

Parochial Church Council for the Parish of St David with St Michael and All Angels Exeter

Approved minutes of the meeting of the PCC for the parish of St David with St Michael and All Angels Exeter held at St David's Church on January 4th at 7.00pm.

The meeting began with prayers

Present:	Simon Harrison	Jonathan Johns
Emma White	Rev Christopher Durrant	Richard Barnes
Sam Wellbelove	Roger Beer	Stephanie Aplin
Sue Wilson	Amy Down	Elizabeth Hughes
George Hexter	Dave Allin (chair)	Richard Parker
Bill Pattinson	Keith Postlethwaite	Charlotte Townsend
Richard Johnson	Clive Wilson	Barbara Allin
Helena Walker	Paula Lewis	Ann Watts

1.	<p>Apologies for Absence Lizzie Hewitt, Chris Heaven, Lis Heaven, Howard Friend</p> <p>Chris Heaven had let Keith know that his health was improving; he thanked members of the committee for their best wishes and prayers.</p>	
2.	<p>Declarations of interest Richard Barnes reported that he had been given a £30 book token in thanks for his role in the organ project.</p>	
3.	<p>Draft Minutes of the Nov 2017 meeting Clive Wilson reported that he, not Richard Barnes, had asked a question about St David's numbers. It was proposed by Helena Walker, and seconded by Paula Lewis, that subject to this correction being made, the minutes be approved. This was agreed nem con, with 1 abstention.</p>	
4.	<p>Matters Arising from the Minutes – including the following unresolved issues from the minutes dated June 2017</p> <ul style="list-style-type: none"> • the appointment, if any, of a key registrar for St Michael's (Item 8/9a); <ul style="list-style-type: none"> ○ Stephanie Aplin reported that she has received back keys and had a list of those who know had keys but has not yet acted as registrar. We noted that this needed to be reviewed. • the adoption, if any, of cash handling processes by St Michael's (Item 8/9a); <ul style="list-style-type: none"> ○ New procedures had been introduced and reported when Jonathan Johns became parish treasurer. There have been no further changes. 	Review required

	<ul style="list-style-type: none"> • the progress, if any, in the production and completion of fundraising forms (Item 8/9a) <ul style="list-style-type: none"> ○ Geoff is trialling forms and Paula is preparing forms for St Michaels' • DBS checks <ul style="list-style-type: none"> ○ This is still to be followed up. 	<p>To be reviewed</p> <p>To be completed</p>
5.	<p>Confidentiality</p> <p>We agreed that there were not confidential items in the November minutes</p>	
6.	<p>General Data Protection Regulations</p> <p>Keith outlined the GDPR requirements that will be introduced in May 2018 to increase the rights of individuals and protection in how their personal data are used. Personal data are data that identify the individual. The rules apply to all such data whether held electronically or in hard copy.</p> <p>Key ideas are that people must consent to personal data being collected and used; the intended use must be clear and specific. We must not then use the data for other purposes. We must hold only the minimum amount of data necessary for the declared purpose. We must make provision for people to exercise their rights to see and correct their data, and to 'be forgotten'.</p> <p>Personal data must be stored securely (eg password protected computers or files, locked filing cabinets). Copies of personal data files should not be made to memory sticks that are less secure than well managed computers, and easily lost.</p> <p>We discussed the display of electoral roll data and noted that only names are made public and that consent is given when signing up to the electoral roll.</p> <p>Individuals who appear in the directory should have given permission for their data to be displayed. We should check that these permissions are on file.</p> <p>We agreed that the wardens would complete a data audit for both churches, and then continue to work through the GDPR checklist</p> <p>Amy advised that she had completed a GDPR course in relation to her work and could advise.</p>	<p>Wardens to complete the GDPR checklist</p>
7.	<p>Presentation to the PCC of a report on the investigation into financial matters.</p> <p>Jonathan Johns explained that the investigation was requested by the Archdeacon following the loss of funds from the safe at St Michael's. The scope widened as further facts came to light. We have to report back to the Archdeacon.</p> <p>The issues identified included the original loss, the destruction of financial records and payment to related persons. The Independent Examiner of accounts was necessarily involved and the issue led to the declaration of a 'serious incident' to the Charity Commission. Our hope is to further</p>	

improve the accuracy of the report through attention to issues raised in the meeting, and to any further evidence that is provided and then to send the report to the Charity Commission with the support of the PCC. To make these further revisions possible, the earliest the report can be sent off is 7 days from the date of the meeting – and this review period could be extended. However, since the Independent Examiner and the Parish Treasurer are bound, by the codes of practice of their professions, to make such a return if we do not, the report cannot be withheld from the Charity Commission even if we cannot secure support from the PCC.

