

Appendix 2 - Timeline of events relating to Forge House Associates LTD to the referral to Internal Audit on 16 January 2019

Date	Comments
02-Jan-18	New supplier form received from Forge House Associates Limited.
25-Jan-18	Order number 354598 raised for £72,000.
07-Feb-18	Payment of £15,600 made to Forge House Associates Limited.
06-Mar-18	Payment of £14,820 made to Forge House Associates Limited.
04-Apr-18	Payment of £10,920 made to Forge House Associates Limited.
16-May-18	Payment of £20,880 made to Forge House Associates Limited.
20-Jun-18	Payment of £16,200 made to Forge House Associates Limited.
08-Aug-18	<p>Dummy order number 363623 raised for £16,100.</p> <p>As per Operations & Development Team Leader (Payments), in this case dummy order means a retrospective order raised because we were in receipt of an invoice from the company and there was no order to match the invoice against.</p>
10-Aug-18	<p>Payment of £19,320 made to Forge House Associates Limited Description on accounts Payable states: "SPI URGENT PROCESSED FREESTANDING AS PER DEPT".</p> <p>SPI = Status problem invoice</p> <p>As per Operations & Development Team Leader (Payments), the company had sent in the invoice with a purchase order number quoted. It has been indexed and when the invoice was matched to the order quoted on the invoice, there was only £6,650 left on that purchase other and not enough to match and pay the invoice against. Therefore, SPI has been noted on the system by the Payments Team.</p> <p>There was some communication between the Payment Team and the Council's requisitioner, the Organisational Design Support Officer re: the order not matching the invoice fully. Then the Change & Organisation Design - Personal Assistant, has asked for the invoice to be processed urgently as freestanding and the payment was made.</p>
28-Aug-18	Order number 364286 raised for £3,350 .

29-Aug-18	<p>Payment of £12,000 made to Forge House Associates Limited. Description on accounts Payable states "DISPUTED SPI".</p> <p>As above - Status Problem Invoice</p> <p>The Operations & Development Team Leader (Payments) confirmed that the company sent in an invoice with an order number quoted which had an insufficient amount on the order - as with the payment for £19,320 above. Therefore, the note was put on the system by the Payments Team.</p> <p>A dummy order was raised for £3,350 (o/n 364286) and the rest of the invoice amount was matched to o/n 354598.</p>
25-Sep-18	Companies House listing "Forge House Associates Limited" as dissolved.
27-Sep-18	<p>Payment of £15,964 made to Forge House Associates Limited</p> <p>Description on accounts Payable states "DISPUTED - SPI".</p>
01-Oct-18	Email from Liz Stead, Director and Secretary of Forge House Associates Limited, to the payment Team to advise of a change in bank account details.
03-Oct-18	Companies House has "Forge House Associates Lincs Limited" registered as incorporated.
11-Oct-18	<p>Payment of £15,964 voided and new payment issued for same amount to the new bank account.</p> <p>As per Operations & Development Team Leader (Payments), the bacs payment was returned to our drawings Account. Usually when the bank account is closed the Unapplied Automated Credit report will show as such. However, it didn't in this case, the report showed it as "Reason for return - invalid details".</p> <p>The reason the payment was returned can only be established by speaking to the company involved</p>
16-Oct-18	Order number 366610 raised for £75,000.
26-Oct-18	<p>Email from Payments Officer to Liz Stead to ask for a revised invoice with the VAT number on it.</p> <p>Invoice date 21/10/18, Invoice number 04/02/9 for £18,829.50 in total - No VAT number quoted. See attached copy invoice - 21/10/18 version 1</p>
27-Oct-18	<p>Email received from Liz Stead with revised invoice with VAT for £18,829.50 and VAT registration number 249570771 quoted.</p> <p>This invoice (Invoice dated 21/10/18, Invoice number 04/02/09) was queried by the Payments Team because the company had included the VAT amount twice within the invoice. See attached copy invoice - 21/10/18 version 2.</p>

