

Clifton Hampden Parish Council 2020/21

Consideration of an Objection made under Section 27 of the Local Audit and Accountability Act 2014 (the Act)

1. As Auditor of Clifton Hampden Parish Council I received a formal objection dated 15 July 2021 from [REDACTED], an elector of the Parish, in respect of the 2020/21 Annual Governance and Accountability Return completed (AGAR).
2. Having received a valid objection, it is my role as local auditor to decide
 - a. whether to consider the objection, and
 - b. if I do so, whether to take action within paragraph (a) or (b) of subsection (1) of Section 27 of the Act in response.
3. These potential actions are
 - a. Make a Public Interest Report
 - b. Apply to a court for a declaration that an item of account is unlawful.
4. If, as local auditor, I decide not to take action within paragraph (a) or (b) of subsection (1) of Section 27, I may recommend that the relevant authority should itself take action in response to the objection.
5. I may also decide that there is no action required to be taken.

The Objection

6. The objection covered five areas as follows:
 - a. The Parish Council records were not made available in a reasonable location for electors to review.
 - b. All pages of the AGAR were not displayed for review.
 - c. Headings on the website under which documents were included were not appropriate.
 - d. Detailed expense records showed abbreviated heading that were misleading.
 - e. The Developer responsible for undertaking the Neighborhood Development Plan was part of the Steering Committee managing the project which was a conflict of interest.

7. Each of these areas has been reviewed as follows:

- a) There is no fixed requirement in place around the location of records for review. We would not expect these to be at a location that is particularly difficult to get to, but it is common for this to be at a clerk's house for smaller authorities and the location quoted in this instance is deemed reasonable albeit a short distance outside of the Parish itself.

No further action is required in relation to this matter.

- b) Pages 1 and 2 of the AGAR form were not displayed with the rest of the AGAR and its supporting documents. The full AGAR is readily available online from Moore's website and Pages 1 and 2 can be observed here. However, these pages are instructions on completion of the AGAR only and for the authority's reference only. These pages do not form part of the documentation a Council is required by the regulations to publish. The information published by the Council is in line with Section 15 of The Accounts and Audit Regulations 2015.

No further action is required in relation to this matter.

- c) Although the objector may not be familiar with the technical terms used, these are driven by the Accounts and Audit Regulations 2015 and were not created by the Council. The Regulations are publicly available and can be accessed by any interested party – most easily online – and are free to access. There is no legal requirement for a council to use specific headings. We would therefore anticipate Councils to refer to the headings and titles used within the regulation to provide transparency and to ensure consistency with other authorities. Our experience is that most authorities follow the same headings used by Clifton Hampden Parish Council.

No further action is required in relation to this matter.

- d) Whilst there is some lack of clarity between headings used it is common for summary documents to be simplified, including in relation to headings used. We would expect anyone viewing the documents to ask the clerk for clarifications when required. There is no evidence to suggest such explanations either couldn't be provided or were not provided by the Clerk to anyone who asked.

Therefore, no further action is required in relation to this matter.

- e) This point was more detailed and had several concerns in relation to how the Steering Committee functioned under the Council and how the Developer's role fitted into this.

We asked the following questions of the Clerk:

- i. Were proper procedures followed in appointing Thomas Homes Limited to their role within the Steering Committee?
- ii. If so, please detail said procedures.
- iii. Please confirm Thomas Homes Limited have declared their interests to be taken into consideration when the Steering Committee meets.
- iv. Please confirm what procedures are followed when a conflict of interest arises / is discussed.
- v. Please confirm how the Council / Steering Committee review any expenditure decisions that are made on its behalf having been delegated to Thomas Homes Limited in their role as Commissioner of Services including, for example, a review against budgeted expenditure?
- vi. Please provide any further information / detail you consider might be useful in this area.

In response it was confirmed that whilst several quotes were not obtained for the appointment of the developer, their selection was influenced by both the landowner and the fact the developer was offering to provide their services at no cost.

Our view would be that best practice is that significant projects benefit from a selection of quotes being obtained. Where a single provider puts forward terms which provide good terms and additional benefits to the local area, the Council, following reasonable scrutiny and consideration, are not precluded from accepting it.

No evidence was submitted to suggest this might breach the Council's Financial Regulations or Standing Orders.

It has been confirmed that in the operation of the Steering Committee, all conflicts of interest have been declared in the normal way. Where any conflict arises the person(s) affected are excluded from discussions and the related decision.

We were made aware that there were several specific investigations performed by the District Monitoring Officer, in relation to potential mismanagement of conflicts of interests in relation to this matter. These reviews concluded that the necessary procedures were being properly followed and therefore none of the complaints were upheld.

Significant detail was provided in relation to how expenditure decisions are made. The Council appears to have followed a reasonable process in this regard which includes detailed consultation with relevant parties and budgetary due diligence.

The Council are entitled to delegate authority in the way they have. The level of monitoring of expenditure appears to be reasonable.

Furthermore, two nominated people are needed to make payment with shows reasonable segregation of duties and prevents the Developer from making purchases in isolation.

Procedures are therefore considered to be reasonable, and I have no concerns to raise from my review of this area.

It was further noted that there is a dedicated area of the Council's website for the Neighbourhood Development Plan which has a wide range of detail and documents that can be reviewed by the public.

Conclusion

8. From the various sources reviewed, it appears that the Council has taken appropriate precautions and reasonable actions, when required, to publish information, make it available to the public and in relation to how we would expect them to manage the expenditure in relation to the Neighbourhood Development project.
9. My conclusion is that there are no grounds to qualify the Report of the External Auditor for 2021 in relation to this matter.
10. Based on the information provided, we consider there are no grounds for a public interest report to be raised.
11. Nor for the reasons explained above do we believe there is justification to apply to the courts to have an item of account declared unlawful under section 28 of the Local Audit and Accountability Act 2014.

Right of appeal

12. You have the right, under section 28(3) of the Local Audit and Accountability Act 2014, to appeal our decision not to apply for a declaration. Should you wish to do so, you must issue your appeal with the High Court within the period of 21 days beginning with the date after you receive this document.
13. Should you wish to appeal this decision, we strongly recommend that you seek legal advice.
14. Please note, there is no right to appeal against the decision not to issue a public interest report.

Material information used in forming this decision – all available online

- Clifton Hampden Parish Council's Web Site
- The Accounts and Audit Regulations 2015

We have copied this decision to Clifton Hampden Parish Council.

Moore

Issued on 26 July 2022