silence for Members to show their respects to those who lost their lives or are still fighting for them in hospital and for those who lost family and loved ones in the atrocities in London this weekend.

A minutes silence took place.

Health & Safety

Thank you for attending this evening, we are not expecting any fire alarms. In the event of an emergency please leave the building by the safest route possible and meet on the grassed area on the opposite side of the car park. Do not re-enter the building until it is safe for you to do so.

Announcements

Motorbikes are not allowed in Centenary Park or indeed any of our parks for the safety of all of our residents. Will any resident who witnesses motorbikes being ridden across any of our parks or recreation areas please report this to the police on 101 or 999 in an emergency.

The reports attached to the agenda this evening have been amended since it was published. The Auditor has now signed off the end of year account for 2016-17. The figures balance, although are amended since going to publication

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C235 MAYOR'S ANNOUNCEMENTS continued

Does anyone require a print out of the updated Annual Return form?

The Town Manager will read a short statement regarding the accounts.

C Lacey read the following statement:-

It was identified by the Auditor on the Purple Annual Return Form 2016-17 that both income and expenditure has been netted off by journals from reserves. This altered the amount shown in the Income Statement, which is why this did not match the reserves movement on the balance sheet. It would appear as if we were missing £131,401 of expenditure which must be shown as part of box 6 on the Annual Return.

It is purely a clerical error.

The way to correct this was for journals to be posted to the relevant income and expenditure code – reinstating the expenditure with the other side of the entry being posted to general reserves code 310.

Since printing the report with the agenda, the Internal Auditor, Mark Mulberry, has reviewed the following:-

- 1 Copy of last years signed Annual Return
- 2 Annual return summary
- 3 Annual return detail
- 4 Cash and investment reconciliation as at 31/03/17
- 5 Box 7 & 8 reconciliation (working details for Annual Return?)
- 6 Balance sheet
- 7 Income & expenditure statement
- 8 Scan of bank statement pages showing balances on bank reconciliation
- 9 List of debtors as at 31/03/17
- 10 List of creditors as at 31/03/17

This is all available to residents within the body of the minutes – draft copies can be made available from the Information Office.

The Auditor has now stated that 'we have a set of balanced accounts – these can be taken to Council'

The email is available for anyone to confirm should you require it.

To this end the account has therefore been approved and year end March 31st 2017 has been signed off by the Internal Auditor as of today 6th June 2017.

C236 PUBLIC QUESTION TIME

There were no questions from members of the public

Cllr. L Hallett raised the issue of the motorbikes.

C McBryer confirmed that this was being monitored and passed on to the police where evidence was available. The issue with an Officer of the Council being threatened by a member of the public was being investigated.

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C237 CONSIDER APOLOGIES FOR ABSENCE

Cllr. W Botting – noted (prior commitment)
Cllr. D Brindley – noted (prior commitment)
Cllr. R Maskell – noted (holiday)
Cllr. A Robertson – noted (prior commitment)
Cllr. M Simmons – accepted (illness)
Cllr. A Smith – noted (prior commitment)

C238 TO RECEIVE DECLARATIONS OF INTEREST FROM MEMBERS

None

Cllr. R Robertson enquired if a press release had been issued regarding the motorbikes

C McBryer informed Members that this has happened

Cllr. R Coles requested that further information be made available to residents who had purchased motorbikes for under 18's, for them to use the track provided in Southease.

C McBryer confirmed the costs for this to be set up would be hugely expensive

REPORTS

C239 TO APPROVE AND SIGN THE ANNUAL RETURN 2016-17 – GOVERNANCE STATEMENT

Two votes took place

The Council **DOES NOT APPROVE** the accounts for the year ended **31st March 2017**

That Section 1 (Annual Governance Statement) of the Annual Return **IS NOT APPROVED** and **SIGNED** by the **Chair of the Council** and the **Town Manager / Proper Officer** (original signed document presented to Council for signature)

Cllr. J Farmiloe proposed
Cllr. J Harrison-Hicks seconded

Cllr. D Neave reiterated the voting system to the Chair and requested a Recorded Vote (Agree x 3, Against x 6, Abstained x 1)

