



Charitable Trusts Sub-Committee

| | |
|-------------------------|---|
| Date: | Wednesday, 14 February 2024 |
| Time: | 10.00 a.m. |
| Venue: | Committee Room 1 - Birkenhead Town Hall |
| Contact Officer: | Mike Jones, Principal Democratic Services Officer |
| Tel: | 0151 691 8363 |
| e-mail: | Michaeljones1@wirral.gov.uk |
| Website: | www.wirral.gov.uk |

Please note that public seating is limited, therefore members of the public are encouraged to arrive in good time.

Wirral Council is fully committed to equalities and our obligations under The Equality Act 2010 and Public Sector Equality Duty. If you have any adjustments that would help you attend or participate at this meeting, please let us know as soon as possible and we would be happy to facilitate where possible. Please contact committeeservices@wirral.gov.uk

This meeting will be webcast at
<https://wirral.public-i.tv/core/portal/home>

AGENDA

1. ELECTION OF CHAIR
2. ELECTION OF DEPUTY CHAIR
3. WELCOME AND INTRODUCTION
4. APOLOGIES FOR ABSENCE
5. MEMBERS CODE OF CONDUCT - DECLARATIONS OF INTEREST
6. PUBLIC AND MEMBER QUESTIONS
 - 6.1 Public Questions

Notice of question to be given in writing or by email by 12 Noon, Friday 9 February 2024 to the Council's Monitoring Officer (via the online form here: [Public Question Form](#)) and to be dealt with in accordance with Standing Order 10.

Please telephone the Committee Services Officer if you have not received an acknowledgement of your question by the deadline for submission.

For more information on how your personal information will be used, please see this link: [Document Data Protection Protocol](#)

6.2 **Statements and Petitions**

Notice of statements to be given in writing or by email by 12 noon, Friday 9 February 2024 to the Council's Monitoring Officer (committeeservices@wirral.gov.uk) and to be dealt with in accordance with Standing Order 11.1.

Petitions may be presented to the Council if provided to Democratic and Member Services no later than 10 working days before the meeting, at the discretion of the Mayor. The person presenting the petition will be allowed to address the meeting briefly (not exceeding three minutes) to outline the aims of the petition. The Mayor will refer the matter to another appropriate body of the Council within whose terms of reference it falls without discussion, unless a relevant item appears elsewhere on the Agenda. If a petition contains more than 5,000 signatures, it will be debated at a subsequent meeting of Council for up to 15 minutes, at the discretion of the Mayor. Please give notice of petitions to committeeservices@wirral.gov.uk in advance of the meeting.

6.3 **Questions by Members**

Questions by Members to dealt with in accordance with Standing Orders 12.3 to 12.8.

7. **WIRRAL MAYOR'S CHARITY - STATEMENT OF ACCOUNTS 2022-23 (Pages 1 - 30)**

The PDF file may not be suitable to view for people with disabilities, users of assistive technology or mobile phone devices. Please contact michaeljones1@wirral.gov.uk if you would like this document in an accessible format.

Terms of Reference

Charitable Trusts Sub-Committee

A Sub-Committee of five (5) members of the Regulatory and General Purposes Committee, politically balanced, with responsibility for the discharge of the Council's functions where it acts as corporate trustee, currently the:

- (a) E.F Callister Youth Club; and
- (b) Wirral Borough Council Mayor's Charity



CHARITABLE TRUSTS SUB-COMMITTEE

Wednesday, 14 February 2024

| | |
|---------------|--|
| REPORT TITLE: | WIRRAL MAYOR'S CHARITY - STATEMENT OF ACCOUNTS 2022-23 |
| REPORT OF: | DIRECTOR OF FINANCE (SECTION 151 OFFICER) |

REPORT SUMMARY

This report presents the Statement of Accounts of the Mayor's Charity for the year ended 14th May 2023 for approval. This includes the carried forward amount of £16,117, which has subsequently been donated to various charities in 2023/24.

Also included is the Internal Audit report into the Mayor's Charity Account.

