

## CAPEL PARISH COUNCIL

### MINUTES OF FINANCE COMMITTEE HELD ON MONDAY 03 JUNE 2024 IN CAPEL PARISH HALL

**Present:** Mr Salter, Mr McLachlan, Mrs Dale, Mrs Schryver and the Clerk.

1. **Apologies:** Mr Ball
2. **Declarations of Interest:** None
3. **Matters Arising:** None
4. **Questions from Members of the Public:** None
5. **Profit and Loss to 31 May 2024:**

31 May 2024	NS&I Reserve Account	£610.89
31 May 2024	NatWest Reserve Account	£107,222.02
31 May 2024	NatWest Current Account	£2,763.65

Mr Salter addressed the meeting stating that there is 79% of the budget left which is a good position for the Council to be in. There is still one easement payment outstanding. April and May showed a high spend which included yearly payments for insurance and Surrey ALC/NALC subscriptions and the final payment toward upgrading the footpath adjacent to Capel pond.

The NatWest Reserve Account is yielding a high interest which is welcome. It was agreed that funds should continue to be earmarked for

- Public Works Loan.
- Solar panels
- Solar activated speed limit signs
- HMRC Employers NIC payments,
- Trig Street project
- Capel church memorial garden.

#### 6. **End of Year Audit Report**

The end of year audit has been completed by Mulberry and Company. Although the finances have been agreed and policies are in place, there were serious concerns regarding the non-payment of the Employers NIC. The auditor has highlighted the Council's decision not to make payments until HMRC have requested payment and said it was in full breach of its statutory obligations and to take no action is wilfully committing a crime. There was never any question of the Council not paying, it was a matter of how much was due. At the Full Council meeting on 20 May 2024, the Councillors discussed its association with Mulberry and Co as auditors as it was felt there had been a breakdown of trust.

The Councillors also asked why this under payment had been allowed to accrue for so long and why Mulberry, who have been the Parish Council's auditors since 2018 had not brought this underpayment to the attention of the Parish Council before November 2023.

The Parish Council is very disappointed that Mulberry and Co published inflammatory statements about the actions of the Parish Council without consultation. They are fully aware that we have ample funds in our reserves to cover any monies due and there was never any intention NOT to pay the outstanding money. Damaging the Council's reputation in a public document without any 'right of reply' was totally unnecessary.

The Councillors agreed that this preceding paragraph should be included in the minutes of the Full Parish Council meeting on 20 May 2024, forwarded to Mulberry and Co and also to

ask them, in the role of Tax Advisor, to answer the questions relating to the small business allowance which has been wrongly included by the Parish Council's payroll advisor.

The Finance Committee recommend:

- The Parish Council will not sever links with Mulberry and Company.
- It was agreed that in the role of Auditor Mulberry does not have to give advice on tax payments. As Mulberry is a Tax Advisor, it was suggested the Parish Council ask them, in that capacity, to advise on this matter providing the cost is not prohibitive.
- It was agreed that a new payroll provider will be sought, someone who has dealings with Parish Councils and who is aware of regulations relating to Local Government.
- The Clerk will obtain the HMRC Gateway information.
- HMRC will be contacted by telephone and asked for a full breakdown of outstanding Employers NIC payments.
- HMRC will be asked when it becomes necessary to pay Employers NIC as this does not apply to smaller Councils.
- It was unanimously agreed that all Employers NIC payments from December 2023 to May 2024 inclusive will be made immediately. This equates to a payment of £2,058.06. The November 2023 payment had already been made.

**7. Date and time of next meeting:**

Monday 02 September 2024 at Capel Parish Hall