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APPENDIX A

Summary of traders referred to in allegations

- a - [REDACTED] - supporting documentation was sighted.
- b - [REDACTED] - The Markets manager did state that this was available and would be provided to audit. There has been no supporting documentation forwarded to date.
- c - [REDACTED] - there has been no documentation forwarded and the debt has been allowed to increase over a 3 year period this needed to be resolved a long time ago.
- d - [REDACTED] - there were two undated sheets of paper given as evidence to support the discount . This was totally inadequate and could not be used to support any decision that was made.
- e - [REDACTED] - this has now been resolved to our satisfaction.
- f - [REDACTED] - this has now been resolved and all supporting documentation has been sighted.
- g - [REDACTED] - this has been balance adjusted on the MACCS but with no supporting documentation provided to support the action that was taken
- h - [REDACTED] - this has been balance adjusted on the MACCS but with no supporting documentation provided to support the action that was taken
- i - [REDACTED] - this has been balance adjusted on the MACCS but with no supporting documentation provided to support the action that was taken
- j - [REDACTED] - no action has been taken in the 12 weeks since the query was initially raised by the whistleblower.

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k - [REDACTED] - no action has been taken in the 12 weeks since the query was initially raised by the whistleblower.

l - [REDACTED] - the full transfer details of the stalls for [REDACTED] and [REDACTED] were requested - none have been provided.

m - [REDACTED] - was not charged for 2 stalls that she occupied for a period of 2 years. There was no documentary evidence provided and the Markets manager stated that this was an oversight ie an error and should have been charged.

Other trader accounts requiring clarification/supporting documentation

n - [REDACTED] - the account was dealt with incorrectly and there were arrears on the account that were not identified for collection - no supporting documentation

p - [REDACTED] - supporting documentation and a payments profile was requested - this has not been received.

q - [REDACTED] - the documentation to support the processing of a Credit Note was requested - this has not been received.

r - [REDACTED] - Information requested ie when did the stall open and from what date did the payments begin and the supporting documents to evidence the action that was taken - no evidence received to date.

s - [REDACTED] - the documents supporting the decision in respect of this trader was available and satisfactory.

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Appendix B

Detailed allegations and outcome of enquiries

Queries were obtained from the E-mails sent by [REDACTED] and other items of correspondence.

Green = All queries resolved and documents satisfactorily sighted.

Red = Queries remain as outstanding and insufficient documents sighted.

Blue = Recommendations.

Ref.	Query	Documents required	Documents actually provided ?	Has query been satisfactorily resolved - recommendations
1	<p>Something between £30,000 and £100,000 worth of St Nicholas Market licence fees have gone uncollected in the financial year 2011 - 12 depending on what was included and how it is calculated. This is made up of around £15,000 from a failure to raise licence fees for 2011 -12 in line with RPI as required; reduced and waived license fees as a result of informal arrangements between the markets manager and individual traders; uncollected standing order payments and outstanding arrears.</p> <p>Source - undated letter from Union Rep</p>	<p>Requested documentation to support the arrears that were evident on the MACCS system.</p> <p>Details were requested of any documentation that would support the decision not to increase license fees for 2011/2.</p> <p>Details of traders that pay by SO were requested.</p>	<p>Report provided of all current arrears on the MACCS system.</p> <p>There was no documentary evidence provided which supported the decision to not increase license fees for the year 2011/12.</p> <p>SO payments are not on the MACCS system and staff would be unaware if these accounts were in arrears or in fact had even been set up in the first instance</p>	<p>This has not been satisfactorily resolved as many of the "arrears" identified on the MACCS system are not true arrears and only require adjustment.</p> <p>The decision was made to "freeze" license fees for 2011/12 and this is no longer possible to resolve. In future decisions taken that result in a "freeze" on license fees for any period of time should be reported to and authorised by</p>

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Ref.	Query	Documents required	Documents actually provided ?	Has query been satisfactorily resolved - recommendations
				<p>management.</p> <p>The query regarding uncollected SO payments remains unresolved and is discussed below.</p> <p>The queries itemised above that remain outstanding should be resolved as soon as possible. Issues are being pursued by the CS management accountant working with the STS Income recovery manager. A full reconciliation of MACCS arrears and STS cash section is allocating cash received correctly.</p> <p>The issue regarding the outstanding SO payments is being investigated by STS with a view in the long term to move to a cashless payments system.</p>
2	The corporate accounts (ref: F10b CC v3.rep)	These accounts were now 1	The last 3 quarters accounts	N/A.

