

F and M Recommended Responses to Full Council regarding Public Questions asked at the council meeting on 3rd July 2019.

1. Are there any more prosecutions pending?

This question should be addressed to the police.

2. What future procedures are envisaged to make sure this does not happen again?

The Financial Regulations were reworded and revised and now the only payments made by BACS are salaries. When salaries are to be paid, two of the following councillors: Chair of Council, Vice Chair of Council, Chair of Finance and Management Committee; will attend the town council offices. The RFO will log on to the bank portal and will load up the salary payments. The two councillors will then authorise these payments using their PIN (known only to them) and their card / card machine (held by the RFO). Once the payments are agreed, made and authorised, printed copies of the transactions will be taken and the same two councillors will sign to verify the amounts and will then stamp and sign again to say that they witnessed the on line bank portal being shut down. The actual payroll procedure has now been outsourced.

3. How do the finance committee view this?

The revisions were drafted by a working group of the F and M Committee and presented to Full Council on 15th May 2019 where they were approved (minute 28.2) and are on the council's website. F and M Committee had approved that payroll be outsourced at its meeting on 24th April 2019 – this role had previously been undertaken by the former Assistant Town Clerk.

4. How was a significant amount of money missed by the official auditors as under local authority rules the official auditors report should be produced at the AGM?

This question should be put to the Government Appointed External Auditors however, a copy of extracts of both Full Council and F & M Minutes are attached for information. These extracts show the number of times the council were assured that all was fine with the accounts. It was important to note however that the one person who worked alongside the Internal Auditor and External Auditor and provided the financial information was the former Assistant Town Clerk. It should be noted that it is impractical to report the finances to the Annual Meeting of the Town Council as this would be before the accounts had been prepared and submitted to the External Auditors. It is usual for the AGAR to come before Full Council for approval in June of any year.

5. On discovering the theft by Mrs R Mason, were the police immediately called?

Yes

6. If the police had been called in, did the council spend public money on an investigation?

The council appointed an independent investigating officer as part of the councils disciplinary procedure in order to proceed to a disciplinary hearing and to dismiss the member of staff for gross misconduct. Additionally information from the investigation was passed to the police.

7. Why would public money be spent on a separate investigation if the police were involved?

While the police were investigating the criminal offence, Employment law together with the councils Disciplinary procedures and ACAS Code of Practice require the employer to fully investigate before determining whether to take disciplinary action.

8. Why the budget overspend was not picked up by the finance committee?

There was no budget overspend. The money that was stolen was taken from the councils reserves.

**Note to accompany Section 2 – the Accounting Statements, of the
2018/2019 AGAR**

At an extraordinary meeting of Rugeley Town Council on 31st July 2019, Councillors were asked to approve Section 2 of the AGAR. The accounts originally submitted to Councillors had shown the money stolen in 2017/18 as expenditure and the money stolen in 2018/2019 as being in debtors. This was in accord with RBS financial system accounting.

Following discussions with Mazars, the town council were informed that this was an incorrect recording of the stolen money. Mazars advised that Boxes 3 and 6 for the both years (17/18 and 18/19) should record the amounts stolen as expenditure (Box 6) and also show it as income (Box 3) as work was underway to try and recover the stolen funds.

It is this councils opinion that this is an incorrect way of identifying the debt but understand that Mazars have requested it this way. For this reason, the Section 2 submitted is in the format requested by Mazars.