



# Middlewich Town Council

Victoria Building | Lewin Street | Middlewich | CW10 9AS

**Tel:** 01606 833434 | **Email:** clerk@middlewich.org.uk | **Website:** www.middlewich.org.uk

Dated: 07<sup>th</sup> August 2024

## NOTICE OF AN EXTRAORDINARY MEETING

### To All Members of the Town Council,

Notice is hereby given that an **EXTRAORDINARY MEETING** of Middlewich Town Council will be held on **Monday 12<sup>th</sup> August 2024 at 4.00pm** in the Victoria Hall, Civic Way, Lewin Street, Middlewich, for the purpose of transacting the business set out in the attached agenda.

**Signed:** *Simon Whitaker*

Cllr Simon Whitaker

Chairman & Town Mayor of Middlewich Town Council

Council Membership	
Cllr Simon Whittaker [Chairman]	Cllr Garnet Marshall [Vice-Chairman]
Cllr David Concliffie	Cllr Graham Orme
Cllr Rebecca Evans	
Cllr Mary Monroe	
Cllr Julie Millington	
Cllr Andrew Mizzi	

\*Meetings are open to the press and public by virtue of the Public Bodies Admissions to Meetings Act 1960 s1 unless the presence is prejudicial to the public interest (s2).

# MIDDLEWICH TOWN COUNCIL

Extraordinary Full Council Meeting: Monday 12<sup>th</sup> August 2024 at 4.00pm

## A G E N D A

### 1. Mayors Opening Remarks

To receive the Town Mayors Opening Remarks.

### 2. Apologies

To receive and approve apologies and reasons for absence.

### 3. Declaration of Pecuniary and Other Interests

To receive declarations of any disclosable pecuniary or other interests appertaining to items on the agenda and to consider any dispensation requests submitted in writing to the Proper Officer in accordance with the Standing Orders.

Note: Unless granted a dispensation, a member with a disclosable pecuniary or other interests shall not participate in any discussion of the matter at the meeting and must not participate in any vote taken on the matter at the meeting and must not remain in the room in accordance with the requirements of the Standing Orders and Code of Conduct. Councillors may speak on the matter only if members of the public are also allowed to speak at the meeting.

### 4. Public Participation

To convene a public participation session to allow members of the public to make representations, answer questions and give evidence in respect of the business on the agenda. The Public Participation session shall not exceed 15 minutes.

### 5. Minutes

To receive and approve the amended minutes (previously circulated) of Council meetings held on the following dates:

- 15<sup>th</sup> April 2024 including public questions
- 20<sup>th</sup> May 2024 – Annual Council Meeting (Mayor Making)
- 17<sup>th</sup> June 2024 including public questions

### 6. Extraordinary Council Meeting Minutes: 2<sup>nd</sup> April 2024

To note that the minutes of the Extraordinary Council meeting held on the 2<sup>nd</sup> April 2024 have not been drafted by the Council. Following a search on the councils hard-drive these minutes do not exist. The Council is requested to delegate responsibility to the Senior Administrator and the Interim Town Clerk to draw up a set of minutes using information that is made available from the attendees of the meeting comprising of current and former Councillors (copy of agenda attached).

### 7. Co-option

To ratify the co-option of John Bird and Daniel John Pickett who were appointed as members of the Town Council at the meeting held on the 26<sup>th</sup> July 2024 subject to an election not being called before the 5pm deadline on 29<sup>th</sup> July 2024. The Council received formal notification from Cheshire East Council on the 30<sup>th</sup> July 2024 confirming that ten electors of the Cledford and Kinderton had not called for an election following the Notice of Vacancy dated 9 July 2024 and that the council may proceed with the co-option.

### 8. Legionella Testing & Monitoring Visits

To receive and approve the annual quote from Green Contract Services to visit monthly from August 2024 for one year and carry out all scheduled legionella testing & monitoring as per the legionella risk assessment (except flushing or TMV servicing). The council may approve the extension of the contract in accordance with Financial Regulation 11.1iv or obtain quotations from other service providers.

**9. Exclusion of Press and Public**

To consider and resolve the agenda items that require the exclusion of the Press and Public in accordance with the Public Bodies Admissions to Meetings Act 1960 for matters appertaining to confidential business.

**10. Authorisation of Payments**

- a) To receive and approve the schedule of payments in accordance with the requirements of Financial Regulation 5.2 (list enclosed). Copies of invoices will be available at the meeting.
- b) To consider the approval of payments for invoices received after the publication of the agenda. Invoices (if any) to be tabled.
- c) To consider the authorisation of invoices which cannot be tracked back to a purchase order or a delegated authority to spend (schedule enclosed).

**11. Internal Audit Report 2023/2024**

To receive and consider the detailed internal audit report and AGAR IA Form for the financial year ending 31<sup>st</sup> March 2024 and to delegate responsibility to the Interim Town Clerk to assist in addressing the recommendations and to prioritise the urgent issues identified in the report. A verbal update will be provided by the Clerk at the meeting (reports enclosed).

**12. Governance Review of Policies and Procedures**

To delegate responsibility to the Interim Town Clerk/RFO to undertake a governance review of the Standing Orders, Financial Regulations, Scheme of Delegation, committee terms of reference, policies and procedures and to bring forward recommendations for consideration at a future meeting.

**13. Website Review**

To delegate responsibility to the Interim Town Clerk/RFO to appoint a specialist council website provider to develop and host a new website including registration of a .gov domain and associated mailboxes following a review of the current arrangements and a procurement exercise in accordance with the requirements of the Financial Regulations and in consultation with Council members and the Councils IT provider.

**14. Council Events**

To delegate responsibility to the Senior Administrator and Officer Administrator to undertake the planning of the Remembrance Day Event and Christmas Lights Switch On Event and to submit the necessary road closures to Cheshire East Council. Members are required to confirm the proposed date of Saturday 23<sup>rd</sup> November 2024 for the Switch on Event and to confirm the timings.

**15. Town Hall Tenant**

To consider the approval of the lease for a Town Hall tenant (copy enclosed).

**16. Employment Matters**

- a) To consider a reimbursement of pension costs to a former employee.
- b) To approve the overtime for employees based on agreements with former Town Clerks.
- c) To consider the current employment matters regarding Facilities Management and employment implications outside of delegated powers.
- d) To consider correspondence from a former employee and to resolve any further actions inclusive of costs.

**17. Pension Liability**

To consider and approve the payment plan for the outstanding pension liability.

**18. Town Clerk / RFO Recruitment**

To receive an update on the recruitment of the Town Clerk/RFO and to consider the appointment of a recruitment panel and interview timetable.

**19. Consultancy Contract**

To review the consultancy contract and current arrangements and to resolve any further necessary actions inclusive of costs following the issues identified in the internal audit report (issue 4c (pg3); issue 15 (pg16)). Confidential documents and risk assessment prepared by the Interim Town Clerk are enclosed. Members are requested to consider the following:

- Risk Assessment and associated documents
- Compliance / Breach of Financial Regulations
- Breach of Delegated Powers [Scheme of Delegation]
- Financial Budgetary implications
- HMRC Employment Status Indicator
- HMRC and Pension Regulations

**20. Dates of Upcoming Meetings**

To note the date of the upcoming meetings:

- Finance Committee – 02<sup>nd</sup> September 2024
- Full Council – 16<sup>th</sup> September 2024



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**Minutes of the Five Hundred and Eighty Fourth Meeting of Middlewich Town Council, held at Victoria Hall, Civic Way Middlewich on Monday 15<sup>th</sup> April 2024, commencing at 7.15pm**

## **Present**

Councillors Cllrs; Colin Coules (chair), Simon Whittaker, Garnet Marshall, Andrew Mizzi, Phil Alton, Julie Millington, Mary Monroe, Alison Roylance- White and Fraser Whytock,

In attendance:  
Shaun Clough –Deputy Town Clerk  
Liz Nicholson - Administrator

- 1. Ward Councillors Questions and Answer Session**  
Members of the public asked question to the councillor's present.

### **PART 1**

- 2. Apologies for Absence**

Rebecca Evans-personal

Dave Condliffe-personal

Graham Orme - health

- 3. Declaration of Members interest**

None

- 4. Public participation**

No new written questions received.

There were a number of verbal questions raised which are noted and attached

**5. Mayor Statement**

Noted.

**6. Members Reports**

No members reports received

**7. Confirmation of Previous Minutes**

Noted and approved

- a) 25<sup>th</sup> January
- b) 11<sup>th</sup> February
- c) 4<sup>th</sup> March
- d) 18<sup>th</sup> March

**8. Committee Minutes**

Noted and approved

- a) HR committee 15<sup>th</sup> January 2024
- b) HR Committee 29<sup>th</sup> January 2024
- c) Finance Committee 18<sup>th</sup> March 2024

**9. Complaints Policy**

Approved and adopted

**10. Clerks Report**

Noted.

**11. Air Quality Working Group**

Deferred

**12. Open Space Maintenance**

Recommendations of the finance committee report, were adopted

**FINANCE**

**13. Payments**

Payments were approved

**14. Review of Year-to-Date Income and Expenditure**

Reports were noted

**15. Replacement CCTV Camera Fountain Fields**

Deferred

**16. Finance Committee Recommendations**

- a) Financial Risk Register
- b) Corporate Risk Register

- c) Asset Register – This is in the process of being reviewed and is a live document.  
(subject to change, on an ongoing basis)

## **COMMUNITY AND ENVIROMENT**

### **17. Air Quality and Traffic Reports**

Noted

### **PART 2**

**To make a resolution to move into part 2 session and exclude the public and press from the meeting on the grounds that the matters to be discussed contain confidential information relating to staffing and financial matters and commercially sensitive information**

### **18. Staffing and Resources Update**



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Minutes of the Annual Mayor Making Ceremony of Middlewich Town Council, held in Victoria Hall, Civic Way, Middlewich on Monday 20th May 2024, commencing at 7.00pm

In attendance: Shaun Clough – Acting Town Clerk

## PART ONE

### 1. Apologies for Absence

None

### 2. Declaration of Interests

None

### 3. Election of the Town Mayor

8811 It was proposed by Cllr Coules, seconded by Cllr Aton and **RESOLVED** that Cllr Whittaker be elected Town Mayor for the Civic Year 2024 - 2025  
Cllr Whittaker signed the declaration of acceptance of office of Mayor.

### 4. Election of the Deputy Mayor

8812 It was proposed by Cllr Whittaker, seconded by Cllr Marshall and **RESOLVED** that Cllr Coules be elected Deputy Town Mayor for the Civic Year 2024 - 2025  
Cllr Coules signed the declaration of acceptance of office of Deputy Mayor.

### 5. Appointment of Committees and Bank signatories

8813 It was **RESOLVED** to appoint to Committees and Bank Signatories as in appendix A.



## **6. Election of Youth Ambassador**

It was proposed by Cllr Whittaker, seconded by Cllr Coules and **RESOLVED** to appoint Elodie Rivers as Youth Ambassador, for the Civic Year 2024 – 2025

## **7. Appointment of Representatives to Outside Bodies**

8814 It was **RESOLVED** to appoint representatives to Outside Bodies as in appendix B.

## **8. Members Motions**

Propose a vote of thanks to outgoing Mayor.



