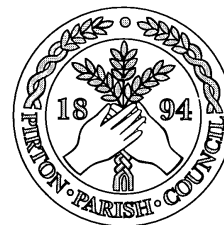


Pirton Parish Council



Parish Clerk:
Mr Edward Roberts
36 Heathfield Road, Hitchin, Hertfordshire, SG5 1TB
Telephone: 01462 431434
Email parishclerk@pirtonparishcouncil.org.uk

Public statement on historic VAT reclaims by Pirton Parish Council

At its annual budget meeting in December 2018, members of the Parish Council agreed on a review of the reclaim of VAT by the Parish Council and asked that an independent qualified person be appointed to look into the matter.

It is perfectly legitimate (under VAT Notice 749) for a parish council to reclaim VAT where the parish council places the order, receives the supply, receives a tax invoice addressed to the council and pays from the council's own funds.

In January 2019, the new Clerk and Responsible Financial Officer (RFO) was tasked with a VAT review. All reclaims back to 2012 were looked at to see if they met the criteria set down by HMRC. Trivial amounts were discounted and a definitive list of reclaims that might not qualify was finally drawn up.

IAC Audit, a company well versed in auditing parish council accounts was appointed as the new auditor for financial year 2018-19 and their audit threw up a number of points, including the historic VAT reclaims. They had also been separately consulted by the RFO and had provided a written report, in order to ascertain the precise legal situation regarding VAT reclaims.

In May 2019, a full report was commissioned by the Parish Council, written by the RFO and sent to HMRC with supporting documentation in order to enter into discussions regarding the council's VAT reclaim situation.

The reply received stated that only the previous 4 years should be considered (May 2015 - May 2019) and a sum of £15,028.08 was stated for the overpayment of reclaims. This total is from transactions made in good faith by various bodies within the village, including the Parish Council itself, the Bury Trust, the Cricket and Football clubs and the Sports and Social Club.

There had been some discussion with HMRC and the auditor over the status of the Sports and Social Club and its connection to the Parish Council. This was finally resolved to the effect that the Sports and Social Club is just that, a private club, with no attachment to or affiliation with the Parish Council.

HMRC was contacted regarding the possibility of making payments staged over a number of years. The reply received stated that there was no time limit for repayments and that HMRC could not impose penalties or charge interest. In addition, they stated that the Council was free to make payments or offset against future claims.

At this time, while the affected clubs and organisations have been kept fully informed of progress and the amounts involved, no requests have yet been made for any monies by the Parish Council.

Parish Councillors:
Miss J Rogers (Chair),
Mrs D Burleigh, Mr T Gammell, Mr S Maple, Mrs C-A McDonnellogue, Mrs M Parkin, Mr N Rowe

The Parish Council does not wish this matter to drag on for longer than strictly necessary and a resolution is being sought. The Parish Council will inform the respective clubs and organisations of the final outcome, and the amount of ineligible reclaims relating to their transactions.

Jill Rogers

Chairman
Pirton Parish Council