RECOMMENDATION

The Charitable Trusts Sub-Committee is requested to approve the Statement of Accounts and Internal Audit report.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/

- 1.1 The Charitable Trusts Sub-Committee has responsibility for approving the Mayor's Charity Statement of Accounts and the Internal Audit Report. This report allows the Sub-Committee to comment and recommend submission of the accounts to The Charity Commission.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The Statement of Accounts are required to be produced in accordance with statutory guidance. As directed by the Statement of Recommended Practice, Accounting and Reporting by Charities, charities must submit their final accounts to The Charity Commission within 10 months of the end of their financial year. Therefore, no other options are appropriate.

3.0 BACKGROUND INFORMATION

- 3.1 Preparation and publication of the annual Statement of Accounts is a specific statutory requirement and the Mayor's Charity must provide for this within the predetermined statutory timetable.
- 3.2 The preparation and publication of annual Accounts provides information that is intended to be of use to a range of stakeholders (including Trustees, members of the public, etc.) in evaluating the financial performance of the Charity and its stewardship of funds.
- 3.3 The annual Statement of Accounts is required to be compliant with the Financial Reporting Standards (FRS) and the Statement of Recommended Practice, Accounting and Reporting by Charities, which establish "proper" accounting practices to ensure a charity's accounts are prepared consistently with the objective of providing a true and fair view of the charity's financial position and financial performance for the year ended 14th May 2023. These must be submitted to the Charity Commission within 10 months of the year end position, which for 2022/23 will be by 14th March 2024.
- 3.4 The Charities Commission requires an independent examination and sign-off of the Charity's accounts, and the Council's Internal Audit function have reviewed the accounts as per the Charities Commission Independent Examiners Checklist. The independent examination includes a review of the accounting records, comparison of these with the accounts presented, and a review of the accounts and consideration of any unusual items or disclosures identified.
- 3.5 The Statement of Accounts and Internal Audit Report are presented as Appendices 1 and 2.

4.0 FINANCIAL IMPLICATIONS

4.1 The Mayor's Charity closed the 2022/23 financial year with a balance of £16,117. These funds, along with an additional £24,359 from 2023/24, have been donated to the following charities in September 2023:

- Incubabies £16,026;
- Maggies £15,000;
- RNLI New Brighton £1,000;
- RNLI West Kirby £1,000;
- St Johns Hospice £1,000;
- Prostate Cancer £1,000;
- Rek 41 £1,000;
- RNLI Hoylake £500;
- Ukraine Appeal £500;
- Port Sunlight Orchestra £500;
- Leasowe Boxing Club £500;
- The Charles Thompson Mission £500;
- The Journeymen £500;
- The Stroke Association £500;
- British Divers Marine Life Rescue £500;
- The Hive £500.

5.0 LEGAL IMPLICATIONS

5.1 The Statement of Accounts have been completed in accordance with the Financial Reporting Standards (FRS) and the Statement of Recommended Practice, Accounting and Reporting by Charities. It is a legal requirement to submit the Accounts to The Charities Commission within 10 months of the end of the Charity's financial year. For the Mayor's Charity this is 14th March 2024.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 None arising directly from this report.

7.0 RELEVANT RISKS

7.1 The Financial Reporting Standards (FRS) and the Statement of Recommended Practice, Accounting and Reporting by Charities require the Statement of Accounts to be produced in line with recommended accounting practices. Failure to do so could result in qualification of the accounts which could result in reputational damage for the Charity, and the Council as corporate trustee.

7.2 If any concerns identified by Internal Audit are not addressed then there is a risk that the Charity will not be able to meet its statutory requirements in respect of the Statement of Accounts.

7.3 Inadequate reporting would risk stakeholders, including trustees, being unable to evaluate the financial performance of the Charity and its stewardship of funds.

8.0 ENGAGEMENT/CONSULTATION

8.1 The Statement of Accounts have been independently examined by the Council's Internal Audit function.

9.0 EQUALITY IMPLICATIONS

9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.

9.2 There are no equality implications arising specifically from this report.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 The content and recommendation contained within this report are expected to have no impact on emissions of Greenhouse Gases.

11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 The content and recommendation contained within this report have no direct implications for community wealth, besides the supporting of charities within the community.

