

## 21<sup>st</sup> March 2023 Parish Meeting – Stolen Monies

Rebecca Mason (then the Assistant Town Clerk) stole over £218,000 of public funds by disguising 242 individual payments as Utility and Maintenance and making BACS transfers into her personal bank account.

To steal this amount of money Mason must have been stealing in the region £10,000 a month with around 10 transactions a month for 23 months! It's always been clear **WHO** perpetrated the fraud - but our council have failed to explain is **HOW** this prolific fraud could possibly have lain undetected for almost two years?

Questions to the council dating back as far as July 2019 about the theft seem to have either been ignored or have received answers that are considered evasive, or obscure. So, after not seeing any real transparency about the theft concerned members of the Rugeley community conducted a detailed examination of council documents, public records and council minutes and much of what we found doesn't appear to 'add up': -

- 1) The Councils own financial regulations in force in 2017 clearly states that all payments must be countersigned by two councillors and that on a regular basis 'original bank statements' will be reconciled and approved.
  - a. When the Town Clerk applied for the Council Quality award, did she as the Responsible Finance Officer satisfy herself that the council's financial regulations were adequate, & controlled and being followed by council staff and the Finance Committee?
  - b. The National Association for Local Councils 'Bible' - Finance & Transparency clearly states;
    - i. **Bank statements and a bank reconciliation should be available at every council meeting and should be signed and certified as correct by the chairman of the meeting**, then continues;
    - ii. **In cases where fraud has gone undetected for some time, it is usually because matters have been taken on trust and accounting records not properly examined, particularly actual bank statements**
  - c. At a meeting in Sept 2019 a councillor declared that *"...the entire administration was at fault because we all trusted this officer"*.
  - **Were the Financial Regulations not being followed? Were the original Bank Statements not being checked? Was it all left to a council employee operating alone?**
- 2) Rugeley Council annual expenditure is roughly £300k per year, and approximately £100k per year was being stolen. It is incomprehensible that such fraudulent payments would fail to be seen on the original bank statements.
  - **How could a 33% overspend on the annual budget just pass unnoticed?**
  - **Who was accountable for signing off the invoices and original bank statements as specified in the Council Finance Regulations and why wasn't it being done?**
- 3) As recently as January 2023 it was revealed that a claim for the theft had been made against the council's insurance company. The claim was rejected!
  - **Why was the claim rejected and why wasn't rejection ever made public?**
- 4) The Council is on record saying that the £218,000 was stolen from 'Reserves', not budget controlled and that Mason had set herself up as a signatory on accounts without the knowledge of the council  
*Yet it is on record that:*
  - a. *(Mason) was the only person dealing with payments, and, that*
  - b. *(Mason) made 242 fraudulent BACS payments disguised as Maintenance & ADT payments that are controlled by budgets?*
  - **Aren't these statements therefore misleading & untrue since it's a matter of public record that Mason made the fraudulent payments from the council's regular bank account into her own account by BACS transfer and that Mason was the only person dealing with BACS salary payments?**

- 5) A review of the Finance Committee minutes also highlighted many anomalies with questions being raised about budget overspend, the volume of BACS transactions and assigning councillor responsibility for reviewing and signing off the council bank statements. There is **NO** subsequent record of actions allocated to the Town Clerk being addressed or followed up.
- **Why weren't the meeting action items ever followed up and recorded?**
- 6) Bank statement discrepancies running into 10's of £,000s should not have been missed by the Council auditors in 2017 & 2018. The internal auditor is on record saying that 'the electronic statements had been fraudulently tampered with'. We invited the Internal Auditor to attend this meeting – but he declined saying "it was a legal matter and the TC has a report detailing exactly what happened" –
- **Where is the report? Why isn't it public?**
  - **Were the original bank statements ever reviewed? Or,**
  - **Were the council and auditors deceived by an employee into just accepting electronic statement downloads that could easily be manipulated?**

With experienced councillors in senior finance roles how did the most basic of financial controls fail to identify such an extensive fraud.

- 7) In the Council's 2018/19 AGAR (Annual Governance and Accountability Return) The Town clerk as RFO has ticked boxes to say that council:
- **Had not** Prepared its accounting statements in accordance with account & audit regulations,
  - **Had not** Accepted responsibility for safeguarding the public money in its charge
  - **Had not** Complied with its legal powers and proper practices (for accounting).
- 8) Rugeley Council were censured by the external auditors on a number of points but specifically; -
- Council **did not** allow electors time to inspect the Council accounts, and
  - Council **internal control was weak** allowing unauthorised payments, and,
  - **Unauthorised overspending was not picked up** by any budget controls for over a year.

Weak financial control resulted in £218,000 being stolen from public funds that can never again be used to benefit Rugeley community.

No one from the council has ever acknowledged any accountability for the loss.

We believe that the parish voters of Rugeley are entitled to a long overdue formal apology from both the Town Clerk and the Town Councillors that were serving when that fraud was taking place.

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**Agenda Item 3) - £218,000 Stolen**