

Little Leigh Parish Council - Statement regarding approval of 2006/07 Annual Return

Little Leigh Parish Council (LLPC) has been unable to approve the 2006/07 Annual Return by the required date of 31st August 2007. This statement provides the background and gives reasons as to why this has not been possible. It also highlights the concerted efforts LLPC has made in order to try and meet its obligations, yet has been repeatedly frustrated.

In early February 2007, LLPC's External Auditor, UHY Hacker Young, made the Chairman aware that repeated requests for information from the clerk at the time, relating to previous Annual Returns, had not been fulfilled. The Chairman sought advice from both Vale Royal Borough Council and the Cheshire Association of Local Councils on an appropriate course of action. On their advice LLPC wrote to the clerk, asking to confirm his availability for work, and to please fulfil the auditor's requests, adding that LLPC would assist the Clerk wherever possible.

With no information being provided by the clerk, LLPC made repeated attempts to arrange a meeting with him to address the issues of availability for work and providing of information to the auditor throughout March, April and May 2007. Examples of the efforts of LLPC being frustrated included recorded delivery letters being refused and not collected by the clerk from the Parish Council PO Box, meetings being cancelled by the clerk at 2 hours notice with no alternative times being proposed, phone messages not being returned and inconsistent receiving of emails.

In June 2007, LLPC dismissed the clerk from his position as Chief Officer to the Council and Clerk to the Parish, having followed processes in accordance with recognised employment practice, and the council having adopted a formal disciplinary and grievance procedure. In the dismissal letter, LLPC asked for all council belongings, including cheque books, bank statements, accounts, all essential council papers and council computer equipment to be returned.

In July 2007 an appeal was made against this dismissal and a 3rd Party was appointed to represent the ex-clerk. Again, a protracted process of correspondence to arrange meetings with subsequent cancellations at short notice by the ex-clerk occurred. As far as LLPC is concerned, the appeal process was eventually concluded as of 3rd October 2007. With an appeal outstanding, it was not appropriate for LLPC to instigate legal proceedings against the ex-clerk to recover the council's belongings without appearing to be "unreasonable" in our dealings with him.

To the best of LLPC's knowledge, the ex-clerk still retains all the belongings and formal records of LLPC, including chequebooks, bank statements, accounts, receipts, minutes other documents such as VAT information, HMRC details on employment, insurance and so forth. To compound matters, the ex-clerk has moved out of his property and away from the village, without providing a forwarding address. LLPC is now considering any appropriate course of action to retrieve its belongings.

In parallel with the above process, LLPC have been trying to arrange new signatories and appointment of bankers forms with LLPC's bank, Barclays to provide visibility of the bank accounts. This process was started on 20th June.

The chair of the Finance sub-committee had to obtain passports and utility bills from all councillors and take this to the local branch of Barclays on 2 separate occasions. Around 7th July, Barclays said there wasn't a problem, but around 17th July Barclays said the wrong forms had been completed and different forms were required. These forms were eventually received by LLPC at the beginning of the 2nd week in August. However, with holidays and the necessary availability of all councillors, LLPC were unable to submit these until near the end of August. Barclays were chased again in early September and were assured mandates would be complete within 7 days and that the Business Manager take ownership of this situation.

LLPC did not receive confirmation that the mandates had been changed until 4th October 2007 and a chequebook, paying-in book and copy of previous statements were eventually received on 11th October 2007.

In summary, the primary reason for LLPC not being able to approve the 2006/07 Annual Return by 31st August is that, despite best efforts, LLPC has not had access to any of the information necessary to complete any Annual Return. This can be attributed to:

- LLPC's previous clerk not providing information relating to audit/annual returns when requested; frustrating and delaying attempts to discuss matters and thus hindering the progress of the process; not returning the council's belongings on dismissal.
- LLPC's bank taking over 3 months to process a change of details on the account, and thus not allowing councillors access to information on the bank accounts.

LLPC has acted in accordance with recognised processes, consulted and sought advice from independent and formal bodies, and continues to keep the external auditor of LLPC updated at all times. In these exceptional circumstances, the Chairman assumed the role of acting-clerk to progress matters since June. A new clerk has now been appointed.

LLPC makes this statement in order to comply with Regulation 10(6) of the 2006 amendments to the Accounts and Audit Regulations 2003. This statement has been posted on the Little Leigh Parish Council Noticeboard and on the council's website at www.littleleigh.net/parishcouncil/