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**Minutes of the Five Hundred and Eighty Fifth Meeting of Middlewich Town Council, held at Victoria Hall, Civic Way Middlewich on Monday 17<sup>th</sup> June 2024, commencing at 7.15pm**

## **Present**

Councillors Cllrs Simon Whittaker(chair), Garnet Marshall, Andrew Mizzi, Julie Millington, Mary Monroe, Dave Condliffe, Rebecca Evans

In attendance:

Shaun Clough –Acting Town Clerk

## **MINUTES**

### **1. Cheshire East Councillors Q and A's**

*Members of the public who were present asked questions of those Councillors who attended. This session was at the discretion of the Chair and lasted no longer than 15 mins. No minutes were recorded.*

## **Part One**

### **2. Middlewich Town Councillors**

*Cllr Dave Condliffe proposed that Cllr Garnet Marshall be appointed to the vacant Vice Chair / Deputy Mayor position. This proposal was seconded by Cllr Simon Whittaker.*

**RESOLVED;** *Cllr Garnet Marshall be appointed as Vice Chair / Deputy Mayor. The newly appointed Vice Chair duly signed his acceptance of office for this period.*

### **3. Apologies for Absence**

*Apologies for absence were received from Cllr Graham Orme - holidays*

### **4. Declarations of Members' Interest**

*No declarations of interest of personal, prejudicial, and pecuniary interests were received.*

### **5. Public Participation**

*A number of questions were asked by residents and those who attended the meeting. Questions, and answers that were given were recorded and notes of those discussions are attached.*

### **6. Youth Hub / Club Project**

*CEC staff gave a very detailed presentation on issues arising with the Youth Hub / Club. Those issues arising were the potential cassation of the ongoing support from CEC.*

**RESOLVED;** To defer any decision on the future of the Youth Hub until the July Meeting of the Full Council.

**7. Members Motion (Cllr. Garnet Marshall)**

To consider, discuss and agree Members Motions.

a) Cllr Garnet Marshall

**RESOLVED;** Cllr Marshall asked that this matter be deferred until the July Meeting of the Full Council.

**8. CEC Grant Funding Issues**

CEC staff gave a presentation of current issues arising from grant monies awarded to MTC The issues concern the failure of MTC to use all the Grant Awarded for the specific purpose The failure to progress the job description of the proposed Volunteer Co-ordinator.

**RESOLVED;** To defer any decision on the future and options for grant funding .

**9. Confirmation of Previous Minutes**

The minutes of Full Council meetings held on following dates were reviewed for approval

a) 15<sup>th</sup> April 2024

b) 20<sup>th</sup> May 2024 Annual Mayor Making Ceremony.

c) 21<sup>st</sup> May 2024 EGM

d) 23<sup>rd</sup> May 2024 Residents Annual Town Meeting

**RESOLVED;** Some of the minutes required minor adjustments. It was decided to note and approve the minutes presented subject to those amendments being corrected. The amended minutes will be represented in the July minutes

**10. Committee Minutes**

The minutes of the Committee meeting held on the following date were reviewed:  
Finance Committee 7<sup>th</sup> May 2024

**RESOLVED;** It was decided to note and approve the minutes presented

**11. Revised Financial Regulations. (Updated by Nalc 2024)**

The changes to the Financial Regulations were reviewed.

**RESOLVED;** It was decided to note and adopt the changes presented.

**12. Clerk Report**

A letter of concern from a resident re Traffic Issues was discussed.

**RESOLVED;** It was decided that Cllr Garnett Marshall would write to ANSA regarding this issue.

**13. Air Quality Monitor / Data Collection**

To review and agree a way forward for the deployment of this device and associated costs

**RESOLVED;** To defer any decision on the future and options for the Air Quality/Data Collection .

**FINANCE**

**14. Payments**

The current months invoices for payment were presented

**RESOLVED;** All Payments were approved.

**15. Review of Year End Accounts and Year-to-Date Income and Expenditure**

To sign off / adopt the 2023-2024 Accounts so that the AGAR can be completed.

*A draft AGAR was presented for consideration.*

*The year-to-date Income and Expenditure for April and May 2024 was reported*

**RESOLVED;** *The 2023- 2024 Accounts were adopted and signed off by the Chairman and Clerk. The draft AGAR was amended and then signed off in time for submission.*

*The Financial position for the first two months 2/12 was noted.*

#### 16. Asset Transfer Update(Cllr Garnet Marshall)

*Cllr.Garnett Marshall updated the Council with current status on asset transfers and future proposals.*

**RESOLVED;** *Current position noted and future ongoing updates requested.*

### PLANNING

#### 17. Planning Applications

*To review and comment on the latest planning applications.*

*Former Councillor Frazer Whytock has reviewed all Planning Applications to date. with no major concerns*

### COMMUNITY AND ENVIROMENT

#### 18. Middlewich Police Incidents

*A recent Police Incident report was reviewed and noted*

### PART 2

**To make a resolution to move into Part 2 session and exclude the public and press from the meeting on the grounds that the matters to be discussed contain confidential information relating to staffing and financial matters and commercially sensitive information.**

#### 19. Chair of Human Resources Committee (Cllr. Rebecca Evans)

*The Chair of HR's review of staff moral and current working practices was presented and discussed.*

*There was discussion on some of the recommendation contained therein.*

**RESOLVED;** *To defer any decision on implementations of recommendations until the full impact is considered. Deferred until July full Council mtg.*

### FUTURE MEETING DATES

To note dates of forthcoming meetings:

#### July 2024

Finance Committee – 15<sup>th</sup> July 2024

Full Council Meeting – 22<sup>nd</sup> July 2024





**Report to: Full Council**

**Report Ref: Public Participation**

**Meeting Date: 17<sup>th</sup> June 2024**

**Agenda Item: 3**

**Subject: Public Participation.**

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Residents raised the following questions:

**1. A resident asked – Why have resubmitted questions been missed off the agenda?**

*Cllr Whittaker, advised, he doesn't know the answer to that. He asked the Clerk to answer – All historical, that I have revived, have been looked at, and invited the parties in to speak to me about historical issues. When did you send your issues to me? The resident responded – about 2 weeks ago. The Clerk advised that he will look into it, but they weren't on the agenda when it was written. The Resident advised that they would only be on the agenda if you put them on the agenda. The Clerk responded -Are these the ones you wrote to Rebecca? Resident response – No – it says these are 'questions for the June full council meeting, Clerk replied that he doesn't believe He has seen them. I have seen your email to Rebecca Plain. The same resident advised he isn't talking about that, he is talking about the questions. The Clerk advised again, that he hadn't seen it. The resident advised that 'that is a letdown and that he's not happy. The clerk mentioned to the same resident that he did invite him to the Council office to discuss his issues. But to date, you haven't. You did advise that you would do it, but we haven't had chance to do it. Would it be appropriate for us to discuss your recent questions when you come into the office? Resident responded – I will pick you up on that point – There is a big difference between, submitting public questions for a public meeting, and being invited into the Council for a private meeting, where there will be no minutes taken, for historical items. Cllr Whittaker added – that is his issue with it. If a question has been asked in that manner, they need to be made public and the next meeting. Otherwise, it's questions behind closed doors. Residents responded – it is. The Clerk also added, that – you will see attached in the agenda, public questions submitted before I was made acting Clerk, which is the 15<sup>th</sup> April. The Resident replied – Okay, fare enough.*

**2. Same resident – if you open page 6 of the agenda pack. It says that 'no questions were received' Is that correct?**

*The clerk answered – as far as my records say. Yes. Okay, can you now turn to page 1 and 2, please? The clerk advised that these are draft minutes, to be approved tonight. Resident advised – you wrote them. Mr Chairman, can you please take a look at pages 1 and 2 of the agenda pack, and what it says at the top? Cllr Whittaker asked how far at the top, Resident advised, right at the top of page 1. Cllr Whittaker read out – 'Middlewich Town Council' Resident then said. 'right at the top of page one, it says ' Questions asked on 15<sup>th</sup> April' Cllr Whittaker advised we have a different pack. Resident advised there's two versions of it. Resident asked the Clerk again, to read out the top of page 1. Clerk responded with – 'public questions asked on 15<sup>th</sup> April ' Resident then said, so why **have you just told***



*me that the minutes, on page 6 there were no public questions asked? It is clearly shown that they were asked on the 15<sup>th</sup> April. The clerk responded, that these are draft minutes, and are open for debate. Resident then said, 'They are wrong, aren't they? They are wrong!' The clerk answered, 'Yes, they are open for debate' Page 11.. Cllr Whittaker interjected and said this is getting a bit too personal now. The Resident said okay.*

***The same resident then went on to ask why the minutes of the Annual Town Meeting haven't been signed?***

*The Clerk advised that they haven't been approved. The resident went on to say that, a number of questions were asked by residents, but they haven't been written down. He also advised that a motion was raised on the night, that Town and Borough Councilors will work together, He then went on the say that the minutes are incorrect. The Clerk again advised that they're draft minutes, and are up for discussion, and where they are incorrect, they will be adjusted.*

***Why are the minutes from the Annual Town Meeting, on the Middlewich Town Council agenda? The Annual Town meeting has nothing to do with Middlewich Town Council. It's signed off from the other year ' Annual Town Meeting'***

*The Clerk advised that over the past 2 years, the Annual Town Meeting has been held and chaired by the Chairman and the Clerk. The clerk also advised that we don't legally have to attend, be involved or give you the room. Legally, it is your meeting, but Historically always done it through Middlewich Town Council, as a favour to the residents.*

***Cllr Simon Whittaker interjected and advised that the resident has made his point.***

**3. Another resident asked:**

***Has the council brought any action to ensure that ANSA are made to comply with (in audible) that demand the recording of the number of vehicles, entering and leaving their Middlewich site on a daily basis? This affects highways safety and residential amenities. This was the condition of the planning application.***

*Cllr Whittaker responded with – I have spoken to ANSA over this, and asked for it be raised at the liaison meeting that was cancelled. It is a concern, and I do believe they are sailing very close to the wind on it. They assured me that they were compliant (they thought) But, they were going to put it on the meeting, but it was cancelled, it will be on the next one.*

**4. Would the Town Council support me, and send a letter to them, asking them to simply comply with the planning conditions?**

*Cllr Whittaker answered – I think the Town Council can ask the ANSA group, for clarification are they compliant or aren't they compliant. Can we have the numbers As I don't actually think they are doing a full vehicle count If they are sailing so close to the limit, they cannot just say 'we are a few under' they need to give us a number because they've got delivery vehicles coming in, also need to be included in the tally.*





**Same resident said, he has asked Cheshire East Council, and they have kindly done a count, strangely enough, they have forgot to count the HGV's (inaudible)**

*Cllr Whittaker added –*

*If they are counting vehicles that are being maintained there, they're in and out, they can go out on a road test, and come back in. Does that count as 1 vehicle or 3? So yes, we will send a letter to ANSA. Resident also asked – let's not forget to ask the ward councillors to support this, as they are on the committee.*

*Cllr Whittaker advised that only one of them is.*

**5. A resident asked – A question for the minutes that are included in tonight's agenda pack.**

*The Clerk added, on point 9, confirmation of previous minutes. That's the point where they should be discussed.*

*The resident then asked - Am I not allowed to ask questions, even though it is on the agenda?*

*The Clerk said – when we discuss point 9, yes.*

*The same resident then said – No, that won't be a public part of the meeting. I shouldn't need to point this out.*

*Cllr Whittaker asked if the resident can send this in writing, and it will be dealt with.*

*Residents answered – No, this is actually important, and it needs to be dealt with, tonight. The reason being, is the minute numbers that have been used in these minutes are out of sequence, from the previous ones so, how is that possible? We can't even get the sequence numbers right, which is the minute reference on the bottom. If I come in I can help him, to do the basics.*

*The Clerk replied – when are you coming in?*

*The resident said I'm not sure you'll still be here.*

*The chair closed down the question.*

**6. Another resident asked if the dustbin wagons ANSA can make sure they stick to the 30mph limit, as they are not sticking to as they are doing 50mph.**