REPORT AUTHOR: **Nicola Archer**
Technical Accountant Manager
email: nicolaarcher@wirral.gov.uk

APPENDICES

Appendix 1 – The Wirral Mayor's Charity Statement of Accounts 2022/23

Appendix 2 – Internal Audit Report: Audit Review: Mayor's Charity Accounts 2022/23

BACKGROUND PAPERS

Statement of Recommended Practice, Accounting and Reporting by Charities Financial Reporting Standards (FRS)

Independent examination of charity accounts: Directions and guidance for examiners (CC32) (issued by the Charity Commission)

SUBJECT HISTORY (last 3 years)

| Council Meeting | Date |
|---------------------------------|------------------|
| Charitable Trusts Sub-Committee | 18 January 2022 |
| Mayor's Charity Committee | 23 February 2021 |

The Wirral Mayor's Charity Statement of Accounts 2022/23

| | |
|--|----|
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Trustees' Report

Objectives and Activities

The main purpose of this charity is to further local charitable objectives identified by the current Mayor. Throughout the year the charity runs fundraising events such as a Charity Ball and a Tea dance, receives donation collections and entries for the Mayor's lottery.

The Trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Charity's aims and objectives, in planning future activities and choosing the local charities to support during the year.

The Mayor's Charity furthers its charitable purposes for the public benefit through its donations to local charitable causes.

At the end of the charity's financial year (14 May), funds raised are donated to local charitable causes identified by the Trustees.

In the year 2022/23, the Mayor's charity used funds brought forward from the previous year to donate to:

- Tiny Stars towards the Neonatal at Arrowe Park Hospital;
- New Brighton Lifeboat;
- Hoylake Lifeboat;
- Cerebral Palsy Charity Stick N Step.

Achievements and Performance

During 2022/23 the Mayor's Charity donated a total of £24,000 (£2,300 in 2021/22) to local charitable causes. This is a significant increase from the previous year as more events were organised after the pandemic. These donations relate to the activity initiated in the 2021/22 Mayoral year.

During 2022/23 the charity organised 2 major events, and was a beneficiary from another;

- Charity Ball
- Tea Dance
- Golf event

The Charity Ball fundraising event is held at Thornton Hall Hotel and members of the public can purchase tickets for a dinner and dance event and enjoy an evening of food and entertainment, as well as the chance to win raffle prizes. The Mayor's Charity Ball 2022 raised £5,807 (£8,610 in 2021/22).

The Christmas Tea Dance at Wallasey Town Hall raised £2,399.

The Golf event was organised through Condy Lofthouse Architects and raised £24,209.

Additional funds have been raised during 2022/23 by donations from the public and the Mayor's Lottery, with £16,117 to be carried forward to 2023/24.

Financial Review

The main purpose of this charity is to raise funds to donate to local charitable causes. Ordinarily, this occurs in a yearlong cycle; the Mayor takes office, raises funds through events and lotteries and the charity donates the raised funds at the end of their term. The new Mayor is appointed, and the cycle begins again.

The Trustees have decided that holding reserves is unnecessary for this charity. The setup of the charity and the fact that a new mayor is ordinarily appointed every year means that holding reserves would be unsuitable for this charity.

Structure, Governance and Management

The Mayor's Charity is a registered charity and is governed by a Trust Deed dated 2022, which replaced a Trust Deed dated 1 April 1986. Its purpose is to raise monies for the furtherance of local charitable causes.

The charity Trustees were previously made up of four ex-officio Trustees, namely the Mayor, the past Mayor, the Chief Executive, and the Chief Financial Officer of Wirral Council.

The new charitable Trust Deed dated 2022 appoints one ex-officio Trustee, Wirral Council. The Trustee may appoint an additional Nominative Trustee by resolution.

Reference and Administrative Details

The Wirral Mayor's Charity is registered with The Charity Commission, registration number 518288.

The registered address of the charity is:

Brighton Street
Wallasey
Wirral
CH44 8ED

Those involved in 2022/23 financial year are Members of the Charitable Trusts Sub-Committee as well as those listed below:

- Councillor Jeff Green, Mayor of Wirral
- Councillor George Davies, Past Mayor of Wirral

Exemptions from Disclosure

There are no exemptions from disclosure for the year 2022/23.

Funds Held as Custodian Trustee on Behalf of Others

The Wirral Mayors Charity and its Trustees do not act as a custodian on behalf of others.

Councillor Jeff Green

Mayor of Wirral

Date: 14 February 2024

Independent Examiner's Report to the Trustees of The Wirral Mayor's Charity

I report to the trustees on my examination of the accounts of The Wirral Mayor's Charity (the Charity) for the year ended 14 May 2023.