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	<p>prepared by Nicole Stevens, a corporate finance officer, dated April - November 2011 , appear to confirm the department was headed for around £100k in uncollected St Nicholas market licence fees. However, these accounts should be treated with caution as they may not accurately reflect the true financial picture of the department. A major concern in itself.</p> <p>SSSource - undated letter from Union Rep</p>	<p>year old , the last 3 quarters accounts were requested at the audit.</p>	<p>were supplied.</p> <p>No audit review was undertaken as the project was drawn to a close</p>	<p>A review of the accounts needs to be undertaken to ascertain if the budgeted income is being achieved. Review being undertaken monthly.</p>
3	<p>The market office's KPR MACCS licence fee collection system had recorded arrears of £73,795.90 at 3.07pm on 5 March 2012. These arrears date back over a period of three years and it's not clear how they are reflected in the corporate accounts or why they're not being actively collected.</p> <p>Source - undated letter from Union Rep</p>	<p>Requests were made to obtain documentation that would support the reasons why individual accounts remain on the system as in arrears and have not been resolved for lengthy periods.</p> <p>Many of the "arrears" identified were in fact not true arrears and the raising of the debit and the continued billing during the period should be subject to query</p>	<p>There were individual items that were raised in May 2012 via E Mail by SN.</p> <p>No other documents were sighted.</p>	<p>There are still queries that remain outstanding from the original list provided by [REDACTED]</p> <p>These queries can only be resolved by an in depth investigation by SM and after a period of 4/5 months these have still not been resolved.</p> <p>Management action needs to be taken with immediate effect to ensure that all queries raised are resolved at the earliest</p>

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4	<p>As at 5 March 2012, a further £1,000 of licence fees are in the KPR MACCS 'suspense account' unallocated to any trader.</p> <p>Source - undated letter from Union Rep</p>	<p>A current balance on the suspense account was requested.</p>	<p>All the information requested was supplied by SM.</p>	<p>The suspense account has still not been reviewed and cleared.</p> <p>The remaining outstanding balances on the suspense account need to be resolved as soon as possible in order that the balances on individual accounts can then reflect the correct balance.</p>
5	<p>A number of personal/informal license fee reduction agreements with traders (eg. ██████████ ██████████, ██████████ and ██████████ ██████████ (Nails Market)) have been in place during 2011 -12 and before. Mr ██████████ is recorded on the KPR MACCS system as having around £40,000 in arrears. ██████████ ran an ██████████ in the ██████████ ██████████ from summer 2009 - Christmas 2011 without paying any licence fees (around £25 - £30k in total) whatsoever.</p> <p>Source - undated letter from Union Rep</p>	<p>Details of documentation to support all the reductions were requested.</p>	<p>Satisfactory doc's were provided for ██████████. None were provided for ██████████ and undated, sparse info provided for the ██████████ ██████████</p> <p>There has also been no detail provided on the agreement reached with ██████████. There is a meeting arranged between SM and ██████████ for 10.10.2012.</p>	<p>These queries remain unresolved.</p> <p>A meeting should be arranged with ██████████ at the earliest possible time as this matter needs resolving as a matter of urgency</p> <p>Any reduction in standard fees should be supported by formal written agreements with reasons clearly stated.</p>

