

Date: 16th July 2020

To: PKF Littlejohn LLP (Ref: SBA Team)
15 Westferry Circus
Canary Wharf
London
E14 4HD
(sba@pkf-littlejohn.com)

**Re Hilton Parish Council, Derbyshire, DE65 5GH – Annual Governance
and Accountability Return**

Dear Sir/Madam,

I can confirm that I am an elector in the Parish of Hilton, Derbyshire.

I would like to use my right to make an objection to the Hilton Parish Council Accounts 2019/2020 as follows.

Section 1 Annual Governance Statement. Hilton Parish Council's meeting held on [28th May 2020, page 6, minute number 205/20 and the agenda of the same date item 13](#). Hilton Parish Council in my opinion, have not dealt with the signing off of the AGAR correctly, they have not followed or considered the Accounts and Audit Regulations 2015 (the Regulations); and the changes that occurred in 2015/16, which remain in force, they have also not taken into account the Governance and Accountability for Smaller Authorities.

They do not list items on their agenda properly for residents to be clear on what is to be discussed and what decisions may be made.

At the meeting, the Parish Council should have confirmed and resolved Section 1 of Annual Governance Statement and confirmed that the assertions were either Yes or No to each question. This should have been evidenced within the minutes. This did not take place, as I was in attendance as a member of the public, and the minutes clearly show that this did not take place correctly. Section 1 of the AGAR should have been completed in advance of Section 2 the Accounting Statement being approved. Hilton Parish Council have also not carried out a Review of the Effectiveness of the System of Internal Control as per Regulation 6 of the Accounts and Audit Regulations 2015.

I would question the YES response to Assertion 1, I have challenged Hilton Parish Council on why they do not appear to be reconciling their bank accounts and providing the information within the minutes on a regular basis, as per the Governance and Accountability for Smaller Authorities Section 5, 5.23 to 5.25. They currently have a reserve account and current account but the values of each are not evidenced within the minutes separately on a monthly or quarterly basis, just a total balance. I received an answer to this in a letter sent to me by Hilton Parish Council Chairman Cllr Charles Cuddington on 3rd March 2020. Please see below.

As no payments are made by cheque then there is no need for a bank reconciliation as there are no timing differences. There is no requirement to show the split of the current cash position between accounts. It adds no value and serves no purpose. The nature, style and timing of information provided now, is in excess of that provided before May 2019.

The Hilton Parish Council Financial Regulations 2.2 on their website states the following:

2.2. On a regular basis, at least once in each quarter, and at each financial year end, a member other than the Chairman [or a cheque signatory] shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the council [Finance Committee].

From the statement received from Hilton Parish Council Chairman on 3rd March 2020, it can only be concluded that this is not currently happening as per the regulations and as per their own Financial Regulations.

Year End balance as at 31.03.2020 £153,288.01. Hilton Parish Council have failed to identify as part of the end of year documents, what reserves if any they hold restricted or unrestricted as part of the documentation sent to the External Auditor. The Parish Council seem to be sitting on a considerable sum of public money, without any clear explanation.

Please see attached [Hilton Parish Councils General Revenue Reserves Policy](#) on their website. The policy states that Capital Reserves will be presented separately and reviewed quarterly. This has not happened to my knowledge, and I attend most meetings. Hilton Parish Council are in my opinion, currently holding earmarked reserves for example, £30,000.00 towards the Scout Hut new build and £15,000.00 towards the supply and installation of an adventure playground. Yet in their budget for 2020/2021 they are stating that these are unrestricted reserves, [please see attached a copy of the set budget for 2020/2021](#) from the Hilton Parish Council website. I have also attached [a copy of the Variance and Reserved Report as filed with PKF Littlejohn for 2018/2019](#), this clearly shows both the Scout Hut and Adventure Playground were earmarked reserves within the accounts and not unrestricted.

I would question Assertion 2, I have asked Hilton Parish Council how they can claim VAT back on items of expenditure being claimed by Councillors under expenses, without the receipts or invoice being in the name of Hilton Parish Council. Please see below an extract of the response that I received back from the Hilton Parish Council Chairman Cllr Charles Cuddington on 3rd March 2020.

[No councillors have claimed expenses. You refer to refund of monies spent on behalf of the Council. This is not specifically excluded in the Standing Orders or Financial Regulations.](#)

It is not true to say that VAT cannot be reclaimed back unless invoiced to Hilton Parish Council. This has been done successfully this year as it was for the period prior to May 2019.

The Auditor was incorrect in his report for the year 2018/19. We will continue to use such a process where it is expeditious to do so and where there is no practical alternative. Details are always presented in the PC meeting and are publicly available.

Under the rules for claiming back VAT my understanding is as follows, Hilton Parish Council can only claim VAT back, under the following circumstances, when making a VAT126 claim:

Condition Action

1	Place the order
2	Receive the supply
3	Receive a tax invoice addressed to you
4	Pay from your own funds (including funds awarded to you, for example, lottery funds)

From the statement received from Hilton Parish Council Chairman on 3rd March 2020, it can only be concluded that VAT and the claiming of VAT is not being completed in accordance with the proper practice and process. This was raised by the Internal Auditor in 2018/2019. Hilton Parish Council have failed to deal with the points raised by the Internal Auditor and have continued to claim expenses throughout 2019/2020 Financial Year.