Responsibilities and basis of report

As the Charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Iain Miles, CIPFA

Internal Audit Manager, Wirral Council.

February 2024



Core Financial Statements

Statement of Financial Activities

| 2021/22 | | | 2022/23 |
|-----------------|-------|--------------------------------------|-----------------|
| £ | Notes | | £ |
| | | Income & Endowments from: | |
| (2,105) | 2 | Donations & legacies | (18,798) |
| (29,240) | 2 | Other trading activities | (31,628) |
| (31,345) | | Total | (50,426) |
| | | Expenditure on: | |
| 20,069 | 3 | Raising funds | 21,588 |
| 2,300 | 3 | Charitable activities | 24,000 |
| 22,369 | | Total | 45,588 |
| (8,976) | | Net (income) / expenditure | (4,838) |
| (8,976) | | Net movement in funds | (4,838) |
| | | Reconciliation of Funds: | |
| (2,303) | | Total funds brought forward | (11,279) |
| (11,279) | 4 | Total funds carried forward | (16,117) |

Balance Sheet

| 14 May 2022 | | | 14 May 2023 |
|-----------------|-------|-------------------------------------|-----------------|
| £ | Notes | | £ |
| 0 | | Total Fixed Assets | 0 |
| | | Current Assets: | |
| 11,287 | | Cash at bank and in hand | 18,740 |
| 11,287 | | Total Current Assets | 18,740 |
| | | Liabilities: | |
| (8) | 10 | Creditors: amounts falling due with | (2,623) |
| 11,279 | | Total Net Assets | 16,117 |
| | | The Funds of the Charity | |
| (11,279) | | Unrestricted funds | (16,117) |
| (11,279) | | Total Charity Funds | (16,117) |

These accounts were approved and authorised for issue on 14th February 2024.

Matthew Bennett

Director of Finance, Wirral Council



Notes to the Core Financial Statements

Note 1 - Accounting Policies

Basis of Accounting

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value.

The financial statements have been prepared in accordance with FRS102 and the Statement of Recommended Practice, Accounting and Reporting by Charities effective from 1 January 2019.

The accounts are prepared in sterling, and monetary values in these financial statements are rounded to the nearest £.

The accounts have been prepared under a going concern basis as there are no material uncertainties about the charity's ability to continue in future years.

Income Recognition

Donation income is recognised in the Statement of Financial Activities when payment has been received from the donor.

Income from other trading activities is predominantly income raised from events and so is recognised on an accrual basis for it to be matched against the expenditure incurred in generating it.

Expenditure Recognition

Expenditure is recognised in the Statement of Financial Activities on an accrual basis.

Note 2 – Analysis of Income

| 2021/22 | 2022/23 |
|------------------------------|-----------------|
| £ | £ |
| (2,105) Donations | (18,798) |
| (15,505) Lottery | (15,958) |
| (13,735) Fund raising events | (15,670) |
| (31,345) Total | (50,426) |

Note 3 – Analysis of Expenditure

| 2021/22 | 2022/23 |
|------------------------------|----------------|
| £ | £ |
| 2,300 Donations | 24,000 |
| 15,038 Lottery prizes & fees | 15,107 |
| 5,031 Fund raising events | 6,481 |
| 22,369 Total | 45,588 |

Note 4 – Reconciliation of Funds

| <u>2021/22</u> | <u>2022/23</u> |
|---------------------------------------|-----------------|
| <u>£</u> | <u>£</u> |
| (2,303) Funds brought forward | (11,279) |
| (31,345) Incoming resources | (50,426) |
| 22,369 Resources expended | 45,588 |
| (11,279) Funds carried forward | (16,117) |

Note 5 – Donated Goods and Services

The charity has received the contribution of unpaid volunteers during 2022/23. The role of these volunteers was to facilitate the fund-raising events during the year. An additional volunteer carries out the administration and financial record keeping for the charity.

Note 6 – Disclosure of Trustees’ Remuneration and Benefits

During 2022/23, none of the Trustees have been paid any remuneration or received any other benefits from an employment with the Wirral Mayor’s Charity.

Note 7 – Disclosure of Trustees’ Expenses

During 2022/22, no Trustees' expenses were incurred.

