

REPORT TO: Mayoral Committee
DATE: 27 March 2014
REPORTING OFFICER: Strategic Director – Policy & Resources
PORTFOLIO: Resources
TITLE: Mayor’s Fund Raising Account
WARDS: Borough Wide

1.0 PURPOSE OF REPORT

This report is to allow the Mayoral Committee the opportunity to consider the recommendations made following a recent internal audit of the Mayor’s Fund Raising Account.

2.0 RECOMMENDED: That the Mayoral Committee review and adopt the enclosed terms of reference and financial procedures for the Mayor’s Fund Raising Account.

3.0 SUPPORTING INFORMATION

3.1 The Mayor in office is responsible for raising funds for any organisations that he or she chooses to support. The Mayor generally establishes a fund-raising team, which will include members of the organisations to be supported and they will attend and support fund raising events and monthly meetings.

3.2 A Treasurer is appointed by the fund-raising team to keep records of all income received and to provide a financial update to each meeting of the fund-raising team.

3.3 A recent internal audit of the Mayor’s Fund found that the Council’s existing arrangements generally operate well. The audit did however identify three areas where there are opportunities to strengthen the overall governance of the Mayor’s Fund. The following recommendations were made which the Mayoral Committee is asked to consider:

- 1) Terms of reference for the Mayor’s Fund should be developed setting out eligibility criteria which organisations must meet in order to qualify for financial support. This could help ensure that organisations supported meet appropriate standards for governance, are financially viable, are appropriate for the duration of the Mayoral term and have not been the subject of Charity Commission concerns.

- 2) The Mayoral Committee should approve documented financial procedures for the Mayor's Fund. The procedures should cover the following matters:
- the receipt of donations
 - the collection, reconciliation and banking of income from events
 - payments from the fund
 - reconciliation of the fund account
 - financial reporting arrangements
 - the respective roles and responsibilities of the Treasurer, the Financial Management Division and Democratic Services
- 3) Consideration should be given to introducing a requirement for organisations which receive financial support to provide details of how the funding has been used. This could take the form of a brief narrative summary rather than requiring the production of receipts or audited accounts.

3.4 The appendix to this report provides draft terms of reference and financial procedures for the Mayor's Fund. The document has been produced drawing upon arrangements already established in a number of other local authorities.

4.0 POLICY AND OTHER IMPLICATIONS

None identified

5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

There are no direct implications. However, it is anticipated that the organisations supported through the Mayor's Fund Raising Account would be engaged in activities which are consistent with the Council's priorities.

6.0 RISK ANALYSIS

There are no direct risks involved with this report. However, the recommendations made in the internal audit report are intended to strengthen the governance and financial management arrangements in regard to the Mayor's Fund.

7.0 EQUALITY AND DIVERSITY ISSUES

None identified

8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

None under the meaning of the Act

Mayor's Fund – Terms of Reference and Financial Procedures

1. Selection of organisations to support

- 1.1 The Mayor may determine the number of organisations that he or she wishes to support. The incoming Mayor shall declare the names of the organisations that he or she wishes to support immediately following their election to office.
- 1.2 There is no requirement for the organisations supported to be registered charities. However, the organisations supported must be engaged in activities which benefit the residents of Halton.
- 1.3 The Mayor's Fund shall not be used to provide financial support to:
 - Individuals
 - Political groups or organisations promoting political beliefs
 - Projects with no community or charitable element

2. Roles and responsibilities

2.1 Fund Raising Team

The Mayor shall establish a Fund Raising Team at the start of the Mayoral Year. The Fund Raising Team shall include members of the organisations to be supported, who must be willing to support all fund raising events and meetings. The team may also include family, friends and colleagues of the Mayor, Mayoress or Consort.

Meetings of the Mayor's Fund Raising Team shall normally be held on a monthly basis.

2.2 Treasurer

The Mayor shall appoint a Treasurer who shall be responsible for:

- Maintaining accurate records of income received;
- Banking and reconciling all income received;
- Providing updated financial statements to each meeting of the Fund Raising Team;
- Producing full financial statements at year-end.

2.3 Democratic Services Division

The Democratic Services Division shall be responsible for:

- Collecting and recording sufficient information to confirm that the organisations meet appropriate standards of governance, are financially viable, are likely to endure for the duration of the Mayoral term and have not been subject of Charity Commission concerns within the last two years at the date officers make enquires;
- Notifying the selected organisations;
- Performance monitoring to provide assurance to the Mayoral Committee on how the funding has been used to benefit the local community;
- Maintaining records to support the selection and performance monitoring process.

2.4 Financial Management Division

The Financial Management Division shall be responsible for:

- The payment of invoices;
- Maintaining a record of employee deductions from pay in respect of the Mayor's lottery;
- The safe storage of the fund cheque book.

3. Collection and distribution of funds

- 3.1 The Mayor shall be responsible for raising funds for the organisation(s) that he or she has chosen to support during his / her term in office. Funds collected are in the name of the office of the Mayor and not in an individual capacity.
- 3.2 The funds collected during the Mayor's term in office shall be distributed equally amongst the supported organisations unless otherwise specified by the Mayor at the outset of his or her term.
- 3.3 Should an organisation that has been chosen for support be considered no longer fit or able to receive the funds collected, the Mayor may elect to donate those funds equally to any other organisations that he or she has elected to support. Alternatively, the Mayor may choose to donate those funds to another organisation which has similar aims and functions to the organisation originally supported.

4. Financial procedures

- 4.1 A receipt book shall be maintained to record all receipts and donations.
- 4.2 A collection account shall be maintained to record income collected at fund raising events. The collection account shall be signed by the person completing the account and by a second person responsible for checking the account.

- 4.3 Where raffle tickets are sold, a record shall be maintained of how many tickets have been issued and this shall be cross referenced with the amount of income collected.
- 4.4 Income shall be banked by an officer independent of the collection process.
- 4.5 The Mayor shall be responsible for authorising all expenditure from the Mayor's Fund Account. An appropriate audit trail shall therefore be maintained to demonstrate that all expenditure has received the prior authorisation of the Mayor.
- 4.6 Cheques must only be signed by an authorised signatory of the Mayor's Fund bank account. The signatories are:
- Operational Director – Finance
 - Divisional Manager – Financial Management

5. Public accountability

- 5.1 Financial statements providing details of all income received and all expenditure incurred shall be produced at the end of the Mayor's term in office. This record shall be made available for inspection by any member of the Council or any member of the public subject to prior appointment.
- 5.2 Organisations that receive funding from the Mayor's Fund shall be required to provide the Mayoral Committee with an outline of how the funding received has been used to benefit the local community.
- 5.3 The Mayor's Fund Raising Account shall be subject to the Council's internal audit arrangements.

March 2014