Jonathan Johns began by commenting on the statement of accounts. These accounts will be public documents. The accounts do list the issues revealed by the investigation, but do not identify individuals. The report does identify individuals (by initial), but is not a public document and will be confidential to the PCC, the Archdeacon and the Charity Commission.

Item 10 of the Notes to the Financial Statements in the revised accounts for 2016 makes the point that related party payments had been made, but not previously disclosed. The Independent Examiner (IE) expressed surprise at this. As a consequence we had to show that this had been investigated and action had been taken. Disclosure therefore had to occur.

Jonathan Johns then took us through the report section by section in detail. The details that are in the report were summarised by are not repeated here. Explanation and discussion are recorded.

Section 1 Background

1.2) - 1.5) indicate the range of work done to recreate the accounts.

Jonathan Johns concluded that the records are now good enough to enable us to declare that records are being kept.

In relation to the sale of Choir CDs at St Michael's Stephanie Aplin explained that CDs were on the shelf. There was no indication of how, or who, to pay. Money was put in the pillar. Jonathan explained that analysis of the pillar receipts shows that there is not enough income via this route to account for the CDs which are no longer in our possession. Better physical control of the CDs was clearly required. The lesson for the PCC is that if members become aware of inadequate safeguarding of physical assets we must bring to the attention of officers.

Jonathan also explained that should further CD income be identified it should go first to the person who paid for the pressing of the CDs and then to the church.

1.7) This item invites the PCC to approve the report. Jonathan Johns explained that, for several months, individuals have been invited to provide evidence to explain situations and events; that although there have been non-responses, new evidence is being received; further evidence will be welcomed; further meetings are available. The team involved in the investigation is Dave Allin, Emma White, Jonathan Johns (financial issues) and Keith Postlethwaite (receipt and distribution of documents). Information can be disclosed to members of this group. The Wardens do not have authority to vary this group but anyone seeking to provide information can choose who to talk to or write to within the group. Information cannot be provided on the basis that it cannot be shared with others in the group. Since people involved have known of our wish to receive further information for several months, the additional time period of 7 days is reasonable.

<p><u>Section 2 Investigation into cash loss from the St Michael's safe, and related issues</u></p> <p>As a result of the actions described in Paras 2.1 and 2.2, some £900 has been recovered from insurers.</p> <p>Para 2.3 describes a recent event which serves as a reminder of the importance of safeguarding assets. The church does not want to lose the cash, nor the goodwill of donors.</p> <p>In light of the investigation there are now cash safes inside the safes in both churches, key registers are being updated and guidance for donors is in preparation.</p> <p><u>Section 3 Related party payments or financial benefits conferred to PCC and DCC members</u></p> <p>Richard Barnes suggested that the dates of individual's membership of PCC, DCC or similar bodies needed to be matched to the dates of receipt of payments. Jonathan indicated that this had been done and the related party payments calculated accordingly.</p> <p>Jonathan Johns explained that there was not necessarily anything wrong with such payments, but they must be disclosed.</p> <p>Amy Down asked if <i>ex officio</i> membership of PCC/DCC and membership of sub-groups etc meant that such individuals were viewed as trustees. Jonathan replied that they were – people were expected to behave in trustee-like fashion when carrying out their functions.</p> <p>Jonathan Johns explained that some payments were fully approved and some not approved but some were partly approved. Richard Barnes asked if something discussed by the DCC but not ratified by the PCC was 'half approved'. Jonathan agreed, and pointed out that such payments had therefore to be disclosed.</p> <p>Stephanie Aplin said that they were persuaded to transfer energy suppliers to Utility Warehouse because it was cheaper. Savings of 30% were suggested but there was no disclosure that commission would be payable. Actual figures did not match the predicted 30% cost reduction.</p> <p>Richard Parker asked if the investigating team had all the minutes. Jonathan Johns said that individuals had been asked to provide any relevant information and all information provided had been used to write or re-write the report.</p> <p>Richard Barnes said that people had not been given information about the need for disclosure. Jonathan Johns replied that the declarations in the accounts drew attention to these issues. Richard Barnes thought individual members of the PCC might not understand the significance of these statements.</p> <p>Jonathan Johns said that there was a file note on the past treasurer's (AH) document that he had received guidance from the Diocese and AH felt that he had read this out to the DCC. Richard Barnes said that he thought they then declared to the PCC that there were conflicts of interest. Jonathan said that learning point for all of us was the need to fully minute such discussions and properly approve contracts.</p> <p>In relation to Para 3.7 Jonathan Johns explained that explained that payments needed to be understood in context. Trusteeship is a voluntary activity. The work people do is normally voluntary so it is abnormal for there to be high levels of financial benefit to trustees. If a trustee is to be paid it is important to ask if others would do it voluntarily and to consider</p>	<p>Review progress with key registers (including the identification of a volunteer to manage them) and with donor guidance</p>
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what the financial standing of the organisation is. In this situation, the churches were usually in deficit making it harder to justify payments. Nevertheless some payments were for normal services at normal rates. Organist payments were in this category. Choir Director payments were more discretionary; administrator payments were discretionary. Richard Barnes said he had a figure of £2000 in mind as a budget for administration (cf £5814 in the table in Para 3.7) and noted that the incumbent was a cheque signatory. Dave Allin agreed and noted that incumbents should not, now, be cheque signatories. Helena Walker said that she had queried high admin costs at the APCM but this had not been fully discussed.