*Cllr Whittaker responded – yes, I have raised this issue with them in the past. Things seem to alter when you get on their case, and then it goes back to how it was. I spoke to Steve Newton over this. I got some flippant comment at first, but he did then agree to address it. But we will put another phone call in, and say that residents have more concerns. I've noticed it myself they are not doing 30 in a 30. Especially first thing in the morning, when they are going out at 6am.*

*The same resident also mentioned that she would go out, and take the wagon's number plates.*

*Cllr Whittaker said – please do, as this is what they ask for.*



*The same resident also asked, once the bins are emptied, can they be put back in the same place they were taken from, as there are a number of people with disabilities, and mobile scooter users, who are having to go on the road because they have left them in the middle of the footpath.*

*Cllr Whittaker answered - we will put that request in. In regards to speeding, they know they are speeding, because all these vehicles are on trackers, so you can get a number, they will be able to confirm, which one is doing it and speak to the driver.*

- 7. Another resident asked - I brought it up a while back, about the bins on the pavement, maybe 6 weeks ago, we haven't seen a n improvement, are you happy to work with me, to put the pressure on?**

*Cllr Whittaker responded – we will put pressure on them, not just through the liaison group, but from Middlewich Town Council as well. Saying we are not happy with it, and not waiting another 3 months for the ANSA liaison group.*

- 8. Another resident raised a point in regards to the number of vehicles coming in and out of the ANSA plant (majority of question is inaudible)**

*Cllr Whitaker answered – I think we do need to see a full vehicle tally, of what is going in and out. If they are getting so close to the limit, they are probably over the limit, with vehicle testing, and people bringing delivery vehicles in, we do need to see that.*

- 9. Another resident advised that ANSA are being prosecuted at the moment.**

*Cllr Whittaker advised that he can't comment on that.*

*Cllr Condliffe mentioned that an FOI request would get the answer to that.*

*Cllr Whittaker advised he has done this, and has not had a response.*

- 10. Another resident raised concerns as when the bin lorries go past his house at 6am his house shakes as they go past. I have pulled up the numbers. There were 27 vehicles going faster than 30 mph. I can guarantee you now, they will be ANSA trucks, and if we turn this around, in the previous hour, it will be the answer workers driving to the plant, speeding to get to work.**

*Cllr Whittaker answered – we need to make sure they are ANSA vehicles*

*The resident said they are certain they are ANSA trucks. He also advised that, he is willing to stand outside his house, on Monday morning at 6am, with a speed gun, and record the speed of the ANSA trucks.*

- 11. Another resident has asked why the Cheshire East presentation has not been included in the agenda pack, as we are in the public part of the meeting? That has not been included in the public agenda pack.**

*Cllr Marshal answered the people doing the presentation from Cheshire East, has asked it to in part 2, as it contains sensitive information.*





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**Victoria Building,**  
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**Middlewich, CW10 9AT**  
**Telephone – 01606 833434**  
**Email – Clerk@middlewich.org.uk**

Dear Councillor

You are summoned to attend the Extraordinary Meeting of Middlewich Town Council on **Monday 2<sup>nd</sup> April 2024, at 7.15pm**. The Meeting will be held in **Canalside Conference Centre, Brooks Lane, Middlewich CW10 0JG**.

Yours sincerely

**Cllr Garnet Marshall**

**Cllr Alison Roylance-White**

## **AGENDA**

### **Part One**

**1. Apologies for Absence**

*To receive and approve apologies of absence.*

**2. Declarations of Members' Interest**

*To receive declarations of interest of personal, prejudicial, and pecuniary interests from members relevant to items under discussion at the meeting.*

**3. Public Participation**

*To consider any questions received in advance and to discuss any matters raised by members of the public at the meeting on agenda items. A period not exceeding 15 minutes for members of the public to ask questions or submit comments.*

#### 4. Members Motion

*To consider, discuss and agree the following Members Motions.*

- a) To allocate at all regular Town Meetings 15 minutes, (subject to Chair's discretion) for Town Residents to ask questions of their elected Borough Councillor(s)
- b) To appoint Wirehouse Employer Services immediately to hear the grievances and to adjudicate to their outcome. To provide Wirehouse with all written and audio evidence available
- c) *To terminate the management consultant with immediate effect.*

## **PART 2**

**To make a resolution to move into Part 2 session and exclude the public and press from the meeting on the grounds that the matters to be discussed contain confidential information relating to staffing and financial matters and commercially sensitive information.**

None

**Creditors for Month No 4**

**Order by Ref No**

**Nominal Ledger Analysis**

Invoice Date	Invoice Number	Ref No	Supplier A/c Name	Supplier A/c Code	Net Value	VAT	Invoice Total	A/C	Centre	Amount	Analysis Description
15/07/2024	11700237315	2406	ANSA	ANA001	333.97	66.79	400.76	4134	101	333.97	Waste Collections 1/4-306/6/24
15/07/2024	ICEC J&B	2407	FRIENDS	FRI001	102.36	0.00	102.36	4300	301	102.36	Ice Cream Sales- Jazz & Blues
<b>TOTAL INVOICES</b>					<u>436.33</u>	<u>66.79</u>	<u>503.12</u>			<u>436.33</u>	
VAT ANALYSISCODE E @ 0.00%					102.36	0.00	102.36				
VAT ANALYSISCODE S @ 20.00%					333.97	66.79	400.76				
<b>TOTALS</b>					<u>436.33</u>	<u>66.79</u>	<u>503.12</u>				



## Creditors for Month No 4

## Order by Ref No

## Nominal Ledger Analysis

Invoice Date	Invoice Number	Ref No	Supplier A/c Name	Supplier A/c Code	Net Value	VAT	Invoice Total	A/C	Centre	Amount	Analysis Description
01/07/2024	5620	2408	PRISM	PRI001	264.69	52.94	317.63	4112	101	264.69	Telecoms 1/5-31/5/24
01/07/2024	TAX JUL24	2409	PRISM	PRI001	28.00	0.00	28.00	4251	405	28.00	Van Road Tax July 24
01/07/2024	9007657089	2410	FUEL CARD	FUELCARD	87.60	17.52	105.12	4140	405	87.60	Fuel for Rangers
01/07/2024	RM9 JUL24	2411	CEC	CHE001	170.00	0.00	170.00	4101	101	170.00	Room 9 July 24 Rates
03/07/2024	90685129	2412	XLN	XLN001	54.90	10.98	65.88	4214	306	54.90	Hall Broadband
03/07/2024	JUL24 COPIER	2413	GRENKE	GRE002	152.10	30.42	182.52	4111	101	152.10	Photocopier July 24 Rental
05/07/2024	JUL24 CHARGES	2414	BARCLAYS	BAR002	26.40	0.00	26.40	4104	101	26.40	Bank Charges 13/5-12/6/24
08/07/2024	35125269	2415	RENTOKIL INITIAL	REN001	59.63	11.93	71.56	4108	101	59.63	3 x Bin Removal 1/4/24-30/6/25
08/07/2024	9007702946	2416	FUEL CARD	FUELCARD	93.76	18.75	112.51	4140	405	93.76	Fuel for Rangers
10/07/2024	JUL24 WATER	2417	WATERPLUS	WAT001	403.85	0.00	403.85	4106	101	403.85	Metered Sewerage July 24
11/07/2024	06111839	2418	WATERPLUS	WAT001	44.03	0.00	44.03	4106	101	44.03	Metered Water 26/5-25/6/24
15/07/2024	RM3A JUL24	2419	CEC	CHE001	85.00	0.00	85.00	4101	101	85.00	RM 3A Jul 24 Rates
15/07/2024	HALL JUL24	2420	CEC	CHE001	561.00	0.00	561.00	4101	306	561.00	Hall Jul 24 Rates
15/07/2024	STORES JUL24	2421	CEC	CHE001	127.00	0.00	127.00	4101	101	127.00	Stores Jul 24 Rates
09/07/2024	7876	2422	ARCH PUBLICATIONS	ARC002	100.00	20.00	120.00	4206	306	100.00	Victoria Hall Advert
18/07/2024	11700237632	2423	CEC	CHE001	180.00	0.00	180.00	4308	101	180.00	Hall & Vic Bldg Premises Licen
24/07/2024	167662	2424	ECM	ECM001	85.00	17.00	102.00	4251	320	85.00	Weed Killer for Rangers
18/07/2024	5001	2425	JOHN HENRY	HDH001	1,292.00	258.40	1,550.40	4103	101	1,292.00	Internal Audit 2023/24
31/07/2024	598122	2426	DIY MIDDLEWICH	MID001	80.57	16.11	96.68	4251	405	52.84	Spanner / Ratchet / Socket Set
								4202	101	23.99	Drill Bits / Keys
								4108	101	3.74	Cleaning Cloths
31/07/2024	GAZEBO REF	2427	MIDDLEWICH PRIMARY	MID018	60.00	0.00	60.00	4199	101	60.00	Gazebo Deposit Refund
22/07/2024	POST JUL24	2428	NICHOLSON	NIC003	8.80	0.00	8.80	4113	101	8.80	Postage Stamps
22/07/2024	13835	2429	NORTH WEST	NOR001	33.50	6.70	40.20	4129	101	33.50	Annual Fire Extinguisher Serv
18/07/2024	70704548	2430	PHS	PHS	155.82	31.16	186.98	4108	101	155.82	Cleaning Items
05/07/2024	507509	2431	RVT	RVT001	109.82	21.97	131.79	4251	320	109.82	Grease/stripper line
25/07/2024	10588	2432	S3 SECURITY	S3S001	80.00	16.00	96.00	4202	101	80.00	Reprogram Alarm Fobs
02/07/2024	300912	2433	SHARROCKS	SHA001	38.18	7.64	45.82	4251	320	38.18	Mower Flail / Bolt & Nut

## Creditors for Month No 4

## Order by Ref No

## Nominal Ledger Analysis

Invoice Date	Invoice Number	Ref No	Supplier A/c Name	Supplier A/c Code	Net Value	VAT	Invoice Total	A/C	Centre	Amount	Analysis Description
22/07/2024	20990	2434	SIMPLY SIGNS	SIM001	150.00	30.00	180.00	4303	301	150.00	Car Boot Lamp Post Signs
27/07/2024	06405063	2435	WATERPLUS	WAT001	36.26	0.00	36.26	4106	101	36.26	Metered Sewerage
25/07/2024	420432	2436	WEAVER BUSINESS	WEA001	35.69	7.14	42.83	4110	101	35.69	Printing Charges 28/7-27/8
09/07/2024	7279373	2437	SDEG	SDE001	454.03	90.80	544.83	4199	306	454.03	Hall Tables & Cloths
09/07/2024	7279373 (A)	2438	SDEG	SDE001	-633.08	-126.62	-759.70	4199	306	-633.08	Order cancelled (see item 2401)
<b>TOTAL INVOICES</b>					<u>4,424.55</u>	<u>538.84</u>	<u>4,963.39</u>			<u>4,424.55</u>	
VAT ANALYSISCODE E @ 0.00%					1,730.34	0.00	1,730.34				
VAT ANALYSISCODE S @ 20.00%					2,694.21	538.84	3,233.05				
<b>TOTALS</b>					<u>4,424.55</u>	<u>538.84</u>	<u>4,963.39</u>				

<b>Authorisation of Invoices to be considered under agenda item 10c</b>						
<b>Invoice Date</b>	<b>Supplier / Payee</b>	<b>Details</b>	<b>Net</b>	<b>VAT</b>	<b>Total</b>	<b>Budget</b>
01.08.2024	Raj Thaker Consultancy Services	Fees for consultancy July 2024 @ £167/day	£2,895.00	£0.00	£2,895.00	Professional Fees
27/03/2024	North West Leicestershire District Council	Professional Fees in relation to advice provided on a vexatious resident. Invoice received 05.08.2024	£970.33	£194.07	£1,164.40	Professional Fees

Annual Internal Audit Report 2023/24

Middlewich Town Council

Middlewich.org.uk

During the financial year ended 31 March 2024, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2023/24 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

KEY: IA = Internal Audit

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		except for issue 3.) in IA report.
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.		✓	see issues 4.) and 5.) in IA report
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.		✓	see issues 6.) to 9.) in IA report
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.		✓	see issues 10.) to 15.) in IA report
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.		✓	see issue 16.) in IA report
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	N/A.		
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		except for issues 17.) to 19.) in IA report
H. Asset and investments registers were complete and accurate and properly maintained.		✓	see issues 20.) to 23.) in IA report
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		except for issues 24.) to 26.) in IA report.
K. If the authority certified itself as exempt from a limited assurance review in 2022/23, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2022/23 AGAR tick "not covered")	N/A		
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.		✓	see issues 27.) and 28.) in IA report.
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2023-24 AGAR period, were public rights in relation to the 2022-23 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2022/23 AGAR (see AGAR Page 1 Guidance Notes).	✓		
<b>O. (For local councils only)</b> Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken: DD/MM/YYYY between 20/5/24 and 18/7/24  
 Name of person who carried out the internal audit: JDH BUSINESS SERVICES LTD

Signature of person who carried out the internal audit: [Signature] Date: 18/07/2024

\*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

\*\*Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).



