



Charitable Trusts Sub-Committee

Date: Wednesday, 12 February 2025

Time: 10.00 a.m.

Venue: Committee Room 1 - Wallasey Town Hall

Contact Officer: Mike Jones

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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. WIRRAL MAYOR'S CHARITY - STATEMENT OF ACCOUNTS 2023-24 (Pages 1 - 32)

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

7. INACTIVE CHARITITES FOR WHICH WIRRAL ARE THE NAMED TRUSTEE (Pages 33 - 38)

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, 12 February 2025

REPORT TITLE:	WIRRAL MAYOR'S CHARITY - STATEMENT OF ACCOUNTS 2023-24
REPORT OF:	DIRECTOR OF FINANCE

REPORT SUMMARY

This report presents the Statement of Accounts of the Mayor's Charity for the year ended 14th May 2024 for approval. This includes the carried forward amount of £11,015, which has subsequently been donated to various charities in 2024/25.

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 the 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 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 2024. These must be submitted to the Charity Commission within 10 months of the year end position, which for 2023/24 will be by 14th March 2025.
- 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 2023/24 financial year with a balance of £11,015. These funds have subsequently been donated to the following charities:

- Birkenhead Kennels;
- Wirral Autistic Society
- Upton In Bloom
- Woodchurch FC
- Overchurch Infant School Project
- History & Heritage Association
- RNLI New Brighton
- Wired Shop Mobility;

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 2025.

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. The files attached may not be suitable to view for people with disabilities, users of assistive technology or mobile phone devices. Please contact Shaun Allen if you would like these documents in an accessible format.

10.0 ENVIRONMENT, BIODIVERSITY AND CLIMATE CHANGE IMPLICATIONS

- 10.1 The content and/or 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: **Shaun Allen**
Senior Finance Manager
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APPENDICES

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

Appendix 1 – The Wirral Mayor’s Charity Statement of Accounts 2023/24

Appendix 2 – Internal Audit Report: Audit Review: Mayor’s Charity Accounts 2023/24

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 – Wirral Mayor’s Charity – Statement of Accounts 2022/23	14 February 2024
Charitable Trusts Sub-Committee – Wirral Mayor’s Charity – Statement of Accounts 2021/22	18 January 2023

The Wirral Mayor's Charity Statement of Accounts 2023/24

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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 2023/24, the Mayor's charity used funds brought forward from the previous year to donate to:

- British Divers Marine Life Rescue;
- Incubabies;
- Leasowe Boxing Club;
- Maggies;
- Port Sunlight Orchestra;
- Prostate Cancer;
- Rek 41;
- RNLi Hoylake, New Brighton & West Kirby;
- St John's Hospice;
- Charles Thompson Mission;
- The Hive;
- The Journeymen;
- The Stroke Association;
- Ukraine Appeal.

Achievements and Performance

During 2023/24 the Mayor's Charity donated a total of £40,491 (£24,000 in 2022/23) to local charitable causes.

During 2023/24 the charity organised 2 major events, and was a beneficiary from another:

- Charity Ball
- Tea Dance
- Santa Dash

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 2023 raised £5,550 (£5,807 in 2022/23).

The Christmas Tea Dance at Wallasey Town Hall raised £1,420.

The Santa Dash donated £321.

Additional funds have been raised during 2023/24 by donations from the public and the Mayor's Lottery, with £11,015 to be carried forward to 2024/25.

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 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:

Metropolitan Borough Of Wirral
Electoral Registration Officer
Town Hall
Mortimer Street
Birkenhead
CH41 5BR

Those involved in 2023/24 financial year are Members of the Charitable Trusts Sub-Committee as well as those listed below:

- Councillor Jerry Williams, Mayor of Wirral
- Councillor Jeff Green, Past Mayor of Wirral

Exemptions from Disclosure

There are no exemptions from disclosure for the year 2023/24.

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 Jerry Williams

Mayor of Wirral

Date: 12 February 2025

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 2024.

