

# Rugeley Annual Parish Meeting

Minutes of Annual Parish Meeting held at St Augustines Church Hall  
7.00pm Tuesday 21<sup>st</sup> March 2023.

## PRESENT:

Approx 34 members of Public which included:

## Councillors:

P Ansell	A Cooney
M Davey	B Dipple
D Gaye	G Grant
C Green	I Hodgson
R Hughes	C Martin
I Pyke	N Stanley (Chair)

## Also Present:

H Goodreid (Town Clerk)  
S Bird (Development Manager)  
A Mantle (Administrative Officer)

Min No	Item	Action
<b>1</b>	<b>Welcome</b>	
1.1	Clr Stanley took the Chair for this meeting which had been called for by 6 electors. One of the electors called a point of order questioning the suitability of the Chair to be impartial at the meeting. Clr Neil Stanley continued to take the Chair for the meeting in his role as Chair of Rugeley Town Council as directed by the Local Government Act 1972.	
<b>2</b>	<b>Apologies</b> Apologies were received from Cllrs Lyons, Turner and Panter-Hood	
	<b>To agree the minutes of the Annual Assembly meeting held on 1<sup>st</sup> June 2022</b> Whilst not on the agenda, the Chair called for the meeting to agree the minutes of the Annual Assembly held on 1 <sup>st</sup> June 2022. <i>Proposed: Cllr Cooney, Seconded: Cllr Dipple</i> <b>The minutes were agreed.</b>	
<b>3</b>	<b>Discussion and Review on how in 2017/2018 the Councils own financial controls failed to identify over £218,000 to be stolen</b>	
3.1	Clr Stanley gave a history of the events leading up to the situation where the former Assistant Town Clerk (ATC) was able to manipulate payments and banking systems to her advantage.	
3.2	Between 2015 – 2017 there had been a period where the 2 former Town Clerks attendance in the offices had been intermittent and the responsibility for the council continuing rested with the ATC. During this time Cllrs trusted and relied upon the ATC in all matters, including setting up bank accounts, paying salaries and making BACS transactions.	

3.3	A two-tier audit system is in place in the Council. The Internal Auditor was initially appointed in 2016 to initially look at the operational systems in place. On 6 occasions the Internal Auditor reported to Full Council that all was in order. During the time of the thefts there were 2 External Auditors for the Council: Grant Thornton and Mazars. On 3 occasions they also gave the Full Council a clean bill of health.	
3.4	In 2018 the Town Clerk was concerned at some of the procedures being employed by the ATC and sought suspension of the ATC from the Council. While the ATC was suspended from the Council, the scale of the theft of money became clear and in January 2019 a further suspension of the ATC was sought whilst a detailed investigation took place.	
3.5	When the thefts were identified, the Police and the bank were notified. The ATC admitted to the thefts and said that they were all of her own doing and no member of staff or any councillor was an accomplice to the thefts nor did they benefit from the money.	
3.6	The investigation found that £218,418.05 had been removed from the council's accounts. It has since come to light that during the same time, the ATC stole additional funds from another parish council where she was also clerking. Action was taken to recoup the amount taken and £65,385.92 was received through the Proceeds of Crime Act from the sale of property and the pension. There is still an outstanding claim of £17,005.48 against the ATC.	
3.7	Since the theft, the Town Council have taken various steps to tighten up the financial procedures. It has been suggested that the precept request has increased to recover the funds lost. In fact, the precept has only gone up once in the last 4 years and that amounted to £2 per year for an average household. Cllrs had agreed not to reclaim the lost money back through the precept.	
3.8	In the past 4 years the council has looked at securing grants and donations from other sources to cover the shortfall in funds and this has amounted to £158,777.53.	
3.9	With hindsight, the Town Council should have taken additional steps and greater vigilance to ensure that this did not happen. The trust and reliability placed in the individual was misplaced and for that the council apologised.	
3.10	Questions were invited from the floor: How many signatures were required on the cheques and how was the ATC able to take this money – <i>the money was stolen using the online banking system and not the cheque books.</i>	
3.11	Mr G Kirkham read out a prepared statement to the meeting asking several questions including:	