# Middlewich Town Council

**2023/24 Internal Audit**

JDH BUSINESS SERVICES LTD

*Registered to carry on audit work by the Institute of Chartered Accountants in England and Wales*

The internal audit of Middlewich Town Council is carried out by undertaking the following tests as specified in the AGAR Annual Return for Local Councils in England:

- Checking that books of account have been properly kept throughout the year
- Checking to ensure that the Council's Financial Regulations have been met, checking payments are supported by invoices, expenditure is approved, and VAT is correctly accounted for
- Reviewing the Council's risk assessment and ensuring that adequate arrangements are in place to manage all identified risks
- Verifying that the annual precept request is the result of a proper budgetary process; that budget progress has been regularly monitored and that the council's reserves are appropriate
- Checking income records to ensure that the correct price has been charged, income has been received, recorded and promptly banked and VAT is correctly accounted for
- Reviewing petty cash records to ensure payments are supported by receipts, expenditure is approved and VAT is correctly accounted for
- Checking that salaries to employees have been paid in accordance with Council approvals and that PAYE and NI requirements have been properly applied
- Checking the accuracy of the asset and investments registers
- Testing the accuracy and timeliness of periodic and year-end bank account reconciliation(s)
- Review of year-end financial statements
- The authority has complied with the publication requirements for the prior year AGAR.
- The authority correctly provided for a period for the exercise of public rights for the prior year AGAR
- The authority published required information on a website up to date at the time of the internal audit in accordance with relevant legislation.

## Conclusion

**On the basis of the internal audit work carried out, which was limited to the tests indicated above, in our view the council's system of internal controls is NOT in place**, adequate for the purpose intended and effective, and the recommendations reported in the action plan overleaf should be implemented promptly. The action plan issues and recommendations have been set out under each AGAR certificate internal control objective to assist the council with action planning for improvement going forward. As part of the internal audit work for the next financial year we will follow up all recommendations included in the action plan.

## JDH Business Services Limited

## ACTION PLAN

	ISSUE	RECOMMENDATION	FOLLOW UP
1	<p>Due to resource issues, council officers were unable to complete the interim internal audit information requests on a timely basis so the planned work was rolled into one annual internal audit. At the time of the internal audit the council were without a full time appointed clerk with the assistant clerk acting as clerk and RFO and a recruitment process for a full time clerk underway.</p>	<p><i>The council should ensure that resources are sufficient to enable an interim internal audit to be completed in future.</i></p>	
2	<p>We have received information asserting that proper practices and/or regulations (including Standing Orders) were not followed in some instances in the 2023/24 financial year. This information covered, for example, the administration of meetings with regard to public questions.</p> <p>A significant number of other examples of non-compliance with proper practices</p>	<p>The council should collate all identified non-compliance with laws, proper practices and/or regulations (including Standing Orders) and ensure this is communicated with the submission to external audit as part of the responses to the Annual Governance Statement Question 3 below:</p> <p><i>'3. We took all reasonable steps to assure ourselves that there are no matters of</i></p>	

	ISSUE	RECOMMENDATION	FOLLOW UP
	and/or regulations are included within this report.	<p><i>actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances. Agreed YES/NO'</i></p> <p>The council needs to also consider its responses to other parts of the Annual Governance Statement after review of issues in this report.</p> <p>The council must comply with its Standing Orders regarding the administration and management of council meetings.</p>	
<p><b>AGAR internal control objective A – Appropriate accounting records have been properly kept throughout the financial year.</b></p>			
3	See issue described in item 16.) below - we have been notified that the supporting accounting records for all bar income for the financial year have been lost.	<i>See issue 16.) below for recommendations regarding bar income accounting records.</i>	



	ISSUE	RECOMMENDATION	FOLLOW UP
<b>AGAR internal control objective B – The authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.</b>			
4	<p>Procurement:</p> <p>a.) We have to date received no evidence of three quotations for the item noted as ‘Grotto/Presenter’ £6,900.00 (Cost centre 4305 Events – Christmas) in the ledger.</p> <p>b.) We have to date received no evidence of a minute reference evidencing the selection of the approved supplier for the contract for the Emergency Light Remedials £7,520.00 (4129 Health and Safety).</p> <p>c.) A consultancy contract was entered into in 2023/24 and the total expenditure incurred up to the end of March 2024 was significantly in excess of the quotations threshold in the Financial Regulations of £5000. However, three quotations were not sought for the contract.</p> <p>Full council minutes for December 18<sup>th</sup>, 2024, indicate the contract may have been awarded or recommended by the HR</p>	<p><i>The council must comply with the procurement requirements of the adopted Financial Regulations.</i></p> <p><i>The council must provide the November 6<sup>th</sup> HR committee minutes and also publish these on the council website.</i></p>	

	ISSUE	RECOMMENDATION	FOLLOW UP
	<p>committee and then the recommendation accepted by a November full council meeting. The November 16<sup>th</sup> council meeting part 2. item agrees for a recommendation from the HR committee to be progressed which may relate to this contract, however, the date of the signed consultancy contract is November 6<sup>th</sup>, 2023 so this indicates the contract was entered into before any full council authorisation was provided for the contract.</p> <p>To date no minutes of the HR committee for November 6<sup>th</sup> has been provided (neither are the minutes published on the council website) which specifically recommends (or awards) the contract.</p> <p>We have not been provided with an adopted Terms of Reference for 2023/24 for the HR committee that duly delegates any expenditure powers to that committee, however, the committee would not have had the authority to authorise the contract according to the ‘authority to spend’ requirements of the Financial Regulations copied below and the information we have seen to date indicates the council did not comply with these Financial Regulations</p>		

	ISSUE	RECOMMENDATION	FOLLOW UP
	<p>as the contract was signed before the November 16<sup>th</sup> full council meeting:</p> <p><b>FRs extract:</b></p> <p>4. Budgetary control and authority to spend</p> <p>4.1. Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget. This authority is to be determined by:</p> <ul style="list-style-type: none"> <li>• the council for all items over £5,000;</li> <li>• a duly delegated committee of the council for items over £1000; or</li> <li>• the Clerk for any items below £1000;</li> </ul>		
5	<p>This internal control objective also covers whether ‘the authority complied with its Financial Regulations’. Apart from the examples in the issue above, there are multiple further examples identified in this report where Financial Regulations have not been complied with covering risk assessment, fixed assets, budgetary process and income.</p>		
<p><b>AGAR internal control objective C – This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.</b></p>			
6	<p>The risk assessment we were provided with for 2023/24 was dated November 2022 and is the risk assessment that was adopted in 2022/23. There is no evidence</p>	<p><i>The risk assessment must be reviewed, updated and approved by council annually.</i></p> <p><i>The mitigation actions in the risk assessment must be complied with.</i></p>	

	ISSUE	RECOMMENDATION	FOLLOW UP
	<p>this risk assessment was reviewed (including implementing our previous risk assessment recommendations for improvement), updated and then approved by full council in 2023/24. A risk assessment was included as an agenda item for a March 2024 council meeting but this meeting was subsequently cancelled.</p> <p>There are significant areas where the risk assessment is not being currently complied with:</p> <p>1.) RISK: Compensation claims from employee for contractual employment defects (including statutory failure).</p> <p>MITIGATION : Contracts of employment in place for all staff.</p> <p>2023/24 issue - No signed contract of employment was established for the Assistant Town Clerk in 2023/24</p> <p>2.) RISK: Lack of finance to meet unbudgeted, urgent commitments.</p>	<p><i>Financial Regulation requirements for the risk assessment must be complied with as follows:</i></p> <p><i>Para 17. Risk management:</i></p> <p><i>17.1. The council is responsible for putting in place arrangements for the management of risk. The RFO shall prepare, for approval by the council, risk management policy statements in respect of all activities of the council. Risk policy statements and consequential risk management arrangements shall be reviewed by the council at least annually.</i></p>	

	ISSUE	RECOMMENDATION	FOLLOW UP
	<p>MITIGATION examples: Earmarked Reserves are created for set purposes. General reserves equivalent to at least six months spend</p> <p>2023/24 issue - Reserves are still negative so there are no general or earmarked reserves and the council has not replenished reserves during 2023/24.</p> <p>3.) RISK: Loss/destruction of financial records</p> <p>MITIGATION: Key financial data held electronically and backed up off site.</p> <p>2023/24 issue - As we note in the income issue in this report, we were informed that all manual records relating to bar cash and card income for 2023/24 have been lost with no electronic versions available.</p>		

	ISSUE	RECOMMENDATION	FOLLOW UP
7	<p>The council, despite having negative reserves, has set budgets for new activities in 2024/25 covering ‘Toilets &amp; Street Cleaning’ and ‘Park repair &amp; cafe maintenance’. There is no accompanying detailed risk assessment for these new categories as required by Financial Regulations:</p> <p><i>Para 17.2. When considering any new activity, the RFO shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the council.</i></p>	<p><i>The Financial Regulation requirements for risk assessment must be complied with.</i></p>	
8	<p>One of the key risk areas identified in the 2022 version of the risk assessment was ‘<i>To ensure that all actions taken by the Town Council comply with all current Legislation</i>’</p> <p>There is evidence of non-compliance with a number of Freedom of Information Act (FOIA) requests for information from the ICO as follows:</p> <ul style="list-style-type: none"> <li>- Following receipt of an FOIA complaint, the ICO wrote to the Council on 7th December 2023, 27th February 2024, 11th and 23rd</li> </ul>	<p><i>The council must comply with FOIA requirements.</i></p>	

	ISSUE	RECOMMENDATION	FOLLOW UP
	<p>March 2024, requesting that it provide information on the application of an exemption to disclosure. The Council had not provided the Commissioner with the information requested as at April 2024.</p>		
9	<p>Prior year outstanding issue:</p> <p>The risk assessment does not address the risks of supplier fraud. The supplier fraud risks can be managed via appropriately robust policies and procedures. Examples of prevention actions include:</p> <ul style="list-style-type: none"> <li>- training for staff to alert them to the potential risks of providing sensitive company information, by phone or other means, especially contract and account information.</li> <li>- establish a rigorous change of supplier details procedure - where a supplier has purported to have changed their bank details always call the supplier to check the veracity of a request, using details in your system, rather than those on any associated letter or email. A person should</li> </ul>	<p><i>The risk assessment should be updated to include supplier fraud including the adequacy of supplier onboarding controls.</i></p>	