Note 8 - Disclosure of Audit, Independent Examination and Other Financial Service Fees

During 2022/23 no fees were payable for independent examination.

Note 9 - Related Party Transactions

During 2022/23, there have been no related party transactions that require disclosure.

Note 10 - Creditors

As at the 14th May 2023, the cheques relating to April’s lottery hadn’t been cashed (£1,250) and bank charges (£7) for the period to 11th May 2023 had not been charged to the bank by the end of the year. Both have been included in the accounts as a creditor.

Also, during the year, Wirral Mayor’s Charity erroneously received an extra instalment from the Council for lottery contributions, and this will be paid back during 2023/24. This has been excluded on income and is treated as a creditor (£1,366)

| 2021/22 | 2022/23 |
|-----------------------|----------------|
| £ | £ |
| 0 Uncashed donations | (1,250) |
| (8) Bank charges | (7) |
| 0 Receipts in advance | (1,366) |
| (8) Total | (2,623) |

Note 11 - Events After the Reporting Period

The Charity closed the 2022/23 financial year with £16,117. The funds raised during the year 2022/23 as well as an additional donation of £24,359 from the financial year 2023/24 have been donated to the following charities in September 2023:

- Incubabies £16,026;
- Maggies £15,000 ;
- RNLI New Brighton £1,000;
- RNLI West Kirby £1,000;
- St Johns Hospice £1,000;
- Prostate Cancer £1,000;
- Rek 41 £1,000;
- RNLI Hoylake £500;
- Ukraine Appeal £500;
- Port Sunlight Orchestra £500;
- Leasowe Boxing Club £500;
- The Charles Thompson Mission £500;
- The Journeymen £500;
- The Stroke Association £500;
- British Divers Marine Life Rescue £500;
- The Hive £500;



Glossary

Glossary

Accounts

Accounts is a term used in the Statement of Recommended Practice (SORP) for Charities to refer to the statement of financial activities (SoFA), income and expenditure account (where produced or required by company law), balance sheet and statement of cash flows and notes.

Accruals accounts

Accruals accounts record the income and expenditure of the charity and the increase or reduction in its assets and liabilities. All income and charges relating to the reporting period to which the accounts relate must be considered without regard to the date of payment or receipt. Accruals accounts are compiled on a 'true and fair' basis in accordance with accounting standards and the SORP.

Asset

Asset is a resource controlled by the charity because of past events and from which future economic benefits are expected to enable the charity to further its charitable aims.

Audit

Audit when referred to in the SORP is the statutory requirement under charity law for an audit of the charity or the group where the charity's or group's gross income and/or assets exceed the relevant threshold. The audit threshold is set by charity law based on the income received in the reporting period and the total assets held at the end of the year.

Balance sheet

Balance sheet (also known as a statement of financial position) is a statement of the assets, liabilities, and funds of the charity (the funds of the charity may also be known as the residual interest) at the end of the reporting period (financial year).

Donated services and facilities

Donated services and facilities include gifts of facilities or services including the contribution of volunteers. Donated services and facilities can also be referred to as intangible income.

Donations

Donations comprise gifts that will not provide any economic return to the donor other than the knowledge that someone will benefit from the donation. Income from donations includes gifts that must be spent on some particular area of work (i.e., restricted income funds) or given to be held as endowment funds. Donations will normally include gifts in kind and donated services.

Economic benefits

Economic benefits refer to the value derived from an asset in terms of cash flows generated, its cash flow generating capacity, or the service potential created, or costs saved or avoided by having control over the asset.

Fundraising costs

Fundraising costs consist of three categories:

- costs of generating donations;
- fundraising trading costs, which are the costs of trading to raise funds and include the cost of goods sold;
- any other costs associated with a trading operation.

Liability

Liability is an accounting term for a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow of economic resources from the entity.

Recognition

Recognition is the process of incorporating in the accounts (financial statements) an item that meets the definition of an 'element', and which satisfies the following criteria:

- It is probable that any future economic benefit associated with the item will flow to or from the entity.
- The item has a cost or value that can be measured with reliability.

Statement of financial activities

Statement of financial activities (SoFA), equivalent to a statement of comprehensive income, shows the income, the expenditure, gains and losses, and transfers between funds during the reporting period (the financial year). The statement reconciles total funds brought forward and total funds carried forward at the end of the financial year.