31-Oct-18	<p>Email from Liz Stead to the Payments Officer, attaching revised invoice for £16,189.50 with VAT registration number quoted - 249570771 and correct amount detailed.</p> <p>Invoice date 21/10/18, Invoice number 04/02/9 for £16,189.50 in total - replaces the previous invoice that did not have the VAT number quoted and also the invoice that had VAT included twice. See attached copy invoice - 21/10/18 version 3 which was paid</p>
31-Oct-18	Payment of £16,189.50 made to Forge House Associates Limited.
20-Nov-18	Payment of £15,152.63 made to Forge House Associates Limited.
17-Dec-18	Payment of £16,333.30 made to Forge House Associates Limited.
15-Jan-19	Last payment of £9,600 made to Forge House Associates Limited.
15-Jan-19	<p>As part of monitoring and forecasting, the Senior Accountant meets with the Assistant Director - Regeneration & Inward Investment, Lead Commissioner - Place and Investment and the Economic Development Lead to look at transactions relating to the Economic and Housing Growth budget.</p> <p>The Senior Accountant confirmed that as the spend relates to the Growth Company, the Transformation Team is currently responsible for getting it up and running and when it becomes an actual functioning entity, the responsibility for spend will be transferred to Economic and Housing Growth. Although Economic and Housing Growth are accountable for the spend, they do not have control or any real knowledge of what is being processed and paid against the code.</p> <p>The Senior Accountant confirmed that in preparation for the budget monitoring meeting, the transactions report was examined relating to the Economic and Housing Growth budget, for any errors/miscodes etc...</p> <p>One large spend related to DWF LLP (Legal Services) who the Senior Accountant knew of. However, the other large spend was for Forge House Associates Limited and the Senior Accountant did not know who this company was and what services they actually provide. Therefore, the Senior Accountant tried to obtain this information from the company website, using google as the search engine. The Senior Accountant could not find a website for the company.</p> <p>During the meeting the Senior Accountant, Assistant Director - Regeneration & Inward Investment, Lead Commissioner - Place and Investment and the Economic Development Lead discussed the fact that they do not know who the company is and what they do and they agreed to look into the matter further.</p>

16-Jan-19	<p>The Economic Development Lead telephoned the Senior Accountant and informed them that following a google search, which showed Companies House as the first entry, it was discovered that Forge House Associates was dissolved.</p> <p>See detail above re: attendees at the budget monitoring meeting of 15/1/19, added as a result of further information obtained from the Senior Accountant.</p> <p>The Senior Accountant confirmed that The Economic Development Lead "drills" into the detail of the Assistant Director - Regeneration & Inward Investment figures for them, where previously this was done by the Lead Commissioner - Place and Investment, prior to them taking on a new role. That is why the Economic Development Lead would have been at the budget monitoring meeting and would have been involved with trying to find out about the company.</p>
16-Jan-19	<p>The Senior Accountant informed the Principal Accountant of the issue and they subsequently informed the Senior Manager - Financial Planning and Policy.</p>
16-Jan-19	<p>The Senior Accountant spoke to the Principal Tax Manager about the issue, in case there were any implications relating to IR35 and the employment status.</p> <p>The Senior Accountant explained that when they were told that the company was dissolved their first thought was that they needed to cover all bases and that is when they thought about IR35 and also that we needed to inform the Payments Team Re: payment of invoices. The Senior Accountant confirmed that it did not cross their mind about the VAT implications.</p> <p>The Senior Accountant confirmed that when they were informed by the Economic Development Lead on 16/1/19 that the company was dissolved, the Economic Development Lead also mentioned that it is Stewart Halliday's company.</p>
16-Jan-19	<p>The Senior Accountant emailed a Payments Officer to ask if the Council should be paying invoices to the company and the Payments Officer reported the matter to the Operations & Development Team Leader (Payments), who put a hold on the supplier account.</p>
16-Jan-19	<p>The Principal Tax Manager emailed the VAT Officer and copied in the Senior Accountant, the Operations & Development Team Leader (Payments) and the Senior Manager for Financial Planning and Policy. The Principal Tax Manager stated that the Senior Accountant checked the company details on Companies House and they were "Struck Off" in September 2018 (NB: it was actually the Economic Development Lead who first confirmed that the company was dissolved) and that the Senior Manager for Financial Planning and Policy has performed a check on the VAT number and it appears to be invalid.</p> <p>The Principal Tax Manager asks the VAT Manager to speak to the Operations & Development Team Leader (Payments) for further details and asks what the VAT implications are for Wirral Council.</p>

16-Jan-19	Referral made by Senior Manager for Financial Planning and Policy to the Internal Audit Manager. The referral was made to Internal Audit to undertake some fact finding to establish if further investigations were required.
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