	ISSUE	RECOMMENDATION	FOLLOW UP
	<p>be authorised to approve a supplier bank account change after having reviewed the process undertaken to verify the supplier details change</p> <ul style="list-style-type: none"> <li>- periodic review of supplier accounts should also be undertaken to remove any dormant accounts. This reduces the likelihood of any old supplier information being used to secure fraudulent payments.</li> <li>- checking address and financial health details with Companies House</li> <li>- checking samples of online payments to supplier invoices to ensure the payment has been made to the supplier bank account</li> </ul>		
<p><b>AGAR internal control objective D – The precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.</b></p>			
10	<p>There are no general reserves remaining at the year-end as total reserves are again negative and disclosed as minus £9,940 in the accounts. The actual level of negative reserves is lower as there has been an omission from the year end accounts of professional fee creditors for March 2024 of £2,171 as noted in issue 25.) below.</p>	<p><i>The council must prioritise improving the reserves position and establish a realistic and achievable medium term plan to replenish general reserves to adequate levels.</i></p>	



	ISSUE	RECOMMENDATION	FOLLOW UP
	<p>Therefore, no progress has been made in replenishing general reserves in 2023/24.</p> <p>Sector guidance is that councils should aim for a general reserve level of between 25% and 100% of the precept or net operating expenditure.</p>		
11	<p>Budget / Precept Setting:</p> <p>From review of the minutes and the actual budget document we could identify no mention or discussion of the level of reserves. The budget to support the 2024/25 precept discloses a ‘new net position surplus’ of £16,349, however, a contingency budget of £10,000 is included below this figure. If this outturn was delivered, this budget would not materially replenish the level of reserves of the council.</p> <p>A discussion of the level of reserves at the precept setting should have been particularly important to address the need to replenish reserves, and we previously recommended the council set a medium term plan to replenish general reserves to adequate levels. Therefore, we have concluded the budget set during the</p>	<p><i>The council must comply with the Local Government Finance Act 1992 and formally take account of the level of reserves when setting the precept, and plan to increase reserves to adequate levels.</i></p>	

	ISSUE	RECOMMENDATION	FOLLOW UP
	2023/24 year for the 2024/25 financial year does not take into account of ‘an amount that the council estimates will be appropriate to meet future estimated expenditure’ (ie to hold in reserves). This is a requirement of sections 32 and 43 of the Local Government Finance Act 1992.		
12	<p>We note that there is a financial risks analysis at the bottom of the budget document as follows:</p> <ul style="list-style-type: none"> <li>- Alms Housing £80,000.00</li> <li>- Building H&amp;S £20000-1000000</li> <li>- Pension £80,000.00</li> <li>- Cemetery £5,000.00</li> <li>- Toilets/garages/fountain, fields park &amp; café £10,000.00</li> </ul> <p>Therefore the total maximum financial risks identified above in the medium term financial plan are £275,000.</p> <p>The council has not built up any earmarked reserves to try and meet these potential financial risks and has instead budgeted for an estimate of the annual cost of these risks in the annual budgets which are identified below:</p>	<p><i>The council must revisit the financial risks included in the medium term budget as part of the next precept setting process and ensure the potential risks are underpinned by detailed financial calculations and risk assumptions. Once this has been completed the council need to ensure the calculated financial risks are addressed in the medium term financial plan, either through building up appropriate earmarked reserves or setting realistic annual budgets for the estimated risks.</i></p>	

	ISSUE	RECOMMENDATION	FOLLOW UP
	<p>2023/24 £28,000 (NB Expenditure code 4010 Superannuation included an accrual for pension strain costs for early retirement of £29,960 so it appears liabilities were incurred in relation to financial pension risks in excess of the budgeted risk)</p> <p>2024/25 £24000</p> <p>2025/26 £24000</p> <p>2026/27 £0</p> <p>There is no further detailed analysis of each of the financial risks so we could identify no evidence as to the underlying assumptions for each financial risk.</p>		
13	<p>The council has no general reserves and no earmarked reserves as its overall reserves level is still negative. All cash and bank balances at the year-end are allocated as per the Balance Sheet to pay for liabilities including the pension liability that is being paid off over a number of years. The medium term budget set for 2024/25 to 2026/27 sets projected surpluses respectively of £16,349 (2024/25) and £14,126 (2025/26) after accounting for</p>	<p><i>The medium term budget set for 2024/25 to 2026/27 needs to be substantively reviewed to ensure that budgets are set to materially improve the reserves portion of the council.</i></p> <p><i>All new activities must be underpinned by a detailed financial and operational risk assessment as required by Financial Regulations.</i></p>	

	ISSUE	RECOMMENDATION	FOLLOW UP
	<p>additional expenditure to cover withdrawal of services by CEC, however, these are before a contingency estimate of £10,000 (2024/25) and £20,000 (2025/26).</p> <p>The reason for the limited budgeted improvement in the reserve position for each of 2024/25 and 2025/26 is that the budgets include further expenditure under the heading ‘Additional expenditure to cover the withdrawal of service from Cheshire East Council’ for new activities including library support, green area provision, additional ranger provision, toilets, street cleaning , park repair and maintenance of a café.</p> <p>It should also be noted that financial Regulations require the following for new proposed council activities:</p> <p><i>para 17.2. ‘When considering any new activity, the RFO shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the council.’</i></p> <p>No such detailed risk assessment currently exists for any of the detailed new activities/budget categories included in</p>		

	<b>ISSUE</b>	<b>RECOMMENDATION</b>	<b>FOLLOW UP</b>
	<i>'Additional expenditure to cover the withdrawal of service from Cheshire East Council'.</i>		
14	<p>Income assumptions in budget:</p> <p>As issue 13.) above notes, the final surpluses projected for the budget plan are £16,349 (2024/25) and £14,126 (2025/26), however, this assumes the following:</p> <ul style="list-style-type: none"> <li>- Income from grants of £15,000 (2024/25) and £20,000 (2025/26) when the 2023/24 outturn indicates against a budget of £25,000 no actual grants were received.</li> <li>- Income from rental income Main Building £10,000 (2024/25) and £20,000 (2025/26) when the 2023/24 outturn noted for 'Rent Income' is £3000.</li> </ul> <p>Should the above incomes not be achieved and all expenditure is incurred as projected, then the council would incur further deficits for both 2024/25 and 2025/26.</p>	<i>The council must revisit the income projections included in the medium term budget at the next precept setting process and ensure they are underpinned by detailed, realistic and achievable financial calculations and assumptions.</i>	

	ISSUE	RECOMMENDATION	FOLLOW UP
15	<p>Budget virement:</p> <p>The council has incurred significant expenditure on solicitors/consultancy in the financial year and this expenditure is posted to the Professional Fees cost centre in the Rialtas ledger. The budget for this cost centre was £7,000 for 2023/24, however, in the accounts we were presented with the actual expenditure was £16,962.</p> <p>We could identify no authorisation of budget virement from other budget(s) headings when the consultancy contract noted in issue 4.) above was entered into, as this contract meant the budget would definitely be overspent. Financial Regulations require the following:</p> <p><i>4.2. No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the council, or duly delegated committee. During the budget year and with the approval of council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement').</i></p>	<p><i>The council must comply with the budgetary requirements of the adopted Financial Regulations.</i></p>	

	ISSUE	RECOMMENDATION	FOLLOW UP
<b>AGAR internal control objective E – Expected income fully received, correctly priced, recorded and promptly banked and VAT accounted for</b>			
16	<p>Bar Income:</p> <p>No z-read reconciliations and audit trail information for any of our bar income samples were available as we were informed the file containing all 2023/24 bar income accounting documentation has been lost.</p> <p>Financial Regulations require the following with respect to accounting records:</p> <p><i>Para 1.12 The accounting control systems determined by the RFO shall include.....procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;'</i></p>	<p><i>The council must investigate how a folder that should remain at the council premises that was a key evidence file for all bar card and cash income has been lost. Due to the absence of any audit trail for any of the bar income for the financial year we have qualified the income internal control objective as a 'NO' in the 2023/24 AGAR.</i></p> <p><i>The council must comply with its Financial Regulations by ensuring contingencies are in place to reconstruct lost income records.</i></p>	
<b>AGAR internal control objective F – Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.</b>			
N/A			

	ISSUE	RECOMMENDATION	FOLLOW UP
<b>AGAR internal control objective G – Wages and salaries and members allowances paid in accordance with council approvals, and PAYE and NIC requirements properly applied.</b>			
17	We understand that no formal signed contract of employment was established for the deputy town clerk appointment, nor for the change of this role to include RFO s151 responsibilities, nor for the change of role to acting clerk. The council’s own risk assessment includes contracts of employments being in place for all staff as a mitigation to the identified risk of ‘compensation claims from employee for contractual employment defects (including statutory failure)’	<i>Signed contracts of employment must be established for all employees.</i>	
18	Prior year outstanding issue:  Annual pay rises are notified to the payroll agent via an email from officers.	<i>The Chair should either email the annual officer pay rise information to the payroll agent, or a scanned letter from the Chair should be sent to the agent confirming the annual officer pay rises.</i>	
19	Prior year outstanding issue:  There was no internal control in place whereby nominated members periodically select a sample payroll month and check the accuracy of payroll to source documentation.	<i>As part of the in-year checks of finance, members should periodically check the monthly payroll analysis to source documents including timesheets, contracts of employment and other supporting information.</i>	



	ISSUE	RECOMMENDATION	FOLLOW UP
<b>AGAR internal control objective H – Asset and investment registers complete and accurate and properly maintained</b>			
20	<p>The fixed asset value in the draft fixed asset register we reviewed in 2022/23 was disclosed as £240,663. We raised a number of issues regarding this asset register (which are restated below as they still apply to 2023/24) in the expectation that the council would review the asset register and make appropriate changes to ensure all assets are accorded an appropriate valuation in the final asset register.</p> <p>A subsequently updated version of the 2022/23 asset register published on the council website records a value of £242,078, however, the final 2022/23 AGAR recorded a fixed asset value of £245,715. The updated asset register includes further assets identified as capital additions for 2022/23 for Victoria Hall equipment, however, there are still other assets with no values for items such as the cemetery land and other assets with no value recorded and a statement 'to be verified'.</p> <p>Therefore, there is no audit trail to support the final disclosure for fixed assets in the</p>	<p><i>The council needs to carry out a review to ensure all fixed assets owned are identified, physically inspected, and completely and accurately recorded as required by the Financial Regulations.</i></p> <p><i>The council must ensure that there is a clear audit trail to the final disclosures for fixed assets in the AGAR to the final version of the fixed assets register for each financial year.</i></p>	

	ISSUE	RECOMMENDATION	FOLLOW UP
	<p>2022/23 AGAR of £245,715 to explain what final changes were made to the asset register.</p> <p>For 2023/24, the fixed asset value disclosed in the AGAR is £253,398. No 2023/24 fixed asset register has been provided to us, therefore, no information has been provided to us that supports this fixed asset value so there is a lack of audit trail from the 2023/24 AGAR disclosure to the fixed asset register. We note that the figure of £253,398 is the figure included in the Rialtas ledger.</p>		
21	<p>Prior year outstanding issue:</p> <p>Cemetery – the cemetery asset land that is registered in the name of MTC is recognised in the fixed asset register at the year-end but is noted as awaiting valuation. We are informed there are other individual assets at the cemetery such as the cemetery lodge and it is not clear why some of the cemetery assets have been included in the asset register but not others (eg the cemetery lodge.)</p>	<p><b><i>The council should discuss with the external auditor their requirement with respect to the cemetery assets and their inclusion in the fixed asset register.</i></b></p> <p><i>All assets included in the fixed asset register should be accorded an appropriate valuation, including any cemetery fixed assets being recognised.</i></p>	