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Internal Audit Report

Law & Corporate Services / Democratic and
Member Services

Audit Review: Mayor's Charity Accounts 2022/23

Month / Year: January 2024



Distribution

For action:

- Karen Fox – Principal Civic & Electoral Services Officer
- Kris Cureton – Civic and Electoral Services Manager

For information

- Vicki Shaw – Head of Legal Services

Audit Team

- Ian Jones (Lead Auditor)
- Iain Miles (Audit Manager)

Issued by:

- Mark Niblock (Chief Internal Auditor)

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Limitations & Responsibilities

The matters raised in this report were identified during the course of the audit fieldwork and are not necessarily a comprehensive statement of all weaknesses that exist or all improvements that might be made.

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems. The work performed by Internal Audit may not be relied upon to identify all system weaknesses that may exist. Neither should Internal Audit be relied upon to identify all circumstances of fraud or irregularity, should there be any, although our audit procedures are designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of control may not be proof against collusive fraud. Internal Audit procedures are designed to focus on areas that are considered to be of greatest risk and significance.

Public Sector Internal Audit Standards

Internal Audit work is designed to comply with the Public Sector Internal Audit Standards 2017. The Public Sector Internal Audit Standards provide a coherent and consistent Internal Audit Standards Framework for the whole of the Public Sector, and Internal Audit providers are required to demonstrate compliance via a structured mandatory mechanism of external assessment. Wirral Internal Audit Services were assessed in 2019 and were adjudged to be fully compliant in all areas.

Executive Summary

- 1.1 An independent examination of the Mayor's Charity Account for 2022/23 has been undertaken in accordance with the requirements of the Charities Act 2011. The Charity Commission guidance requires Charity Trustees to undertake an annual review of the charity's internal financial controls. This should include an annual review of the charity's internal financial controls.
- 1.2 The examination of the accounts consisted of a:
- Review of the accounting records.
 - Comparison of the accounts presented with those records.
 - A review of the accounts and consideration of any unusual items or disclosures identified.
- 1.3 Following the examination of the Charity's accounts an unqualified opinion can be provided for inclusion in the Wirral Mayor's Charity Statement of Accounts 2022/23- see Appendix 1.
- 1.4 This year, free from the restrictions of COVID-19, events have resumed in earnest, and fundraising such as donation collections and entries for the Mayor's Lottery have continued with the Charity Ball and Tea Dance also being held this year.
- 1.5 The Council is now the sole Corporate Trustee of the Charity, with the trustee role being exercised through the Charitable Trusts sub-committee. The work programme for the Charitable Trusts sub-committee should include the annual review of the charity's internal financial controls, as recommended by the Charity Commission.
- 1.6 During this year, initiatives have also been progressed, such as the move to increase participation in the Lottery via a Just Giving page. This has raised net proceeds of £1,002 for good causes this year compared to £505 last year. To maximise money available, consideration could be given to reviewing the monthly prizes on offer.

Overview of recommendations

- 1.7 The audit report includes **three** recommendations, which can be summarised as follows:

| Priority Level | Number of Recommendations |
|----------------|---------------------------|
| High | NIL |
| Medium | 3 |
| Low | NIL |

Organisational Risk Rating

| Organisational Risk Rating | | Definition |
|----------------------------|---|--|
| Major | | The likelihood/impact of the risks identified during the review, should these materialise, would leave the Council open to a major risk of a fundamental or material nature. This opinion suggests that that there are some potentially serious weaknesses in the design and/or operation of the control environment that may have a significant impact on the achievement of systems and/or corporate objectives if not addressed |
| Moderate | | The likelihood/impact of the risks identified during the review, should these materialise, would leave the Council open to a moderate risk of a fundamental or material nature. This opinion suggests that that there are some weaknesses in the design and/or operation of the control environment that may have varying degrees of impact on the achievement of systems and/or corporate objectives |
| Minor | X | The likelihood/impact of the risks identified during the review, should they materialise, would leave the Council open to minor non fundamental or material risk |
| Negligible | | No weaknesses identified during the audit review and that the Council is not exposed to any risks directly associated with the findings |

Introduction

- 2.1 An independent examination of the Mayor's Charity Account for 2022/23 has been undertaken in accordance with the requirements of the Charities Act 2011. This review was undertaken as part of the Internal Audit Plan approved by the Audit and Risk Management Committee. It will contribute to the overall opinion on the strength of internal control within the Council, which is reported on by the Chief Internal Auditor as part of the Internal Audit Annual Report
- 2.2 The audit is part of planned work and forms part of the Charity's submission to the Charities Commission when filing their annual accounts.
- 2.3 This report has been discussed with Karen Fox, Civic Services Officer, Kris Cureton, Electoral and Civic Services Manager and Vicki Shaw, Head of Legal Services.