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 2025



Core Financial Statements

Statement of Financial Activities

2022/23			2023/24	
£	Notes		£	
Income & Endowments from:				
(18,798)	2	Donations & legacies	(25,009)	
(31,628)	2	Other trading activities	(29,779)	
(50,426)		Total	(54,788)	
Expenditure on:				
21,588	3	Raising funds	19,399	
24,000	3	Charitable activities	40,491	
45,588		Total	59,890	
(4,838)		Net (income) / expenditure	5,102	
(4,838)		Net movement in funds	5,102	
Reconciliation of Funds:				
(11,279)		Total funds brought forward	(16,117)	
(16,117)	4	Total funds carried forward	(11,015)	

Balance Sheet

14 May 2023			14 May 2024	
£	Notes		£	
0		Total Fixed Assets	0	
Current Assets:				
18,740		Cash at bank and in hand	25,225	
18,740		Total Current Assets	25,225	
Liabilities:				
(2,623)	10	Creditors: amounts falling due withi	(14,210)	
16,117		Total Net Assets	11,015	
The Funds of the Charity				
(16,117)		Unrestricted funds	(11,015)	
(16,117)		Total Charity Funds	(11,015)	

These accounts were approved and authorised for issue on 12th February 2025.

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

2022/23	2023/24
£	£
(18,798) Donations	(25,009)
(15,958) Lottery	(16,335)
(15,670) Fund raising events	(13,444)
(50,426) Total	(54,788)

Note 3 – Analysis of Expenditure

2022/23	2023/24
£	£
24,000 Donations	40,491
15,107 Lottery prizes & fees	13,341
6,481 Fund raising events	6,058
45,588 Total	59,890

Note 4 – Reconciliation of Funds

<u>2022/23</u>	<u>2023/24</u>
<u>£</u>	<u>£</u>
(11,279) Funds brought forward	(16,117)
(50,426) Incoming resources	(54,788)
45,588 Resources expended	59,890
(16,117) Funds carried forward	(11,015)

Note 5 – Donated Goods and Services

The charity has received the contribution of unpaid volunteers during 2023/24. 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 2023/24, 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 2023/24, no Trustees' expenses were incurred.

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

During 2023/24 no fees were payable for independent examination.

Note 9 - Related Party Transactions

During 2023/24, there have been no related party transactions that require disclosure.

Note 10 - Creditors

As at the 14th May 2024, the cheque relating to a third prize lottery hadn’t been cashed (£100) and bank charges (£6) for the period to 11th May 2024 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 a payment from Wirral Met College (£13,400), and this has been paid back during 2024/25. Income relating to the 24/25 Mayor has also been received in 23/24 (£705). Both have been excluded from 2023/24 income and treated as a creditor.

2022/23	2023/24
£	£
(1,250) Uncashed donations	(100)
(7) Bank charges	(6)
(1,366) Receipts in advance	(14,104)
(2,623) Total	(14,210)

Note 11 - Events After the Reporting Period

The Charity closed the 2023/24 financial year with £11,015. The funds raised during the year 2023/24 have been donated to the following charities:

- Birkenhead Kennels
- Wirral Autistic Society
- Upton In Bloom
- Woodchurch FC
- Overchurch Infant School Project
- History & Heritage Association
- RNLI New Brighton
- Wired Shop Mobility



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 2023/24

Status – FINAL – January 2025

Distribution

For action:

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

For information

- Steve Fox – AD Governance & Corporate Support
- Vicki Shaw – Head of Legal Services
- Jill Travers – Director of Law and Corporate Services

Audit Team

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

Issued by:

- Mark Niblock (Chief Internal Auditor)

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8	Appendix 2 - Independent Examiner's Report

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 2023/24 has been undertaken in accordance with the requirements of the Charities Act 2011.
- 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 2023/24- see Appendix 2.
- 1.4 The Council is now the sole Corporate Trustee of the Charity, with the trustee role being exercised through the Charitable Trusts sub-committee, as recommended by the Charity Commission.
- 1.5 During this year, initiatives have also been progressed:
 - To maximise money available, the monthly lottery prizes on offer have been reviewed, and now total £1,000 a month as opposed to £1,250. The accounts show a surplus on the lottery of £2,994 for 2023/24 compared to £851 in the previous year.
 - To ensure that donations from the Mayor are received in a timely manner, and to increase financial control, the Bankers' Automated Clearing System (BACS) payments been used.
- 1.6 At the time of writing this report, we have not been able to confirm receipt from one charity who received a donation from the Mayor after the year-end, as detailed in paragraph 4.8. To aid this process in the future, we have recommended that a letter is sent to those receiving money requesting that they return a tear off strip to the Mayor via the Civic & Electoral Services Officer acknowledging receipt of the donation.