Stephanie Aplin thought it was expecting a lot of people to expect repayment of such payments as are listed in Para 3.7. We noted that it would be for the Charity Commission to decide whether to pursue such things and legality will override request. Dave reminded us that people were aware of the issue because of AH's input.

In relation to Para 3.9, Richard Parker explained that he had no knowledge that he had received a payment and therefore could not declare it. On the subject of payments to NB and KNC the minutes of an emergency meeting of the PCC in 2012 allude to authorisation of the payments but the report was written in advance of receipt of these minutes so its wording will be revisited. NB had been embarrassed by the receipt of payment and had made a donation to work on the organ. A new invoice has been requested from the supplier so that this is properly reflected in the accounts.

In relation to Para 3.10, Richard Parker said that some people on the choir tour had taken loans and repaid them later. The accounts show that a wedding fee to the church had been used to fund payments to RP and EB and was described as a hardship payment. Another £200 was paid to other choir members but they were not trustees. Jonathan Johns stated that he was happy to take suggestion for revisions to the wording of this paragraph from RP.

Richard Parker said that he understood that EB had been given the right to use choir funds at her discretion. Jonathan Johns explained that the DCC did not have the authority to give her that right and that the remit was limited to Choir music and materials. Richard Barnes argued that this was a failing of the DCC and Dave Allin agreed we all have lessons to learn.

EB still has a balance of funds for the choir that has not yet been returned to the church. Elizabeth Hughes reported that the DCC required EB to pay all money in to the church and then withdraw choir funds, but she has chosen not to do this. Dave wanted to discuss these issues to find a way of understanding the position.

In relation to Para 3.12 Jonathan Johns said that there was nothing on file to show the relative costs of moving energy suppliers to Utility Warehouse (UW). The issue of commission had not been made public. The UW Community Fundraiser Account would have been appropriate for us and the church should have been made aware of this. There is an ongoing dialogue with UW about this.

Sue Wilson reminded us that she was the Parish Electoral Roll officer and that LR was an assistant, helping with St Michael's roll. Jonathan said that LR had not yet returned the copy of the roll and that no declaration has been received that it was not used for marketing purposes.

Unless commission is refunded, the relationship of LR with UW creates a conflict: trustees cannot remain both members of UW and members of PCC/DCC.

Simon Harrison asked about the position of other trustees who might provide professional services. Jonathan explained that the position in the case under review is that the church is a customer and that parishioners knew that the person approaching them was a church trustee. Amy asked if she could be a customer – to which Jonathan’s answer was ‘yes’, but parishioners have to know that a commission is being paid to the individual. He explained that some parishioners did not know and would not have taken the supply if they had known. One learning point for us is that we should develop a common culture across both churches in which services are provided on a common, normally voluntary, basis.

In relation to Para 3.16 Jonathan Johns could find no formal approval of the paid administrator role and no contract. Bill Pattinson, who is a past warden and has been a PCC member for many years, said that he had no recollection of approval for the role. KNC was a member of the predecessor of the DCC, and of the DCC and these roles put her into a trustee relationship. KNC has recently provided copies of minutes of meetings. This has proved most useful and these minutes will be taken into account in revising the report. There was a reference in some minutes of the incumbent approaching the diocese for guidance but no record of any advice received.

Jonathan Johns said that he had some sympathy for KNC. The incumbent was signing the invoices. Questions are therefore more about his control of costs than about the actions of an individual who thought she was properly contracted. Rules on related party transactions mean that the payments had to be disclosed and we had to request a refund. KNC has declined and Jonathan was clear that he understands this position.