Audit Objectives and Scope

- 3.1 The objective of the audit was to undertake the independent examination of the Mayor's Charity Account for 2022/23, in accordance with the requirements of the Charities Act 2011.
- 3.2 The scope of the audit is as per the Charities Commission Independent Examiner's checklist form (CC32a) which requires an independent examination and sign-off of the Charity's accounts.
- 3.3 The examination of the accounts consisted of a:
 - Review of the accounting records
 - Comparison of the accounts presented with those records
 - A review of the accounts and consideration of any unusual items or disclosures identified.

Findings, Observations and Recommendations

- 4.1 The year-end for the Mayor's Charity Account was 14 May 2023. This year, free from the restrictions of COVID-19, events have resumed in earnest, and fundraising such as donation collections and entries for the Mayor's Lottery have continued with the Charity Ball and Tea Dance also being held this year.
- 4.2 As in previous years, the accounts have been prepared from the cashbook and agreed to the underlying bank statements. We have undertaken an analytical review to consider the reasons for variances year on year – this has again been undertaken at the more detailed trial balance level rather than summary type of income and expenditure. We have also sought to gain independent assurances from third parties for significant donations received or paid out and have again received assurances from charity staff concerning procedures in place.
- 4.3 This report reflects the findings and recommendations from the independent examination of the Mayor's Charity Account for 2022/23. The report has been agreed with Karen Fox – Principal Civic & Electoral Services Officer, Kris Cureton, Electoral and Civic Services Manager, and Vicki Shaw, Head of Legal Services. The Principal Civic & Electoral Services Officer was new to post this year, following the retirement of her predecessor; it was clear that there had been a good handover and we again received very good support with the audit.
- 4.4 The Cashbook included items that were paid and received after the year end (14 May 2023), and it should be ensured that these items are captured in next year's account, as was similarly undertaken for this year's account.

4.5 As in previous years, officers from the Finance team have produced an annual report and formalised set of accounts prior to Internal Audit's independent examination. This shows separation of duties between the cashbook, the preparation of the accounts and the independent examination of those accounts. The continued involvement of Finance and Legal officers helps to mitigate the potential inherent risk with all small charities of over-reliance on a small number of officers / volunteers to handle the charity's accounts and finances.

Items from this year's audit:

4.6 We were unable to verify some expenditure e.g. Tea Dance expenses of £75.92, as no receipts were available.

4.7 During the year, the Council lottery has raised income of £16,002, compared to £15,505 in the previous year. Payments to winners of £15,000 has meant only £1,002 has been added to the monies available for donation to local charities. Officers may wish to review the operation of the lottery to explore opportunities for generating a greater contribution. A campaign on the Intranet helped with the collection of greater income this year. To maximise money available, consideration could be given to reviewing the monthly prizes on offer.

4.8 The Charity Commission guidance requires Charity Trustees to undertake an annual review of the charity's internal financial controls. As Council is the sole Corporate Trustee of the Charity. The trustee role is exercised through the Charitable Trusts sub-committee and their work programme should include an annual review of the charity's internal financial controls.

4.9 Following the review, the following table sets out the issues identified and our recommendations.

| Ref | Risk and Potential Implications | Finding | Recommendation | Priority Level |
|------|---|---|--|----------------|
| 4.10 | Expenditure that is not related to the Charity could be being made using the Charity's money | No receipts available to verify expenditure in some cases e.g. Tea Dance expenditure. | Receipts for all expenditure should be requested and retained in all cases. | Medium |
| 4.11 | Without periodic review, the operation of activities designed to generate proceeds for the Mayor's Charity may become less effective. | During the year, the Council lottery has raised income of £16,002. Payments to winners of £15,000 has meant only £1,002 has been added to the monies available for donation to local charities. | To maximise money raised, consideration could be given to reviewing the monthly prizes on offer. | Medium |
| 4.12 | Charity Commission guidance requires Charity Trustees to undertake an annual review of the charity's internal financial controls. | The Council is the sole Corporate Trustee of the Charity. The trustee role is exercised through the Charitable Trusts sub-committee. | The work programme for the Charitable Trusts sub-committee should include an annual review of the charity's internal financial controls. | Medium |