Agree Cllr.'s J Harrison-Hicks, J Farmiloe, R Farmiloe

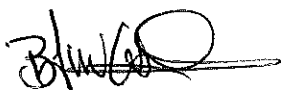
Against Cllr.'s R Coles, L Hallett, J Harris, A Lorraine, D Neave, R Robertson

Abstain Cllr. A Harrison

(Casting vote Chair of the Council B Gosling)

Not Agreed

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The Council **DOES APPROVE** the accounts for the year ended **31st March 2017**

That Section 1 (Annual Governance Statement) of the Annual Return **IS APPROVED** and **SIGNED** by the **Chair of the Council** and the **Town Manager / Proper Officer** (original signed document presented to Council for signature)

Cllr. R Robertson proposed

Cllr. R Coles seconded

Cllr. D Neave requested an amendment to the Item "Subject to Expert Advice – requested the email from Mark Mulberry Auditor was included in the resolution" and requested a Recorded Vote (Agree x 7, Against x 3)

Agree Cllr.'s R Coles, L Hallett, J Harris, A Harrison, A Lorraine, D Neave, R Robertson

Against Cllr.'s J Harrison-Hicks, J Farmiloe, R Farmiloe

(Casting vote Chair of the Council Brian Gosling)

Agreed & Approved

It was then proposed that Cllr.'s R Coles and Chair of the Council B Gosling attend the meeting with the Auditor on Friday 9th June at 1pm with the RFO and Town Manager.

Debate:-

At the request of the Chair, the Town Manager read out the response received at 16:25 from the Internal Auditor Mark Mulberry in response to Cllr. B Gosling's email.

Tue 06/06/2017 16:12

Mr Mark Mulberry

I'm the mayor of Peacehaven Town Council. Our paper work shows the internal audit was not signed off as a lot of money was unaccounted for. We have an annual returns meeting tonight and our Town Manager has said this was signed as ok today. Can you confirm this as yes or no as I need to report back to council this evening?

Regards Brian Gosling, Peacehaven Town Mayor, thank you

Tue 06/06/2017 16:25

Dear Brian

I reviewed the annual return workings on Thursday and Friday last week and reported that there were errors on the accounts – whereby expenditure had been posted in error directly to the reserves accounts instead of the income and expenditure statement. This meant expenditure was seriously understated and carried forward reserves were overstated. This was evidenced by reconciliation to the underlying records. I

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reported back to Claire the accounts that were in error and suggested that if these could be investigated and corrected we could be in a position to agree, the annual return could be sent to council for signing off.

Claire engaged RBS to review the accounts again and they have made circa 30 changes to correct the miss-posted items. The annual return was re-written and sent through to me together with supporting documentation on email this morning. I have reviewed the entries on the annual return and can confirm from an accounting perspective:

- The annual return contains the correct comparatives & bfwd figures*
- The annual return is correctly prepared on the income and expenditure basis*
- The annual return casts correctly*
- The annual return is supported by a bank reconciliation which in turns agrees to the bank statements*
- The box 7 & 8 reconciliation agrees to the annual return and balance sheet.*
- The surplus on the income statement agrees to the annual return*
- The underlying sales ledger and purchase ledger are reconcilable to the balance sheet*

On this basis – the council can sign off section 1 the annual governance statement and section 2 the statement of accounts, although as always this remains a council decision.

Signing off section 1 and section 2 of the annual return is not reliant on the internal audit being carried out in advance – I may be coming in on Friday to do some hard copy sampling, from what I can see it is remote that the numbers will change, if anything I may find that systems and process were deficient or unable to fully substantiate the financials presented. This does not mean the financials are incorrect – it will just highlight that evidence to support a robust opinion is insufficient.

Should you require any further explanation – please do not hesitate to contact me

Cllr. R Coles had brought up that previously there were incorrect procedures and that internal control measures were required. The Councillor had attended meetings monthly with the RFO to review spending for the L&A Committee as previous Chair of that Committee.

Cllr. D Neave confirmed that the Chairs of Committees now review the budgets / accounts periodically and thanked the Officers for providing more frequent information.

Cllr. J Farmiloe did not agree for the Annual Return to be signed off and stated that she had been advised they would be responsible if found to be in error.

Cllr. B Gosling informed the Council that he had contacted the External Auditor, Littlejohns.

Cllr. R Robertson asked where the resolution of Council was, or, who had authorised Councillors to contact the External Auditor.