I would question the YES response to Assertion 3, Hilton Parish Council does not have a Proper Officer/Clerk, as 3 have resigned since May 2019, one of which was the Hilton Parish Council Clerk for 14 years working 40 hours per week. Work is currently being completed by Councillors and one Councillor Russel Pollard has been appointed as the RFO. As per the minutes [29th May 2019, page 5, minute number 3130/19](#). Under the Governance and Accountability for smaller Authorities Section 5, 5.10, it clearly suggests that a Risk Assessment should have been completed before appointing the RFO and this should have been evidenced in the minutes. This has not been completed as far as I am aware. It also suggests that there should be a proper segregation of duties meaning that Councillors should not be appointed as Clerk or RFO even on a short-term basis.

Please see a copy of the Hilton Parish Council draft minutes [dated 25th June 2020, page 5, minute number 219/20](#). They state in the minutes that there is no legal reason to employ a Clerk and that officer roles can be conducted by councillors on a voluntary basis. I understand that the Proper Officer/Clerk is a term used in legislation and is a statutory position, without a Proper Officer/Clerk the Parish Council is not properly constituted and cannot function correctly. I would also think that there is a conflict of interest with a Councillor being appointed as the RFO.

Hilton Parish Council also resolved at their meeting on 28th May 2020, not to continue with their subscription to the Derbyshire Association of Local Councils (DALC). This has not been entered into the minutes so there is no proper record of the decision made, but I am sure that DALC can confirm this. Therefore, Hilton Parish Council will certainly struggle going forward to be compliant with any new laws, regulations or proper practice as they have no Proper Officer, no proper appointed RFO and no membership to the Local Association for support and advice when required.

Other matters:

I have questioned Hilton Parish Council on the appropriateness of using Parish Council staff for cutting hedges and repairing/removing fencing that are either privately owned or owned by other local authorities for example, South Derbyshire District Council. Hilton Parish Council should not in my opinion, be spending public money on land that they do not own, lease or manage. In effect residents are in some instances probably paying twice through their Council tax to the Parish Council and to the District Council for work that is not the responsibility of the Hilton Parish Council. I asked Hilton Parish Council to explain why this is the case and who was paying for this work to be completed, as there is no income to offset such work within the current accounts 2019/2020. I received the following response from the Hilton Parish Council Chairman Cllr Charles Cuddington on 3rd March 2020.

[As the staff are salaried and no incremental cost is incurred then no one is paying twice for anything. On the few occasions that work that you describe has taken place, this has been done with the full agreement of the landowner and has been done to be responsive to an environmental concern highlighted by residents.](#)

Hilton Parish Council does not have the General Power of Competence. I would question under what legal power they have to spend money in this way, (in this case being staff time/salaries) to work on land not owned, leased or managed by them with or without the permission of the landowner. I would also think that this is work not within the Staffs current Contracts of Employment, which is a separate issue.

Items of expenditure are also being spent in advance of any proper decision being made and then ratified after the fact at following meetings. In some instances, 3 quotes are not being obtained for high value items in line with their own Financial Regulations.

For example: Xmas Tree Lights. [Please see minutes dated 30.10.2019, page 5 minute number 58/19.](#) The Parish Council failed to obtain 3 quotes as per their

Financial Regulations yet there are quite clearly other companies out there that provide the same or similar thing for example, Christmas Plus Ltd.

I challenged the above with the Parish Council and soon after the following disclaimer appeared on their website:

Extract of the Hilton Parish Council website:

Please see link as follows:

<https://www.hiltonparishcouncil.org.uk/transparency-of-contracts.html>

A number of Councillors had seen the Xmas Tree Street light displays in Hatton last year. We approached the Hatton PC who gave us the contact details of the supplier, Plantscape.

The advantages of Plantscape's offer are:

- Solar powered - so no electrical supply issues
- Lamp post mounted - no wall fixing issues on private property.
- Not owned by the PC, rented just for the Xmas period. All necessary testing carried out by the supplier, including maintenance and programming.
- Brackets can be retained and used for hanging baskets and Xmas trees in subsequent years if we chose to do so.
- Proven and successful with Hatton PC

Plantscape pioneered the lamp post mounted solar powered Xmas tree lights. This is their proprietary product.

The prices are £98 per half tree, and £15 per each lamp post tested. We decided that, in order to get a good spread across the village (Main Street, and Welland Road) we would order 40 half-trees, across 20 lamp posts. This results in an ex-VAT price of £4235 for 2019/20.

As these are proprietary products offered at a fixed price i.e. no options exist with this specification we are not required under PC (or National rules) to obtain 3 quotes.

We felt that this offered value for money in support of our commitment to improve the village scene during the festive period, and the sense of community.

There is a lot more that could be raised about Hilton Parish Council not following proper practice, procedure or process, but for now this will give you a flavour of the serious problems within Hilton Parish Council and the way in which it is currently being Administered.

Yours Sincerely