	<b>ISSUE</b>	<b>RECOMMENDATION</b>	<b>FOLLOW UP</b>
22	<p>Prior year outstanding issue:</p> <ul style="list-style-type: none"> <li>- In 2022/23 assets that were already owned had been brought into the register e.g. July 2015 bowling mats £2938</li> <li>- In 2022/23 changes in valuations and method of valuation were identified e.g. Jan 2021 twenty deckchairs with £4470 cost revised from prior year notional transfer value of £1.</li> </ul>	<p><i>The council should review the guidance in the Practitioners Guide for fixed assets and restate the fixed asset figure for the prior year as assets already held at that time have been brought into the register and there have been apparent changes in method of valuation of other assets.</i></p>	
23	<p>Prior year outstanding issue:</p> <p>The council did not carry out an annual physical verification of fixed assets recorded in the asset register as required by the following Financial Regulation:</p> <p>14.6. ‘The continued existence of tangible assets shown in the (Asset) Register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets.’</p>	<p><i>The Financial Regulations for fixed assets should be complied with and evidence should be retained for the annual asset verification check for audit purposes. Without this completeness control, the council are not able to ensure that all assets owned are then adequately insured.</i></p>	

	ISSUE	RECOMMENDATION	FOLLOW UP
<b>AGAR internal control objective I – Periodic and year end bank reconciliations were properly carried out</b>			
No issues arising			
<b>AGAR internal control objective J – Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.</b>			
24	<p>Prior year outstanding issue:</p> <p>By the end of 2023/24 the legal processes required to resolve the status of the cemetery had still not been resolved.</p>	<p><i>The council must prioritise completion of all legal processes required to determine the status of the cemetery and review any impacts this will have on the council accounting statements.</i></p>	
25	<p>Review of creditors identified that the March invoice for professional fees had not been included in the liabilities in the Balance Sheet. The invoice total was for £2171. This has the impact of reducing negative year end reserves still further.</p>	<p><i>The council must ensure at each year end that comprehensive year end procedures are applied to completely and accurately identify all accruals and creditors.</i></p>	
26	<p>An income described as ‘Cemetery Maintenance Fund’ of £5,411 was included in the ledger for 2023/24. We are informed that this was money set aside some time ago, in a separate bank account, to cover legal fees with regard to the ownership of</p>	<p><i>The council must ask the external auditor if they require the 2022/23 comparative accounts in the 2023/24 AGAR to be restated for the bank account total of</i></p>	

	ISSUE	RECOMMENDATION	FOLLOW UP
	<p>the Cemetery and that the money was ‘transferred back in order to replenish reserves’.</p> <p>However, this bank account has not been disclosed as part of Middlewich Town Council bank reconciliation and accounts in previous years. If the monies were part of the town council resources in 2023/24 then they were also in previous years and should have been incorporated into previous accounts as an earmarked reserve and carried forward until utilised.</p>	<p><i>£5,411 not previously included in the town council accounts.</i></p>	
<b>AGAR internal control objectives K – not applicable</b>			
N/A			
<b>AGAR internal control objective L - The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.</b>			
27	<p>Website Publication of minutes:</p> <p>We were unable to locate all minutes on the council website, for example, the November 2023 HR Committee minutes. These have been requested but have not been provided.</p>	<p><i>The council must ensure the website is maintained up to date with all approved minutes.</i></p>	

	ISSUE	RECOMMENDATION	FOLLOW UP
28	<p>Transparency Code – Publications:</p> <p>Although payments over £500 were listed each quarter up to and including the third quarter of 2023/24 this practice ceased for the fourth quarter and finance reports are only included on the website up to month ten in 2023/24. In addition, the following information is not published on the council website as required by the Local Authority Transparency Code 2015:</p> <p><i>PUBLICATION 32. Local authorities must also publish details of any contract, commissioned activity, purchase order, framework agreement and any other legally enforceable agreement with a value that exceeds £5,000. For each contract, the following details must be published:</i></p> <ul style="list-style-type: none"> <li>- <i>reference number</i></li> <li>- <i>title of agreement</i></li> <li>- <i>LA department responsible</i></li> <li>- <i>description of the goods and/or services being provided</i></li> <li>- <i>supplier name and details</i></li> <li>- <i>sum to be paid over the length of the contract or the estimated annual spending or budget for the contract</i></li> <li>- <i>Value Added Tax that cannot be recovered</i></li> <li>- <i>start, end and review dates</i></li> <li>- <i>whether or not the contract was the result of an invitation to quote or a published invitation to tender, and</i></li> </ul>	<p><i>The council must ensure the website is maintained up to date and that it complies fully with the publication requirements of the Local Authority Transparency Code 2015.</i></p>	

	ISSUE	RECOMMENDATION	FOLLOW UP
	<ul style="list-style-type: none"> <li>- <i>whether or not the supplier is a small or medium sized enterprise and/or a voluntary or community sector organisation and where it is, provide the relevant registration number</i></li> </ul>		
<p><b>AGAR internal control objective M - In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2023-24 AGAR period, were public rights in relation to the 2022-23 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).</b></p>			
<p>No issues arising for the public rights notice for the 2022/23 AGAR and accounts.</p>			
<p><b>AGAR internal control objective N - The authority has complied with the publication requirements for the 2022/23 AGAR</b></p>			
<p>No issues arising</p>			
<p><b>AGAR internal control objective O – The council met its responsibilities as sole trustee</b></p>			
<p>Not applicable as the council has not disclosed that it is the sole trustee of a trust.</p>			

## 2022/23 Internal Audit

	ISSUE	RECOMMENDATION	FOLLOW UP
<b>2022/23 Year end internal audit report</b>			
1	<p>The level of general reserves remaining at the year-end of £61,423 represents 16% of the 2022/23 precept level which is significantly below the minimum levels recommended by sector guidance. The significant reduction in reserves is primarily due to the deficit incurred on the 2022 FAB event.</p> <p>Sector guidance is that councils should aim for a general reserve level of between 25% and 100% of the precept or net operating expenditure. The practitioners Guide also notes this recommended level of reserves.</p>	<p><i>The council needs to establish a medium term plan to replenish general reserves to adequate levels.</i></p>	<p><b>Pension Fund liabilities were correctly included in the final accounts as a creditor, therefore, the council carried forward negative reserves to 2023/24. The critically low level of reserves has not improved in 2023/24.</b></p>
2	<p>As we reported previously a number of employees who qualified for membership of the relevant pension scheme had not been incorporated into the scheme and Cheshire Pension Fund has identified the</p>	<p><i>As at the year-end no liability or earmarked reserves had been established for the outstanding amount of £72.484 as at March 31<sup>st</sup> 2023. The pension costs do not relate to an action taken or a service received in future</i></p>	<p><b>Pension Fund liabilities were included in final accounts as a creditor, therefore, the council carried forward negative reserves to 2023/24.</b></p>



	<p>total liability as £80,343, of which £7,859 had to be paid in 2022/23 with the remaining £72,484 payable over a three year period.</p>	<p><i>years, the costs are fully in respect of prior financial years and although it could be argued that Financial Reporting Standards do not strictly apply to local councils, it would be consistent with FRS102 to establish a liability in the accounts, as FRS102 requires recognition of a liability when “the entity has an obligation at the end of the reporting period as a result of a past event(s)”.</i></p> <p><b><i>The council must as a priority discuss with the external auditor what accounting treatment they require for this issue for the 2022/23 accounts as if the amount was established as a creditor in the balance sheet the council would have negative overall reserves. There are also insufficient reserves at the year end for the council to earmark the entire sum due.</i></b></p>	
3	<p>Cemetery – the cemetery asset land that is registered in the name of MTC is recognised in the fixed asset register at the year-end but is noted as awaiting valuation. We are informed there are other individual assets at the cemetery such as the cemetery lodge and it is not clear why some of the cemetery assets have been included in the</p>	<p><b><i>The council should discuss with the external auditor their requirement with respect to the cemetery assets and their inclusion in the fixed asset register.</i></b></p> <p><i>All assets included in the fixed asset register should be accorded an appropriate valuation,</i></p>	<p><b>No progress on this issue has been provided by the council.</b></p>

	asset register but not others (eg the cemetery lodge.)	<i>including any cemetery fixed assets being recognised.</i>	
4	<p>Fixed assets –a review of fixed assets by the council has identified:</p> <ul style="list-style-type: none"> <li>- assets that were already owned that have now been brought into the register eg July 2015 bowling mats £2938</li> <li>- changes in valuations and method of valuation eg Jan 2021 twenty deckchairs with £4470 cost revised from prior year notional transfer value of £1.</li> </ul>	<i>The council should review the guidance in the Practitioners Guide for fixed assets and restate the fixed asset figure for the prior year as assets already held at that time have been brought into the register and there have been apparent changes in method of valuation of other assets.</i>	<b>Recommendation Outstanding</b>
5	<p><b>RECURRING RECOMMENDATION</b></p> <p>The risk assessment does not address the risks of supplier fraud. Most standard local council policies do not cover supplier fraud. The supplier fraud risks can be managed via appropriately robust policies and procedures. Examples of prevention actions include:</p> <ul style="list-style-type: none"> <li>- training for staff to alert them to the potential risks of providing sensitive company information, by phone or other means, especially contract and account</li> </ul>	<i>The risk assessment should be updated to include supplier fraud including the adequacy of supplier onboarding controls.</i>	<b>Recommendation Outstanding</b>

	<p>information.</p> <ul style="list-style-type: none"> <li>- establish a rigorous change of supplier details procedure - where a supplier has purported to have changed their bank details always call the supplier to check the veracity of a request, using details in your system, rather than those on any associated letter or email. A person should be authorised to approve a supplier bank account change after having reviewed the process undertaken to verify the supplier details change</li> <li>- periodic review of supplier accounts should also be undertaken to remove any dormant accounts. This reduces the likelihood of any old supplier information being used to secure fraudulent payments.</li> <li>- checking address and financial health details with Companies House</li> <li>- checking samples of online payments to supplier invoices to ensure the payment has been made to the supplier bank account</li> </ul>		
6	<p>Publication Requirements:</p> <p>The Notice of Conclusion of Audit and Audit Certificate were not published by the deadline of September 30<sup>th</sup> 2022. as the external audit had not been completed by September 30<sup>th</sup> 2022.</p>	<p><i>No recommendation as the external audit had not been completed by September 30<sup>th</sup> 2022 so it was not possible to publish the notice within the deadline</i></p>	<p><b>See 2023/24 publication issues</b></p>

	<p>- Therefore, we have had to conclude in the AGAR internal audit certificate that the council did not comply with the publication requirements for the 2021/22 AGAR audit as required by the Accounts and Audit Regulations 2015.</p>		
<b>Second interim report – Action Plan</b>			
1	<p>A card payment was made on 30/06/2022 to AO Retail for £651 for a fridge and freezer. The Financial Regulations set a maximum transaction limit of £500 as follows:</p> <p><i>6.18. Any Credit Card issued for use will be specifically restricted to the Clerk/RFO and will also be restricted to a single transaction maximum value of £500 unless authorised by council or finance committee in writing before any order is placed.</i></p> <p>Therefore, the council has breached its Financial Regulations in terms of transaction limits for the credit card.</p>	<p><i>The council must comply with the credit card transaction limits in the Financial Regulations.</i></p>	<p><b>No further Credit Card issues identified in 2023/24.</b></p>
2	Income sample:		See 2023/24 bar income issues