Overview of recommendations

- 1.7 The audit report includes **One** recommendation, which can be summarised as follows:

Priority Level	Number of Recommendations
High	NIL
Medium	One

Low	NIL
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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 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 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 2023/24 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 Kris Cureton, Electoral and Civic Services Manager and Karen Fox – Principal Civic & Electoral Services Officer. The report has also been shared with Steve Fox, AD Governance and Corporate Support, Vicki Shaw, Head of Legal Services, and Jill Travers, Director of Law and Corporate 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 2023/24, 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 2024. This year's fundraising has occurred through such activities as donation collections, entries for the Mayor's Lottery, the Charity Ball, the annual Tea Dance and receipt of donations from a Santa Dash during the 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 2023/24. The report has been agreed with Kris Cureton, Electoral and Civic Services Manager and Karen Fox – Principal Civic & Electoral Services Officer. The report has also been shared with Steve Fox, AD Governance and Corporate Support, Vicki Shaw, Head of Legal Services, and Jill Travers, Director of Law and Corporate Services.
- 4.4 The Cashbook included items that were paid and received after the year end (14 May 2024), 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 receipt of one donation to the Charity from Oxton Society Xmas Lights for an amount of £100.
- 4.7 Officers reviewed the operation of the lottery by reviewing the monthly prizes on offer during the year, offering a total monthly prize pot of £1,000 instead of the previous £1,250 from October 2023 onwards. This allowed the Council lottery to raise a surplus of £2,994 for 2023/24 compared to £851 in the previous year
- 4.8 The 2023/24 Mayor dispersed his donation payments post year end; these are included in this account as Events After the Reporting Period. At the time of writing this report, we have not been able to confirm receipt of one donation made of £500 to Woodchurch Juniors.
- 4.9 We had trouble confirming receipt from the charities that they had received the monies from the Mayor. To aid this process in the future, we recommend that a letter is sent to those receiving money requesting that they return a tear off strip to the Mayor via the Civic & Electoral Services Officer acknowledging receipt of the donation.
- 4.10 During this year, payments were made using the BACS payment system as this is deemed to be more secure form of payment than issuing a cheque and waiting for the payee to bank the cheque. With BACS, the payment will show instantaneously within both accounts.
- 4.11 The Charity Commission guidance requires Charity Trustees to undertake an annual review of the charity's internal financial controls. As the Council is the sole Corporate Trustee of the Charity, the trustee role is exercised through the Charitable Trust's sub-committee and their work programme should include an annual review of the charity's internal financial controls. This is undertaken during their annual committee meeting to agree the accounts for submission to the Charity Commission. The charity's internal financial controls are reviewed every 6 months with the Council's legal department and the Civic Manager.
- 4.12 Following the review, the following table sets out the issues identified and our recommendations.

Ref	Risk and Potential Implications	Finding	Recommendation	Priority Level
4.13	Without acknowledgment of receipt of the Mayor's donation, it is difficult to ascertain that the monies have been received by the correct recipient.	As in previous years, we had trouble confirming receipt from the charities that they had received the monies from the Mayor.	Consideration should be given to sending a letter to those receiving money by way of a donation from the Mayor's charity requesting that they return a tear off strip to the Mayor via the Civic & Electoral Services Officer acknowledging receipt of the donation.	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	Consideration should be given to sending a letter to those receiving money by way of a donation from the Mayor's charity requesting that they return a tear off strip to the Mayor via the Civic & Electoral Services Officer acknowledging receipt of the donation.	MEDIUM	Y	Payment by Bacs will be made to the charities the day before the presentation. When they arrive at the presentation they will be asked to sign to confirm that they have received the donation amount.	Immediate	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:							
Exceptional service and communication throughout the process.							

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

Completed by: Kris Cureton Signed: *K Cureton* Date: 28.01.2025

Recommendations from Previous Audit

Appendix 1

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 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.	Implemented September 2023	Civic & Electoral Services Manager
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

8. Independent Examiner's Report

Appendix 2

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 2024.

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 2025

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CHARITABLE TRUSTS SUB-COMMITTEE

Wednesday, 12 February 2025

REPORT TITLE:	INACTIVE CHARITITES FOR WHICH WIRRAL ARE THE NAMED TRUSTEE
REPORT OF:	DIRECTOR OF FINANCE

REPORT SUMMARY

The purpose of this report is to provide information relating to inactive charities and the further investigation which is being undertaken to enable the transfer of fund balances to suitable third parties and the formal closure of each charity.

This report has no ward implications.