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				To introduce transparency any short term arrangements should include a formal report of all agreed reductions to management prior to implementation.
6	<p>There appears to be no Bristol City Council policy around licence fee reductions for traders. Neither are these type of arrangements openly and equitably available to all traders and nor are there any formal, written agreements recording the terms and conditions of these licence fee reduction arrangements. In fact there's no audit trail in relation to these agreements at all. They therefore have all the characteristics of personal arrangements between the Markets Manager and individual traders rather than the appearance of the legitimate transactions of a local authority. Moreover these agreements do not reflect the principles contained in the authority's Financial Regulations and it's unlikely the authority is meeting its obligations under the Bribery and Corruption Act 2010 in relation to these arrangements.</p> <p>Source - undated letter from Union Rep</p>	<p>Expectation would be a policy document that would enable such changes to be made. This would provide transparency and an audit trail.</p> <p>Also provision of SM delegated authority to make these type of decisions was requested.</p>	<p>There was no policy document provided and as per SM no such document was in existence.</p> <p>SM did not provide any documentation that indicated he had the designated authority to make such decisions..</p>	<p>This query is unresolved and will remain so until there is a written policy introduced.</p> <p>To introduce transparency in the short term all such arrangements should be fully documented in writing and be subject to approval by management prior to implementation.</p> <p>The departmental Scheme of Delegation should provide clear and transparent guidance on the issue. Of delegated authority of the Markets manager.</p>

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7	<p>Despite his arrears I also understand the markets manager recently has invited ██████████ to take out another licence for the strategically important ██████████. The site has been empty now for three years at a cost to the city's council taxpayers of £35k plus.</p> <p>Source - undated letter from Union Rep</p>	<p>Documentation of all dealings with ██████████ were requested</p>	<p>There was no correspondence or anything provided by SM to support the decision to allow the units to remain unoccupied throughout the last 3 year period.</p> <p>It should be stated that the payments relating to other units occupied by Mr ██████████ during this period have all been received in full.</p>	<p>The query has not been satisfactorily resolved.</p> <p>There are the following points to be raised : why was the decision to re-let the units not taken 2 or 3 years ago. Why was the rental income not collected from ██████████ as it became due during the period. Why was there no documentation to support the decision taken.</p> <p>A meeting should be arranged with ██████████ as a matter of urgency.</p>
8	<p>There's at least two significant failures in anti-fraud measures in relation to cash collection of market licence fees..</p> <p>Cash collection is currently carried out by the Finance and administration Officer who is also responsible for the calculating, checking and recording of these transactions on to the KPR MACCS database (see Financial Regulations 6.5.i</p>	<p>Details of a reconciliation of income between the MACCS system and CFS was expected and details of recent reconciliations requested.</p> <p>Cash collection controls and procedures were discussed with SM</p>	<p>No documentation was provided</p> <p>The discussion with SM revealed that the cash collection procedures were in fact all undertaken by the same member of staff. This was due to a lack of staff in the office to undertake all</p>	<p>There have been no reconciliations undertaken between MACCS and CFS for 3 years.</p> <p>A temporary agency appointment was made to resolve the 'separation of duties' problem, but this person has now left and the</p>

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	<p>and ii)</p> <p>The cash collected and recorded on the KPR MACCS collection system is not reconciled with the money banked and recorded by corporate finance. This has not happened for at least 3 years according to the KPR MACCS system, which indicates - for instance - that standing orders payable to markets have not been recorded on KPR MACCS since March 2009.</p> <p>Source - undated letter from Union Rep</p>		<p>the duties required. An income collection officer has now been employed 2 hours per day.</p>	<p>issue remains..</p>
9	<p>Since the accounts prepared by corporate finance are not reconciled to the KPR MACCS system and do not include arrears or other uncollected payments, they are unlikely to be an accurate reflection of the department's financial position -</p> <p>Source - undated letter from Union Rep</p>	<p>See item 8 above</p>	<p>See item 8 above</p>	<p>See item 8 above</p>
10	<p>You were approached informally in regards to financial issues at the markets department six weeks ago and you appear to have done nothing to investigate. Therefore we are now requesting that you instigate a formal investigation, based on the principles laid out in your Investigations Policy, into</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>