	The z read reconciliations for the bar income banked in our income sample were not signed by the individual completing the reconciliation. nor is there a signature from finance staff to indicate the reconciliation has been checked and verified. The reconciliation does not contain a section where overs/unders between the banking and the z- read are explained as part of the reconciliation process.	<i>The audit trail for bar income needs to be improved with staff completing and reviewing the z-read reconciliations signing the documents. There should be a clear statement of reasons for unders/overs in bankings compared to the z-reads.</i>	
3	The Rialtas ledger records a duplicate payment dated 28/11/2022 to AQMESH Environmental Instrument for £6,690.52	<i>The council must implement improvements in internal controls and clear allocation of staff financial responsibilities to ensure duplicate payments to suppliers and duplicate payment entries into the ledger do not recur.</i>	<b>No further duplicate payment issues identified in 2023/24.</b>
4	The council has two working groups, the Air Quality Working Group and the Buildings & Maintenance Working Group. One of the terms of reference provided for the groups appeared to be still in draft form.	<i>All working groups should be established with an approved terms of reference, making it clear that the working group has no decision making authority.</i>	<b>No progress on this issue has been provided to us by the council, therefore, this is classified as ‘Recommendation Outstanding’</b>
5	Debtors  There is no income collection/debt write off policy to ensure there is an agreed consistent approach to income collection and the procedures to follow with older debts including write offs.	<i>The council should consider establishing an income collection/debt write off policy to ensure a consistent approach to debtors.</i>	<b>A debt collection policy was put to council in 2023/24.</b>

	Aged debtor reports are not provided periodically to council to provide management information about the age profile of debtor balances.	<i>Management information provided to council could be improved by providing the Rialtas aged debtor report at least annually so council can review income risks in terms of whether the levels of older debtors is significant.</i>	
6	Fees and charges were last reviewed by the Internal Committee in 2020 . Section 9.3 of the Financial Regulations require that <i>'The council will review all fees and charges at least annually, following a report of the Clerk.'</i>	<i>Fees and charges should be reviewed and approved annually by council in accordance with the Financial Regulations.</i>	<b>No progress on this issue has been provided by the council, therefore, this is classified as 'Recommendation Outstanding'</b>
7	There is no current completeness control in place to evidence that all fixed assets in the asset register have been reviewed to ensure they are adequately insured.  We note that there are examples of fixed assets being purchased via credit card.	<i>An internal control should be introduced to evidence that all fixed assets have been reviewed to ensure they are adequately insured, for instance a Y/N column inserted into the asset register.  The council need to ensure that all fixed assets purchased via the credit card are incorporated into the fixed asset register.</i>	<b>Recommendation Outstanding</b>
8	A review of policies identified that a policy for gifts and hospitality, and expenses , has not been adopted by council.	<i>The council should establish a gifts and hospitality policy, and an expenses policy, covering both members and officers.</i>	<b>No progress on this issue has been provided by the council, therefore, this is classified as 'Recommendation Outstanding'</b>
9	Although CCTV has been implemented by the council at the main offices and hall, there was no adopted CCTV policy evidencing compliance with the surveillance code of practice and data	<i>A CCTV policy and surveillance privacy impact assessment should be established to cover all the council's CCTV cameras.</i>	<b>No progress on this issue has been provided by the council, therefore, this is classified as 'Recommendation Outstanding'</b>

	protection legislation. In addition, a Surveillance Privacy Impact Assessment has not been applied prior to fitting of the cameras.		
10	Annual pay rises are notified to the payroll agent via an email from officers.	<i>The Chair should either email the annual officer pay rise information to the payroll agent, or a scanned letter from the Chair should be sent to the agent confirming the annual officer pay rises.</i>	<b>Recommendation Outstanding</b>
11	Feedback to our interim internal audit questionnaire item regarding Public Contract Regulations indicate no officers had received training in the requirements.	<i>The council need to ensure staff involved in procurement are aware of the requirements of the Public Contracts Regulations 2015 regarding publishing information about contract opportunities and awards, over certain value thresholds, on the Contracts Finder website. In addition, officers need to be aware that the Public Contracts (Amendment) Regulations 2022 came into force on 21 Dec 2022 (refer to Action Note PPN 01/23 Procurement Policy Note – update to legal and policy requirements to publish procurement information on Contracts Finder).</i>	<b>No progress on this issue has been provided by the council, therefore, this is classified as ‘Recommendation Outstanding’.</b>

# First Interim Report

## Conclusions

On the basis of the internal audit work carried out, in our view the council’s system of internal controls **is not in place**, adequate for the purpose intended and effective and the recommendations reported in the action plan below must be implemented.

The combination of historic pension liabilities, and the substantial deficit incurred through the delivery of the 2022/23 FAB festival, have resulted in a material impact on the level of council general reserves. The council will need to establish a medium term financial plan that aims to replenish general reserves to adequate levels. The issue with regard to Middlewich Cemetery is still ongoing with no projected date for resolution.

This report identifies multiple issues regarding the execution of the 2022/23 FAB event covering project planning, project management, financial management, decision making, risk assessment, internal controls and administration. It should be noted that our review was time limited as it formed a part of an interim internal audit, and the council itself is carrying out a thorough internal review into all aspects of the FAB event. We suggest the recommendations identified in the detailed council internal review are taken forward as a ‘lessons learned’ action plan for any significant future events or projects the council undertakes.

The council should note there were significant differences between the financial outturn information included in the Rialtas ledger for the 2022/23 FAB event, and the outturn information in the FAB event spreadsheet, and this is currently being reconciled by officers as we have requested this be carried out as soon as possible. The results of this reconciliation will impact on the financial information presented in the detailed internal review report as noted in issue 5.) below.

As a result of the 2022/23 FAB event outcomes, the council resolved on August 5<sup>th</sup> 2022 not to manage the annual FAB event in future.

	ISSUE	RECOMMENDATION	FOLLOW UP
<b>Middlewich Cemetery</b>			



	<b>ISSUE</b>	<b>RECOMMENDATION</b>	<b>FOLLOW UP</b>
1	<p>There has been no further progress in completing the legal processes required to determine whether the management for the cemetery and all associated records can be passed to the town council.</p> <p>We are informed the council is currently in a negotiation phase prior to any further legal processes but that Middlewich Town Council (MTC) has now been identified as owner of the cemetery land. The MTC title to the cemetery land has not, however, been registered with the Land Registry.</p> <p>The clerk has confirmed the cemetery asset has been added to the council fixed asset register but a value is yet to be ascribed to the various land and buildings comprising the asset.</p>	<p><i>Recurring Recommendation - The council should prioritise completion of all legal processes required to determine whether the management for the cemetery and all associated records can be passed to the town council. If the council assumes control of the cemetery, an accounting exercise will be required for the burials accounts to be consolidated into the town council accounts for the current financial year and prior years.</i></p> <p><i>If the council has secured evidence that they are the owner of the cemetery land (and buildings) then this title needs to be registered with the Land Registry. Appropriate valuations need to be determined for the land and buildings comprising the cemetery assets for the council fixed asset register.</i></p>	<p><b>2023/24 follow up – the status of the cemetery has still not been resolved</b></p>
<b>Pension Liabilities</b>			
2	<p>Our previous report noted that a number of employees who qualified for membership of the relevant pension scheme had not been incorporated into the scheme and that the council</p>	<p><i>The council must ensure that reserves are earmarked to meet to remaining £72,484 pension liabilities over the agreed three year period with Cheshire Pension Fund.</i></p>	<p><b>The pension liability has been recognised in the year end 2022/23 accounts.</b></p>

	ISSUE	RECOMMENDATION	FOLLOW UP
	<p>has not set aside any reserves to pay for the potential liabilities that may arise due to this issue.</p> <p>The council has worked with Cheshire Pension Fund to identify the liabilities for each employee and the total liability has been calculated as £80,343, of which £7,859 had to be paid immediately with the remaining £72,484 payable over a period now agreed as three financial years.</p>		
<b>Reserves</b>			
3	<p>The impact of the pension fund liabilities in issue 2.) above and the material deficit incurred by the 2022/23 FAB event will have a serious impact on the level of council reserves. Sector guidance is that councils should maintain a level of general reserves of at least 25% of net revenue expenditure. We are informed the council currently projects that general reserves will be either at or below the recommended minimum level of general reserves. We will review latest projections for the year end reserves balances at the second interim internal audit.</p>	<p><i>The council needs to complete a medium term financial plan that aims to ensure general reserves are adequate for the scope and activity of the council. This will necessarily mean a review of the adequacy of precept levels to meet all projected expenditure including the remaining liabilities for non-compliance with pensions legislation.</i></p>	<p><b>Recommendation outstanding - reserves we actually negative at the end of 2023/24.</b></p>
<b>Financial management of the 2022/23 FAB event</b>			

	ISSUE	RECOMMENDATION	FOLLOW UP
4	<p><b>Event Project Plan</b></p> <p>We have requested a copy of the project plan for the FAB event to review the key target dates set for delivery of the event logistics and procurement. The only reference to a plan is in the minutes of the external committee held on 02/12/2021. However, to date staff have not been able to secure a copy of the project plan and we were informed the plan was never formally put to council and adopted.</p> <p>Therefore, in the absence of a formal project plan managed in accordance with sound project management principles and regularly reported to council or committee we conclude project management for the event was deficient. This is borne out by issues identified in this review, for example:</p> <ul style="list-style-type: none"> <li>- Procurement for key items such as security was carried out close to the commencement of the event so the council were unable to adequately market test the supplies on every occasion.</li> <li>- The lack of coordination of the event planning via a robust project plan is also evident in the failure to secure sufficient stalls for the event</li> </ul>	<p><i>For all significant events and projects the council must ensure a project plan is established detailing activities and tasks in the required order and workflow, with timelines set for key milestones. Progress updates on any project plan, including financial information, must be provided regularly to the council.</i></p>	<p><b>The council resolved on August 5th 2022 not to manage the annual FAB event in future.</b></p>

	ISSUE	RECOMMENDATION	FOLLOW UP
	<p>which would have significantly increased income generated.</p> <p>We requested the financial and general risk assessment of the FAB event and were informed there was no specific risk assessment of the event. This should have been carried out as part of project planning. There is some evidence that for the 2022/23 festival the adequacy of insurance was reviewed. The insurance costs for the event were £1,737 which we are informed was significantly higher than in previous years as the clerk identified that the council had not been adequately insured for previous FAB events. For instance, for the 2022 event separate plant hire insurance of £752 had to be secured.</p>	<p><i>All key financial and other risks for events should be identified and appropriately managed as part of event project management. The adequacy of insurance should be assessed for all events managed by the council.</i></p>	
5	<p><b>Inconsistencies in the FAB accounting information</b></p> <p>The final version of the event spreadsheet provided to us showed a total loss of £84,320, with income of £79,601 and expenditure of £163,921. However, the Rialtas ledger report provided that covers the period of the event shows a deficit of £91,937 with £61,365 income and £153,302 expenditure. These are highly</p>	<p><i>The council must continue the process of reconciling the Rialtas FAB event cost codes with the event spreadsheet in order to identify accurate figures for the actual income and expenditure for the 2022/23 FAB festival. Where mis-codings are identified the council must ensure these are corrected within the Rialtas ledger.</i></p>	<p><b>The council resolved on August 5th 2022 not to manage the annual FAB event in future.</b></p>