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<p>3.12</p> <p>3.13</p> <p>3.14</p> <p>3.15</p> <p>3.16</p> <p>3.17</p>	<p>How was the ATC able to steal an average of £10,000 per month for 2 years?          Were questions asked around financial transparency?          Were the bank statements available at every meeting and did the Chair sign them off?          What are the details of the insurance claim that was made and why was it rejected?          The bank statement discrepancies should not have been missed.          Were the original bank statements defaced?          Experienced Councillors were in position. Why was this missed?          In 2018/2019 AGAR the Town Clerk had not ticked boxes which identified that matters were not in control and being checked – <i>it was pointed out that this AGAR was completed in the 2019/2020 financial year when the fraud was known about, so we were obliged to declare that sufficient care and procedures had not been in place.</i>          It was clear that there was weak control.          Awaited a long overdue apology from the Town Council.</p> <p>Members of Public (MOP) asked:          Where are the details of the insurance claim? <i>The claim went in through an agent of Came and Company. An FOI request has been received seeking sight of the papers and this is currently being followed through.</i></p> <p>Why did the insurance company turn the claim down? <i>The insurance company felt that the Town Council had not followed all possible checks.</i></p> <p>Was an appeal made when the claim was dismissed? <i>An appeal was made but this was dismissed. It was clear that the biggest failing was the Cllrs trusting this member of staff. More checks should have been done. The ATC had manipulated the banking system so that only 1 password was needed to access and make changes on the account.</i></p> <p>As the theft took place over a two-year period and the external auditors cleared the accounts, has a challenge been made against the External Auditors? <i>Grant Thornton and Mazars were both challenged about their role by RTC but both denied responsibility. Cllr Stanley had also independently challenged Grant Thornton but they would only speak with the Town Clerk or the Chair of the Council at the time and was unable to get more information.</i></p> <p>Online Banking systems are secure – how did this happen? <i>When setting up the accounts, the ATC had ensured that only 1 password was required and she had set up this password and therefore could manipulate the accounts. Lloyds Bank was challenged about the fraud and why they were not aware of the payments going through to the same sort code/account number but different names – they denied any responsibility. HSBC refused to provide information about the 2 accounts held by the ATC with them and the Council was only able to get the information supplied from the police on this matter.</i></p>	
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3.18	Questions over how the number of signatures required was reduced to one. <i>This was done as the ATC has the password to the account.</i>	
3.19	Were the original bank statements checked? If they had been, the fraud would not have been missed. <i>The ATC had provided falsified bank statements and bank reconciliations and had removed all copies of the original statements from the town council. Santander savings account had not been sending through bank statements for some time and when queried about this they had required the Chair of F and M to attend the Birmingham Branch with evidence of nationality etc but would not speak to the Town Clerk about the statements.</i>	
3.20	Cllr Stanley drew the discussion to a conclusion stating that the Town Council had made several mistakes. The Council accepted that Cllrs had trusted the ATC, relied on the findings of the Internal and External Auditors and should have done more checking.	
3.21	A question was asked about any background checks that had been done against the ATC when recruited?	
3.22	It was known that several Cllrs were standing down this May at the elections having served a number of years on the Council. There was disappointment that more wasn't being done to encourage people to stand for election – this could have been done through the newsletter. <i>Cllrs advised the meeting that Cllrs are governed by Social Media Policy and Code of Conduct and when asked questions on social media, were not always able to answer. Most Councillors are not willing to stand owing to the backlash of abuse and comments on social media. The motives behind the calling of the meeting were questioned as it was understood that Mr Kirkham was looking to stand for election. Cllrs have worked tirelessly to recover the money and ensure that the community is not suffering because of the theft.</i>	
<b>4</b>	<b>Review of the Councils succession planning and how to actively encourage residents to become councillors.</b>	
4.1	Cllrs were standing down for a variety of reasons, but it was hoped that potential new councillors would not be put off from applying. Historically political parties would have put people forward. Prior to becoming a Councillor, individuals would be advised to follow committee and full council meetings which are all minuted, live streamed and placed on Facebook. Attendance at up to 5 meetings a month is required along with support at community events and additional work which individual councillors may take on board.	
<b>5</b>	<b>Discussion and proposals upon improving council community engagement and the ongoing communications between council/councillors and the community.</b>	
5.1	An MOP asked the question about why the Community Forums no longer took place. <i>CCDC and SCC had been approached to work with RTC to re-establish the forums but both councils had declined to attend but would attend RTC meetings if and when called on.</i>	

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<p>5.2</p> <p>5.3</p> <p>5.4</p>	<p>The Town Council produce their own newsletter which is distributed to all homes in Rugeley, all meetings are recorded live and placed on Facebook, we are in attendance at every Artisan Market and sometimes will have a stall as well when we need to promote specific things. If anyone had additional ideas on what the Town Council can do, please let them know.</p> <p>Question over difficulty in contacting individual councillors as they do not have individual email addresses. It was proposed that all serving councillors display as an absolute minimum, an official @rugeleytowncouncil.gov.uk email address on the Town Council Website. <i>Proposed: Mr Kirkham; Seconded: Mr Tams</i></p> <p><b>It was agreed that this motion be taken to the Town Council but it was understood that as this had been considered at its December Full Council it could not be considered again until 6 months had passed. Clerk to place on future Town Council agenda.</b></p> <p>It was proposed that the meeting accepts a formal apology from Rugeley Town Council for the loss of £218,000. <i>Proposed: Mr Kirkham; Seconded: Mr Tams</i></p> <p><b>The present and past Councillors in attendance at the meeting who were serving during the time of the fraud agreed to make an apology, but this would need to go to Full Council meeting for it to come from Rugeley Town Council. This would be placed on the April Agenda.</b></p>	<p>Town Clerk to place on July Full Council Agenda</p> <p>Town Clerk to place on April Full Council Agenda</p>
<p>6</p> <p>6.1</p> <p>6.2</p>	<p><b>Discussion and proposals about Rugeley Town Council providing public/resident input and review of 'significant' long term expenditure commitments.</b></p> <p>Mr Kirkham had raised a matter at Full Council meeting concerning the viability of going forward with Solar Panels at the Theatre/Town Council buildings without further consideration.</p> <p>Taking on board that advice, staff had sought to replace the flat roof over the Landor suite with additional insulation and this had been approved by Full Council. Insulation was also being looked at above the bar area and the town council offices. Additional enquiries are being made around the installation of solar panels. It was noted that in January 2023 the utility bill was £7,500 (net of govt grant) for the month and February was £5,500 (net of govt grant). Concern was expressed that commitment to big building projects may limit the expenses available for the incoming council. The implication of not undertaking works to save on utility costs would mean taking c£70,000 from reserves to cover utility costs.</p>	
<p>7</p> <p>7.1</p>	<p><b>Any Other Business, questions and comments from the meeting</b></p> <p>The question was raised about the future of the Boardwalk in the town centre. CCDC/RTC Cllr Hughes advised the meeting that the matter had been called in by the CCDC Scrutiny Committee who had met on 20<sup>th</sup> March. Costs for a replacement board walk were around £200,000 which was more than the earmarked amount put aside for the work.</p>	

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	CCDC Full Council would be looking again at this matter at the next Full Council meeting.	
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The meeting finished at 8.45pm.

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