Next Steps

- 5.1 Please complete the Action Plan and return to **Ian Jones**. Please consider whether any of the risks highlighted in this report need to be reflected in the department's risk register.
- 5.2 Progress in implementing the recommendations will be kept under regular review in line with the agreed action plan timescales and reported regularly to the relevant Departmental Management Team and the Senior Leadership Team through the Power BI reporting framework.
- 5.3 Your feedback is very important to us. Please complete the Customer Feedback request included at the end of the action plan and return this with your completed action plan. We may contact you to discuss this feedback.

5.4 The Chief Internal Auditor (CIA) provides a regular update on internal audit activity to the Audit and Risk Management Committee. Key issues arising from this review or in respect of delays in implementing the recommendations will be considered for inclusion in the CIA's report.

5.5 Thank you for your help and co-operation during the audit. Please contact **Ian Jones** if you wish to discuss the report further.

Management Action Plan and Feedback

| <u>Key: Recommendation Priority Levels</u> | | | | | | |
|---|--|--|------------|---|------------------------------|------------------------------------|
| HIGH | | MEDIUM | | LOW | | |
| A matter that is fundamental to the control environment for the specific area under review. The matter may cause a system objective not to be met. This needs to be addressed as a matter of urgency (suggested timescale: within one month). | | A matter that is significant to the control environment for the specific area under review. The matter may threaten the achievement of a system objective. | | A matter that requires attention and would improve the control environment for the specific area under review. The matter may impact on the achievement of a system objective. | | |
| Ref | Recommendation | Priority Level | Agreed Y/N | Plan for Implementation | Expected Implementation Date | Role of Responsible Officer |
| 6.1 | Receipts for all expenditure should be requested and retained in all cases. | MEDIUM | Yes | All receipts are now scanned and retained in the folder relevant to the event. This will prevent the omission / loss of receipts for future years' accounts. | In place from August 2023 | Civic & Electoral Services Manager |
| 6.2 | To maximise money raised, consideration could be given to reviewing the monthly prizes on offer. | MEDIUM | Yes | The monthly prize structure for the lottery was changed in September 2023. The total prize fund per month was reduced from £1250 to £1000. The new maximum figure is split as 1 st prize £700, 2 nd prize £200, and 3 rd | Implemented September 2023 | Civic & Electoral Services Manager |

| Ref | Recommendation | Priority Level | Agreed Y/N | Plan for Implementation | Expected Implementation Date | Role of Responsible Officer |
|-----|---|----------------|------------|--|------------------------------|------------------------------------|
| | | | | prize £100. Legal have checked and agreed the new structure and all participants were contacted to advise what the new prize structure would be from September 2023. | | |
| 6.3 | The work programme for the Charitable Trusts sub-committee should include an annual review of the charity's internal financial controls | MEDIUM | | The charity's internal financial controls are reviewed every 6 months with the Council's legal department and the Civic Manager. The bank statements are analysed every month and the information categorised and recorded in the internal charity account ledgers held by the Civic Team. | In place | Civic & Electoral Services Manager |

| How satisfied were you with the overall service received from Internal Audit? (please ✓ to indicate) | | | | | | | |
|--|---|-----------|--|--------------|--|-------------------|--|
| Very satisfied | ✓ | Satisfied | | Dissatisfied | | Very Dissatisfied | |
| Please provide any additional comments: | | | | | | | |
| | | | | | | | |

If you would like to discuss any aspect of this audit, please contact the Chief Internal Auditor.

Completed by: Kris Cureton Signed:..... Date:

8. Independent Examiner's Report

Independent examiner's report to the trustees of The Wirral Mayor's Charity

I report to the trustees on my examination of the accounts of The Wirral Mayor's Charity (the Charity) for the year ended 14 May 2023.

Responsibilities and basis of report

As the Charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Iain Miles, CIPFA
Internal Audit Manager, Wirral Council.
January 2024.