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	<p>material differences, some of which is explained by the erroneous inclusion of VAT on ticket sales in the event spreadsheet income, and we requested that a comprehensive reconciliation was carried out between these two sources of financial information. Therefore, we delayed issuing this report until we were able to at least see the impact of some of the reconciling items that had been identified to date by officers.</p> <p>The financial information analysis used in the detailed internal review of the event (see page 47 of the internal report) utilises the event financial spreadsheet and therefore uses an event income figure of £79,601. However, this figure will not be accurate as, for instance, we were informed that the draft reconciliation currently indicates that £9221 of income in the event spreadsheet relates to VAT on sales rather than actual council income, which would obviously materially affect the income and deficit disclosed by the event spreadsheet. In addition, the draft reconciliation information indicates ticket refunds have not been accounted for in the event spreadsheet.</p> <p>Although not yet fully complete, the internal reconciliation process has also to date identified two items that have been miscoded in the ledger:</p>		

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	<ul style="list-style-type: none"> <li>- Insurance of £1738 had been incorrectly posted to Administration rather the actual Fab expenditure code</li> <li>- ‘Riders’ expenditure of £575 had been incorrectly coded to the hall bar expenditure rather than the FAB cost centre.</li> </ul> <p>We will review the final event spreadsheet/Rialtas reconciliation as part of the second interim internal audit.</p>		
6	<p><b>Budget Setting and Monitoring</b></p> <p>The final version of the 2022/23 budget for the FAB event, which represented a considerable increase in both income and expenditure over the previous version of the budget, was set as follows:</p> <p>Non-Bar Income: £154,960 Expenditure £166,960 with projected deficit of £12,000</p> <p>Bar Income: £25,000 Expenditure £13,000 with projected surplus of £12,000.</p> <p>Therefore, an overall breakeven budget was set for the FAB event.</p>	<p><i>At part of the budget setting process and ongoing regular budgetary control, the council must be presented with comprehensive management information for decision making regarding income and expenditure budgets, including historical outturn information. Where substantial increases are proposed in income budgets these should be subject to rigorous scrutiny to ensure they are realistic and achievable.</i></p>	<p><b>See 2023/24 budgeting and reserves issues.</b></p> <p><b>The council resolved on August 5th 2022 not to manage the annual FAB event in future.</b></p>

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	<p>The outturn information varies, as noted in issue 5.) above, however, clearly a substantial deficit has been incurred on this event. The primary reason for the deficit was the shortfall in income received. Total income from the event is reported as £61,365 per the Rialtas ledger, compared to a budget of £179,960 (inclusive of bar income).</p> <p>A comparison of the 2022/23 FAB event budgets with the estimated outturns from previous events shows the material increases in both expenditure and income budgets for the 2022/23 FAB event. The following indicative information was included on event spreadsheets provided by council staff for the 2018 and 2019 FAB events (NB these are internal estimates only):</p> <p><u>2018 FAB</u></p> <p>Income £63,344</p> <p>Expenditure £69,616</p> <p><u>2019 FAB</u></p> <p>Income £49,333</p> <p>Expenditure £59,437</p>		

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	<p>Therefore, the budgeted 2022/23 FAB income is 364% higher than that generated for the 2019 FAB event, and 284% higher than the 2018 event. The council should have been presented with income and expenditure outturns from previous FAB events during the decision making process for setting the 2022/23 FAB budgets, as well as underlying evidence such as activity and footfall information, to support the final budgets for income and expenditure. This in turn may then have raised queries from the council regarding whether the ambitious target of increasing income generated by such substantial margins over previous events was realistic and achievable.</p> <p>Clearly ticket incomes failed to meet the demanding income budget set and we have also noted in 10.) below the issue of free entries to the event, which would have had an adverse impact on ticket income. We also selected advertising income and stalls income from the income budgets to review in issues 11.) and 12.) below.</p>		
7	<p><b>Cash Receipts - Internal Controls</b></p> <p>We were informed there were no written internal controls in place for income collection for the 2022 FAB event over and above those prescribed</p>	<p><i>Recurring Recommendation:</i></p> <p><i>Robust internal control procedures, including cash receipting procedures, must be implemented to ensure the total income</i></p>	<p><b>NB See bar income issue in 2023/24 where all supporting records cannot be located by officers.</b></p>



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	<p>in the Financial Regulations. We recommended previously for FAB events that ‘Internal control procedures, including cash receipting procedures, should be implemented and embedded to ensure the total income banked for the FAB bar and any other sources of cash incomes can be reconciled to sequential receipts issued.’ We will be testing bar income systems as part of the second interim internal audit of the council later in the 2022/23 financial year.</p> <p>Between 29/04/2022 and 01/07/2022 a total of £5,015 cash was paid into the council accounts for cash ticket sales as card payment was the primary method of payment for tickets. We requested records of cash ticket sales to be reconciled to receipts and a sequential list of tickets issued, however, no record of sequentially numbered ticket sales was maintained for cash sales to enable verification of cash with tickets sold.</p> <p>Therefore, we were unable to test samples to assess whether cash received agreed to sequential ticket sale records which is an important internal control over the completeness and accuracy of income.</p>	<p><i>banked can be reconciled to sequential receipts issued for all cash income sources.</i></p>	<p><b>The council resolved on August 5th 2022 not to manage the annual FAB event in future.</b></p>

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8	<p><b>Procurement</b></p> <p>We tested a sample of higher value items for compliance with the procurement requirements of the Financial Regulations. Although there is evidence the council sought three quotations for the stages, generators and security they were unable to secure three quotations on every occasion, and a significant reason for this was the procurement exercise was carried out too close to the commencement of the event. Security is an example of this, where only one quotation was received and it was accepted at the 13/06/22 external committee meeting the day before the event commenced. The public conveniences for the festival were not approved until later in May 2022.</p> <p>There is also a lack of audit trail to evidence clear decision making with regard to procurement in some instances. For example, at the 14/04/22 external committee the staging quote for the folk stage was not accepted as another quotation was required which the minutes state ‘would need to come back to full council.’ We could not identify in any subsequent full council minute that they were presented with the folk staging quotations for a</p>	<p><i>Value for money must be optimised for events and other projects through timely procurement exercises.</i></p> <p><i>Minutes of meetings of the external subcommittee must record all decisions taken and reflect a complete and accurate record of the meetings.</i></p> <p><i>All quotations required to be approved by council or external committee must be included in the appropriate agenda and the procurement decision must be clearly recorded in the meeting minutes.</i></p>	<p><b>See 2023/24 procurement issues raised.</b></p> <p><b>The council resolved on August 5th 2022 not to manage the annual FAB event in future.</b></p>

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	<p>decision as noted above. In addition, the minutes of the external committee meeting of 12/05/22 we were provided with, where the FAB stage quotations were to be reconsidered contained no resolutions against items ex 356 to ex 358 for important aspects of FAB including the FAB folk staging and First Aid for the entire festival.</p> <p>We also note purchase orders were not utilised for the key supplies for the event as required by Financial Regulations. The council had previously looked to set up purchase order functionality in the Rialtas system.</p>	<p><i>The council should utilise a sequential Purchase Order system.</i></p>	
9	<p><b>FAB Working Group</b></p> <p>The FAB working group was the steering group that provided ongoing recommendations and reporting to the external committee for the event. We have to date not been provided with a terms of reference for the FAB working group. However, we noted that minutes or meeting notes were not recorded for all of the meetings, so there is a lack of evidence trail for the discussions that resulted in the recommendations for the event to the external committee meetings. Brief notes we were provided with indicates there were emerging issues with respect to the event. For instance, the 11/05/22 meeting noted</p>	<p><i>A formal terms of reference should be established for all working groups making it clear that they cannot make decisions nor commit the council to expenditure. Meetings notes or minutes should be produced and retained for all working group meetings.</i></p>	<p><b>See issue 4.) of second 2022/23 interim report regarding other working groups without an adopted TOR.</b></p> <p><b>The council resolved on August 5th 2022 not to manage the annual FAB event in future.</b></p>

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	<p>that this was a volunteer recruitment meeting but only one volunteer turned up, and at the 01/06/22 meeting serious concerns were noted about the event planning especially regarding how traders could book stalls. (As noted in issue 12. below the lack of timely organisation of stalls meant income from this source fell far short of previous FAB events). The working group minutes of 18<sup>th</sup> November and October 28<sup>th</sup> we were provided with were an exact duplicate so one of these meeting minutes is not accurate.</p> <p>The working group was not a council sub-committee and so had no decision making powers in respect of the event, or the power to commit the council to any expenditure.</p>		
10	<p><b>Allocation of tickets</b></p> <p>The free ticket allocation process for the FAB event was for the sponsors to receive from two to eight tickets depending on the level of sponsorship, and up to ten tickets to a small number of local groups for use as fundraising prizes. Therefore, free tickets for the FAB events should have been minimal.</p>	<p><i>No deviation from the council income and expenditure plans for events and other projects should occur without adequate authority in accordance with Financial Regulations. The council should identify the reason(s) why a significant number of residents considered that entry to the event on Friday and Saturday nights would be free.</i></p>	<p><b>The council resolved on August 5th 2022 not to manage the annual FAB event in future.</b></p>

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	<p>However, we were informed by an officer present at the festival ticketed gate that ‘hundreds’ of free entries were provided to residents on the Friday and Saturday nights of the event because these residents understood that entry would be free.</p> <p>The fact that a significant number of residents secured free entry to the festival at peak times when tickets were the most expensive will have significantly impacted on income generated. As already noted, the event had been set challenging income budgets so the event execution strategy should have aimed to maximise income generated from all budgeted sources.</p> <p>The only meeting we could identify that discussed free entry is dated 19/04/22 (minute 2078 item 9) and this notes ‘ Folk and Boat...during the day on Saturday will be free and all of Sunday will be free’ Therefore, the council minutes do not refer to a decision to permit a significant number of residents being provided with free entry on the Friday and Saturdays nights.</p> <p>Resident ticket prices were: Friday night £13.50 - £30 both folk and main stage, and Saturday night £20. A reliable estimate of the reduced income to</p>		

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	the council as a result of the above issue cannot be quantified as there is no information available as to what percentage of the residents would not have attended the festival if they would have had to pay for the tickets.		
11	<p><b>Advertising Income</b></p> <p>We were informed the council decided not to charge businesses for advertising, however, we could identify no clear council resolution to this effect in the council minutes nor a budget amendment to remove this source of income (£4500 was included in the approved council budget) and to demonstrate the impact of this decision on the financial outturn of the event. This is particularly important considering the challenging income targets set for the festival. The total advertising income from the 2019 event was stated as £3685 in the event spreadsheet for that year.</p>	<p><i>Council decisions must be clearly recorded in the council minutes. Where a council decision is taken that affects a council budget, the impact on that budget and outturn should be clearly shown so council can make an informed decision, and the revised budget should be calculated for future monitoring.</i></p>	<p><b>The council resolved on August 5th 2022 not to manage the annual FAB event in future.</b></p>
12	<p><b>Stalls Income</b></p> <p>The External committee did not directly organise stalls for the event as this was carried out primarily by volunteers and the working group. However, due to the lack of project management</p>	<p><i>The council must regularly monitor and challenge progress on implementing key actions and milestones for income generation for events and other projects.</i></p>	<p><b>The council resolved on August 5th 2022 not to manage the annual FAB event in future.</b></p>

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	<p>and monitoring, there was no regular reporting to the external committee on progress in organising the stalls, nor was there a projection established for the stalls budget linked to the estimated number of stalls needed to deliver the required income.</p> <p>There were a limited number of stalls organised for the festival which resulted in a material reduction from previous years events of this income source. Stalls income was disclosed as £11,730 in the 2019 event spreadsheet, and £4,535 in 2022 (per Rialtas), therefore, there was a £7,145 reduction in stalls income over 2019 and there was a significant shortfall on the 2022/23 FAB stalls budget of £8,500.</p>		