Cllr. R Coles reiterated that it was wrong for Councillors to speak on behalf of the Council as individuals and confirmed that Standing Orders state Councillors must engage with Officers to confirm the correct procedures, Councillors cannot act alone, nor without a Council Resolution and that they should not be contacting the Auditor.

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24/10/17

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C239 TO APPROVE AND SIGN THE ANNUAL RETURN 2016-17 – GOVERNANCE STATEMENT continued

It was requested that the Town Manager takes this forward to gain advice from the Monitoring Officer.

Cllr. A Lorraine as Leader of the Majority Group enquired why he had not been consulted as it was felt it was correct for issues such as this to go through the Group. He asked "Have you spoken on behalf of the Council to the Auditor? And why was I not involved? Why was this done without permission?"

Cllr. D Neave requested the Town Manager pursue a complaint about Councillors going independently to speak with the Auditor as this was not approved by Council.

Cllr. A Lorraine requested that it is noted 'why the Mayor did not approach the Majority Group'.

Action: Town Manager to report through Standards Board a Complaint on behalf of Cllr. D Neave re: Councillors going independently to speak with the Auditor as this was not approved by Council.

Action: The Chair of the Council to respond to Cllr. A Lorraine on behalf of those Councillors involved

Cllr. A Harrison clarified the date for the Annual Return as June 12th 2017.

The RFO stated that if Council required her resignation they could have it.

The Chair of the Council was advised to suspend Standing Orders, residents present were asked to leave the room at 20:15.

The meeting was reinstated at 20:31

Chair of the Council B Gosling made apologies to the residents for suspending the meeting and reinstated Standing Orders at 20:31.

C240 TO APPROVE AND SIGN THE ANNUAL RETURN 2016-17 – ACCOUNTING STATEMENT

The Council **RESOLVED** for the Chair to have authority to sign the paperwork and request an external audit extension, if required.

Cllr. R Robertson proposed

Cllr. R Farmiloe seconded

Agreed

Debate:-

Cllr. R Robertson requested the Town Manager seek an extension on the External Audit for 1 month if required.

Cllr. D Neave requested that Cllr. J Farmiloe joined the Auditor meeting on Friday 9th June.

Cllr.'s R Coles and A Lorraine praised the Town Manager and Officers for completing so much additional work over previous weeks towards the final accounts.

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C240 TO APPROVE AND SIGN THE ANNUAL RETURN 2016-17 – ACCOUNTING STATEMENT continued

The RFO stated she would be happy to sign the Annual Return after the Auditors visit on Friday.

C241 TO CONFIRM BANK MANDATE SIGNATORIES 2017-18

That Council **APPROVES** the bank mandate/signatories for the year **2017-18**.

Bank mandated signatories are:-

Councillors:-

Cllr. Rachael Coles

Cllr. Jean Farmiloe

Cllr. Brian Gosling

Cllr. Lynda Hallett

Cllr. Job Harris

Cllr. Jackie Harrison-Hicks

Officers:-

Claire Lacey - Town Manager

Sally Thompson - RFO

Cllr. R Robertson proposed

Cllr. R Farmiloe seconded

Agreed

Debate:-

A discussion preceded this resolution including whether or not it was correct procedure or intentional for all signatories to be part of the same political group. Had other Councillors been asked and whether or not Councillors agree to partners (husbands/wives) living in the same property should be joint signatories.

NEXT MEETING

C242 TO CONFIRM DATE OF NEXT MEETING – 25th July 2017 at 7:30pm

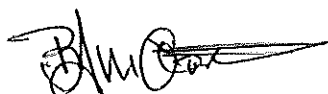
Noted

Cllr. R Coles requested an attendance report for the Policy and Finance Committee, to consider amending Standing Orders for Independent or Lone Councillors, to be able to choose a substitute to take their place at meetings, in cases of non-attendance. This should include guidelines on Local / Town Politics and their influence on decision making process (LGA 1972).

Action: Town Manager to present a report to the Policy and Finance Committee to consider amending Standing Orders for Independent or Lone Councillors, to be able to choose a substitute to take their place at meetings, in cases of non-attendance. This should include guidelines on Local / Town Politics and their influence on decision making process (LGA 1972).

Chair suspended Standing Orders at 21:05 prior to confidential papers

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