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	these matters. Source - undated letter from Union Rep			
11	Arrears ██████ - 8472.00 occupy a space in the ██████ for storage of ██████ and ancillary equipment - Source 22.5.12 Email	This has now been satisfactorily resolved - whistleblower satisfied E Mail dated 2.8.12	N/A	Satisfactorily resolved.
12	Arrears ██████ - 686.40 ██████ collection and disposal of refuge - Source 22.5.12 E mail	This has now been resolved and documentation sighted - E Mail from ██████ dated 3.10.12	All documentation sighted	Satisfactorily resolved.
13	St Nich SO's	These issues were raised by ██████ in an EMail. The response from SM to Tony Harvey is dated the 22.5.12. The documentation that supported the resolution of the queries was requested.	At this stage no documentation was made available to audit.	Documentation should be kept on file to support any action that has been taken to resolve any of the issues that were raised by ██████ No resolution at this stage.
14	Arrears ██████ £2180.81 no longer trading at the market. This relates to a period when the license fee was waived due to flood damage resulting in a loss of trading. Source 22.5.12 E mail	These issues were raised by ██████ in an EMail. The response from SM to Tony Harvey is dated the 22.5.12. The documentation that supported the resolution of the queries was requested.	At this stage no documentation was made available to audit.	Documentation should be kept on file to support any action that has been taken to resolve any of the issues that were raised by ██████ No resolution at this stage.

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15	Arrears ██████████ £920 trader left due to terminal illness - Source 22.5.12 E mail	These issues were raised by ██████████ in an EMail. The response from SM to Tony Harvey is dated the 22.5.12. The documentation that supported the resolution of the queries was requested.	At this stage no documentation was made available to audit.	Documentation should be kept on file to support any action that has been taken to resolve any of the issues that were raised by ██████████ No resolution at this stage.
16	Arrears ██████████ £768 no longer trading at the market - a payment plan has been arranged Source 22.5.12 E mail	These issues were raised by ██████████ in an EMail. The response from SM to Tony Harvey is dated the 22.5.12. The documentation that supported the resolution of the queries was requested.	At this stage no documentation was made available to audit.	Documentation should be kept on file to support any action that has been taken to resolve any of the issues that were raised by ██████████ No resolution at this stage.
17	Arrears ██████████ £2443.15 - payment plan agreed Source 22.5.12 E mail	These issues were raised by ██████████ in an EMail. The response from SM to Tony Harvey is dated the 22.5.12. The documentation that supported the resolution of the queries was requested.	At this stage no documentation was made available to audit.	Documentation should be kept on file to support any action that has been taken to resolve any of the issues that were raised by ██████████ No resolution at this stage.
18	Arrears ██████████ £609.00 payment plan agreed. Source 22.5.12 E mail	These issues were raised by ██████████ in an EMail. The response from SM to Tony	At this stage no documentation was made available to audit.	Documentation should be kept on file to support any action that has been taken

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		Harvey is dated the 22.5.12. The documentation that supported the resolution of the queries was requested.		to resolve any of the issues that were raised by [REDACTED] No resolution at this stage.
19	[REDACTED] sale to [REDACTED] and also the sale of the [REDACTED] stall to [REDACTED]. Source E mail 24.7.12 for [REDACTED] but raised [REDACTED] as the same type of problem.	Requested that the supporting documentation would be made available to audit.	No documentation has been provided for the transfer of these units.	No resolution at this stage. Documentation should be kept on file to support any action that has been taken to resolve any of the issues that were raised by [REDACTED]
20	There have been no license fees charged for a 2 year period for stalls [REDACTED] this was occupied by the [REDACTED] who also occupied 2 units [REDACTED] to [REDACTED]	Asked for supporting documentation.	None was provided, in fact SM stated that the omission to charge was an oversight	The stallholder is currently [REDACTED] and RM is of the opinion that the cost of this oversight should now be borne by BCC and that no benefit would be gained from pursuing the outstanding fee's from the trader. A reconciliation of all fees collected and SO's

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				against occupied stalls would have identified this problem at an earlier time, such a reconciliation should be completed in future..