It is difficult for the PCC to know how to proceed in relation to the actions of the incumbent. No letter has been sent to him at this point. The PCC could decide not to send a letter, to send the letter, or to talk to the diocese. Jonathan Johns suggested that this was something for the PCC to ponder.

Some of KNC’s invoices had been paid, after discussion, by the then St David’s treasurer; later invoices were declined but then paid by St Michael’s. Richard Barnes said that there was a tradition of sharing parish costs between the two churches, that St Michael’s had been embarrassed by the mess and had decided to make the last payment.

Amy Down asked what responsibility the incumbent had for ensuring that the PCC was behaving appropriately. Dave Allin explained that s/he is the Chair and therefore has a duty raise concerns if s/he thinks things are not happening properly. It seems odd that the incumbent did not seek advice from the diocese.

Jonathan Johns explained that the St Michael’s accounts show that we do have the funds to pay the Parish Share creditor for 2016.

Richard Barnes asked that the report be revised to make clear that payments were made in 2011-12 and are not ongoing.

Section 4 Matters arising from the re-creation of financial records

In relation to Para 4.1g: the organ must appear in the accounts to protect us in case of an insurance claim. (It was shown as £0)

In relation to Page 12: we cannot say that all receipts have been entered in the accounts and AH will not explain his process. There are references to function where we cannot identify receipts and we have receipts which we cannot link to functions.

Stephanie Aplin said that questions raised about an event were rebuffed on the grounds that the event was a private event however, as Jonathan Johns noted, some who attended thought it was to raise funds for the church. A number of attendees indicated their concurrence with this.

In relation to Para 4.9: Richard Barnes said that the figure of 47 was an estimate that was not adjusted year on year. Jonathan Johns explained that this was just a tool to give insight into receipts and had led to valuable lines of enquiry. Variation in income is, anyway, great than anything that could be accounted for by realistic variation in this number.

Jonathan noted that because of new information in the documents recently received from KNC, matters that relate to her will be updated in the report.

In relation to Para 4.12: Jonathan Johns argued that we need to understand the accounting for the St Michael's choir tour to Germany to provide an account of what happened.

Richard Barnes said that the tour was intended to link to organised events in Germany but the then choir director (AW) did not get organised in time so a later visit was made and the choir performed at ah hoc events that were not well attended.

Jonathan Johns asked whether, if the choir director is unwilling to provide accounts, choir members could attempt to do this?

It was clear that income has not been received, and that the tour costs were underwritten by a family in Germany. Jonathan Johns argued that if they were willing to meet these costs, we should thank them.

Amy Down asked that, as several choir directors have been involved at St Michael's, appropriate initials should be added to the report for clarity.

In relation to Para 4.13 it is proving difficult to get repayment of the £4012 form British Gas. VAT was wrong too, so the repayment could be greater.

In relation to Para 4.14, the DCC did request removal of the gas meter but action seems not to have been taken.

Richard Barnes asked that reference to 'Choir Creditors' on p16 should be changed to 'Music Creditors'.

Jonathan Johns explained that the large sum on p15 arose simply from technical issues in the reporting of retention on the building projects.

Section 5 Safeguarding of non financial assets or assets not recorded in books

We noted that some car parking permits at St Michael's had been issued to people we did not recognise. Stephanie Aplin has a list of such permits that can be cancelled.

Richard Parker said that some had been offered to the YMCA.

Jonathan Johns replied that we cannot be sure about what has happened so we need to assemble a list of those who do need permits and then ask Cornerstone to cancel the rest as we have to be careful to protect our assets.

Amy Down asked if insurance cover of a theft by an officer of the PCC was in place. Jonathan Johns explained that it had been removed but is now re-instated.

We need a volunteer to manage asset registers

Jonathan Johns noted that there was a learning point for all of us in this item in that warning signs about many of these issues were evident in minutes.

Stephanie Aplin said that we have all been trying to accept that people were not being inappropriate, but clearly we have to be more scrupulous about how we operate.

Jonathan Johns said that vigilance about such things should not lead to mistrust. We simply need to investigate things early on to avoid problems growing. For example, AH had asked for support and had we given help with his banking at an early stage, later problems may have been avoided.

Clive Wilson said that reading the report and attending the meeting had been very painful. When people do things voluntarily they do make mistakes but it is inexplicable that account records had been destroyed. Clive said we were learning a lot about our responsibilities. However, there still seem to be obstructionist responses.

Richard Parker said that there had been a clash of personalities; that people were scared that they have done wrong.

Stephanie Aplin said that when the report goes to the Charity Commission they will decide what needs to be followed up.

Jonathan Johns said that going through the minutes there is a consistent pattern of people resorting to personality conflicts as a means of avoiding issues. He was sympathetic about AH's position with respect to Wreford's Close. It was therefore sad that, despite this, AH had decided not to cooperate further.

