

RE: WELNEY PARISH HALL

A personal report by Peter Cox to the Parish Council on 29th January 2003 on financial and administrative matters for attention by any new Management body

Finances.

On the 7th October 2002 the then Chair and Vice-Chair of the PHC were so concerned about the absence for some weeks of the then Treasurer that they visited the Committee's bankers. They were shocked to learn that the total of the funds in the two accounts was just over £4,000 instead of something in the region of £11-12,000 that they expected.

The Committee achieved the return of some £7,500 just seven days after discovering the shortage. I understand that they did this without police involvement to avoid the possibility of bad publicity. This could have harmed the Village generally, and may have adversely affected the Committee's attempts to fund a new Hall. They accepted the amount returned to be the full amount due because it tallied with their expectations and they had little evidence to prove otherwise. Since then we have received another £500 from the ex-Treasurer, of which £200 is a donation. At this stage I have no reason to believe that anything more is owed, but no one will be able to say for sure without a lot more work.

Accounts

After my appointment at the end of October, I received several boxes of envelopes and loose papers that constituted the accounts system, but no bank statements since 1998. It took some time to sort the papers out and to obtain new statements. I have now reviewed transactions going back more than four years in order to re-draft the accounts, and have found that money started to go missing in 1999 shortly after the lottery started and continued to do so on a regular basis until August 2002. The annual statements of income and expenditure for the years 1999 and 2000 were not verified internally or audited externally. The accounts for 2001 were presented three months late. Again, there had been no internal checks, but they were looked at externally and verified in part as far as was possible from the documents provided. I have not yet finalised the figures for 2002 or for the previous years, and had planned to have them audited before the AGM in March. If asked, I would be happy to continue as Treasurer for any new body formed to administer the Hall, in order to complete my task. However, I would not be the least bit offended if a replacement were preferred, and I would co-operate fully in a smooth hand-over.

The Welney Lottery

This started in mid 1999 to fund a new floor and general refurbishment of the existing Hall. It has been the Committee's largest source of income by far netting a total of £5,700 in just over three years. The lottery has now lapsed, leaving two matters outstanding

Some money was collected for draws that did not take place. A few members may have prepaid for a period beyond the last draw in August and a small amount of money was collected in September. Richard Green's article in the Welney News asked for anyone in credit to either wait for a new lottery or to request a refund. No requests have been received. A new Committee will have to decide if further action is required.

A much more serious potential problem is that for the whole of 2002 the Welney Lottery was not licensed. In May 2002 the Borough Council wrote to the Promoter saying that as renewal documents and payment due in January had not been received despite reminders, the registration was cancelled and no more lotteries could be held. The Promoter told the Treasurer, who informed the Committee on the 15th May that although he had sent a cheque to the Borough Council in January "no new licence had been issued". However collections continued and a further three

draws took place. Technically, it is the Promoter who is in breach of the law for not submitting a return for 2001, for operating an illegal lottery for the first 5 months of 2002, for a further 3 months after being warned not to continue, and for collecting money for which no draw took place. The Committee however being made aware of the situation in May 2002, and being the beneficiaries, may also be in breach, but I cannot confirm that. I understand that the gross proceeds of any lottery operated without a current licence may have to be refunded if instructed by the licensing authority (WN&KL BC). There is therefore a potential liability of £2,830 being the gross income for the year.

The new Hall planning application

I have not seen the fee submitted by the Architect but I understand it was £4,320 including £630 VAT. Richard Green believes the correct sum for the work actually performed should be £3,031.50 including VAT and wrote to the architect on 10th December. Richard's letter has been acknowledged, but the matter had not been resolved as at last Wednesday. The advice I've received from Customs and Excise is that the VAT is not recoverable. This ought to be looked at by any new Committee.

Bank Mandate

The current mandate requires cheques to be signed by two out of three authorised signatories. They are Richard Green, Marlen Moss-Eccardt and Margaret Levesley. Any change will require a fresh mandate, and I have asked our bank to supply new forms.

Public Entertainment Licence

The current licensee is Richard Green. I have an application form which will need to be submitted when a replacement is chosen.

The AGM is due by the end of March 2003. The date has to be advertised 6 weeks in advance.

The following matters are up to date and will not require any immediate attention:

- Fire test
- Electrical test
- Rent
- Insurance
- Electricity & water

Peter Cox, 29th January 2003.

Later corrections: 4th February 2003

Finances

Return of funds was actually completed **nine** days after discovering the shortage, not seven days. A sum of £1,550 in cash was paid into our bank on the 14th October 2002 (seven days after discovery) with a further £5,727 by a building society cheque two days later on the 16th.