

Statement read by the Chairman at the Meeting of the WPC on 12 November 2018 in Relation to Agenda Item 9.5 "First Draft of Budget for 2019/20"

I would like to begin this item by reading out a written statement in relation to the budget which, unfortunately, raises some serious concerns for the villagers of Walberswick.

First, in terms of the good news, we are on track to have achieved our budget objectives for this financial year, with reserves built up slightly to around £8000 and being on track to fully reach our targeted reserves by the end of 2019/20. All things being equal, we might have then been able to look forward to a reduced precept in 2 years time.

Second, the draft budget presented here for next year is largely balanced, so our income and expenditure match.

Third, we have received a clean internal audit from SALC.

Fourth, we have received a clean interim external audit from PKF Littlejohn.

Now for the bad news. Although we received a clean interim external audit at the end of September, as published on our website, the external auditor could not finalise because of a huge number of objections to the public accounts along with a large number of complaints about the Council in general that were submitted by three objectors. The auditors are unable to issue the final certificate and close the accounts until they work their way through all of it and can respond. We are told that we should not publicly name the objectors, so I will refer to them only as Objectors 1, 2 and 3.

Our latest estimate is that Objector 1 made 24 separate objections, Objector 2 made 31 separate objections and Objector 3 made 69 separate objections, making a total of 124 objections and complaints. These three individuals have also sent many emails and letters to the auditors, as well as making a large number of phone calls. The Auditor makes clear to those making complaints that such contact with the auditor will be very costly to the local authority and that they should preferably deal with the Council directly rather than raising these issues with the auditor. To date, these three objectors have not taken up this advice.

The auditor charges £355 per hour, a rate neither they nor we can negotiate as the rate is set nationally for auditing some 9000 local authorities. The base rate for the audit is just over £200 which is all we would have to pay if we did not have the objections. The 2018 hourly rate is 3 times more than it was in previous years.

So, what does this all mean? The auditor has informed me that they do not want to be in a position to have to charge the Council so much, but even just to review this huge volume of correspondence, even if none of it were to be actionable, true, relevant or material, is going to be costly. At the lower end of the scale, we may be looking at £5000 and it could go up to some £10,000 depending on how onerous and time consuming it is to handle all these complaints. Although there is a right for individuals to lodge objections to the annual accounts of local authorities, the scale of what is happening here is disproportionate and highly unusual. We are looking at the possibility of nearly 25% of our entire precept being

burnt up, and as I said, the amount could be even higher. This is effectively an uncapped liability, not just this year, but in future years if this does not stop. Both the auditor and WPC are very aware that this scale of expense cannot be met by WPC income or a feasible reduction in expenditure and it therefore seems inevitable that in order to meet our statutory obligations we will be forced to exhaust our reserves and increase the precept to pay for it. To me, it is a wholly unjust scenario that every council tax payer in this village should now be facing an increase in their precept in order to pay the auditor fees incurred in responding to these objections.

The Council is doing all we can to limit the expense and we are currently using many hours of our own time going through the 124 individual complaints and providing the necessary information to the auditors to address the objectors. If we were not doing this, the auditors bill could even exceed our entire year's precept (currently £23000). But even this cannot protect us entirely because the auditors are required, by law, to deal with the objections in some form even if objections are baseless or immaterial.

The only obvious way to avoid this potentially huge expense is for the 3 objectors to withdraw their complaints, allowing the audit to be closed without additional charges, and the Council to move on with our business. Truly, it broke my heart that just as our hard work to get agreement to repair and reopen the Bailey bridge showed how absolutely essential it is to the village to have a well functioning, respected Parish Council, we are faced with this unjustifiable situation.

I want to close by saying that my fellow Councillors and I joined this Council knowing that there were challenges and that we would have to strive to be a council that ran as well as humanly possible despite the maze of regulations, requirements, data protection and everything else thrown at us. I believe we have done as good a job as any of us could have hoped. But this is different now because I believe that this is not an attack just on the council, but is an attack on every family in this village as it will be every council tax payer – working families, pensioners, all of us -- who will literally have to pay the price.

I therefore appeal to the objectors to stop and think about this, and to withdraw their complaints for the good of all the individuals who live in our village. In return I will ensure that each objector gets from the Council, rather than from the auditor, a written response to their objection letter as this will cost only the time and effort of us Councillors and not the hard earned money of the people of this village.