Jonathan Johns assured the meeting that if there is any other information that will clarify matters in the report, that will be welcomed and used as it is essential that the report of as comprehensive as possible.

Related party disclosure does not seek to embarrass individuals.

Richard Johnson reminded us that in the eyes of the Charity Commission we are one financial institution.

Richard Barnes was disturbed that the report does not give the impression that it is about a church. Sections identify corporate failings then scapegoat individuals.

Dave Allin accepted Richard's perception but said the document has to couched in terms that show that the PCC is fulfilling its statutory responsibilities. We therefore have to follow through on issues.

Jonathan Johns explained that there was no intention to scapegoat however there was a need to associate payments with the related person. Charity law puts the onus on the recipient as much as it does on the institution. Jonathan emphasised that if members find any language problematic they should let him know so that it can be reconsidered.

Amy Down said that we are one body. It is clear that the PCC failed in its responsibility to the DCC by not creating it properly and then not exercising its superior responsibility. Dave Allin said that the PCC never delegated responsibility so it should have received and scrutinised DCC

	<p>minutes. He then moved the meeting towards the proposal that the report be accepted.</p> <p>Ann Watts wished to congratulate the investigation team on the report.</p> <p>Jonathan Johns asked the meeting to approve the document subject to changes being made in light of new information that had recently been received and might be received in the next few days. A new version would be circulated and if this is accepted, would go to the Archdeacon and Charity Commission.</p> <p>Barbara Allin proposed this request be accepted; Paula Lewis seconded. 20 votes were in favour. There was one vote against and one abstention.</p>	
	It being 10.35pm, the meeting agreed that Items 8-9, 11-17, 19 and 20 of the agenda be addressed at a later date	
8.	<p>Presentation of the amended 2016 financial report. This addresses mainly related party payments, off balance sheet transactions and corrections to the reporting of assets. This requires the approval of the PCC</p>	
9.	<p>Decision on when and how to schedule an APCM to approve the 2016 accounts These accounts have not been filed with the charity commission by the due date. As we are in default of filing we need to address this matter with urgency.</p>	
10.	<p>Update and planning of the installation and induction service on January 16th. Emma White said that a draft order of service had been prepared. She will contact people asking for volunteers for particular roles . Refreshments are being organised and Emma will liaise with Stephanie Aplin to encourage involvement of St Michael's. 17 clergy have indicated that they wish to attend. There will be about 35 people in the choir from the two churches and from Crediton. There will be a rehearsal for the service on Saturday 13th Jan at 10.00am. Chris Heaven will be invited but George Hexter agreed to stand in if Chris' health makes it impossible for him to attend, or to take an active role.</p>	
11.	<p>Secretary's business To consider the attached paper on PCC procedure</p>	
12.	<p>Standing committee to notify the PCC of decisions made and to record any endorsements required by the PCC.</p>	
13.	Finance Report from St David's	Barbara Allin
14.	Finance Report from St Michael's	Paula Lewis
15.	Parish treasurer's report	Jonathan Johns Johns
16.	Fabric Report from St David's	Dave Allin
17.	Fabric Report from St Michael's	Richard Parker

18.	<p>Safeguarding Report</p> <p>Keith Postlethwaite said that Mary Kirkland had contacted him to say that there was nothing specific to report but that people should ensure that they complete C0 training</p> <p>Emma White explained that there had been due dialogue with an individual at St Michael's and that the Diocesan Safeguarding Officer – a mental health professional - has set out guidance. The proposal is that the individual's key to St Michael's be removed. Should he attend in a state that is not appropriate, he should be asked to leave. If he makes others uncomfortable, two members of the PCC may ask him to leave.</p> <p>Richard Parker urged us not take that action as the church is part of his road to recovery.</p> <p>Amy Down noted, however, that he is causing her a lot of upset.</p> <p>Dave Allin said that we had clear guidance from a mental health professional, so why would we ignore it. He has caused significant upset and people he has verbally attacked feel vulnerable.</p> <p>Richard Parker said he was not willing to remove the key.</p> <p>Amy Down left the meeting.</p> <p>Emma will ask for the key.</p> <p>Dave noted that the wardens will take the actions as they are required to do.</p>	
19.	<p>Health and Safety Report</p>	
20.	<p>Any Other Business</p> <ul style="list-style-type: none"> • Items to be raised under AOB are to be given to the Chair 48 hours before the meeting, with supporting papers if necessary 	
<p>Closing Prayer</p>		

The meeting closed at 10.35pm