RECOMMENDATIONS

The Charitable Trusts Sub-Committee Committee is requested to:

1. Note the update regarding the seven inactive charities identified in paragraph 3.1 of this report.
2. Authorise the Director of Finance to proceed with steps towards the closure of the charities.
3. Request the Director of Finance to bring a report to a future meeting of the Sub-Committee with detailed proposals regarding the transfer of funds to appropriate third party organisations.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATIONS

- 1.1 There is no evidence held by Wirral of any current or previous activity being undertaken in the name of each charity.
- 1.2 Given that the charities were formed to distribute funds donated by third parties to deliver specific objectives, it is only right that the funds should be used as intended and not held by The Council indefinitely.
- 1.3 There is a small administrative burden associated with maintaining the charities. This relates to the submission of annual returns to the Charity Commission and activities related to the preparation of the Council's Statement of Accounts which include third party funds. As the charities are inactive, this burden is unnecessary and is not delivering an outcome to the Council's residents.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 Re-activating the charities will require staff resources to both market the availability of the funds and to manage the activity and associated administration. Two of the charities have £0.00 funds remaining and there is no mechanism in place to top-up those with funds once the existing balances are spent. The closure of each charity is inevitable. There is highly likely to be active third parties in existence that deliver services that fall within the remit of the charitable obligations and to which the funding could be transferred. As active organisations, they will have the resources and mechanisms in place to undertake the management of the funds and associated administration. Re-activating the charities is not felt to be an efficient option.
- 2.2 Given the age of the charities and the length of time for which they have been inactive consideration has been given to the release of the financial balances to the General Fund, subject to any covenants and restrictions, on the basis that the Council does provide services that fall within the remit of the objectives of each charity. Due to the small balance available it is not felt that this would be of any financial benefit to the Council and usage of the funds in this way would not be transparent. This is not felt to be an appropriate option.

3.0 BACKGROUND INFORMATION

- 3.1 Following a review of the Council's balance sheet, investigation has been undertaken into balances held on behalf of third parties which includes six accounts which have charitable status. Further investigation with the Charity Commission has identified a seventh charity for which Wirral are named as the Trustee but which had not previously been identified as a third-party fund by Wirral. The relevant charities are detailed in appendix 1, with the fund balances listed below:

Birkenhead HS (Stitt)	0.00
J E Cairns Memorial Fund	2,076.36
J Oldershaw	517.68
Penrice Travel – Wirral Girls	6,515.95

Penrice Travel - Bebington High	10,611.55
Old Masters Young Poets	4,335.14
Puddydale Recreation Ground	0.00

3.2 The charities do not have their own bank accounts but rather, when received, the donations were allocated to the Council's bank account. As the Council has benefitted from the cash balance, interest is added to each third-party fund at the end of the financial year. Any activities that the charity undertake that have a financial impact will be recorded in the Council's financial ledgers against the specific third-party fund balances.

3.3 Investigation has commenced to source suitable active third parties to which the funds could be transferred. Such organisations are likely to be in the voluntary/charity sector and must provide services in line with the objectives of the charities.

4.0 FINANCIAL IMPLICATIONS

4.1 The balances of the seven charities on 31 October 2024 totalled £24,156.68 as follows:

	£
Birkenhead HS (Stitt)	0.00
J E Cairns Memorial Fund	2,076.36
J Oldershaw	517.68
Penrice Travel - Wirral Girls	6,515.95
Penrice Travel - Bebington High	10,611.55
Old Masters Young Poets	4,335.14
Puddydale Recreation Ground	0.00

5.0 LEGAL IMPLICATIONS

5.1 Any covenants and restrictions that exists in relation the usage of the donated funds must be considered prior to any action being taken to transfer funds to a third party.

5.2 Charity Commission regulations must be followed whilst the charities are under Council control and in taking forward any steps to close any of the charities.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 None arising directly from this report.

7.0 RELEVANT RISKS

7.1 Any covenants and restrictions that apply to the donated funds must be observed prior to the transfer of funds to third parties. Failure to do so could result in challenge from the donator or their representative which could result in reputational damage for the Council.

7.2 The requirements of the Charity Commission in relation to the closing of charities must be observed. Failure to do so could result in challenge from and/or complaint to the Charity Commission.

8.0 ENGAGEMENT/CONSULTATION

8.1 There will be engagement with groups that represent the potential beneficiaries ahead of any distribution of funds and closure of the charities.

9.0 EQUALITY IMPLICATIONS

9.1 The 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 CHANGE IMPLICATIONS

10.1 The content and/or recommendations 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.

REPORT AUTHOR: **Shaun Allen**
Senior Finance Manager
email: shaunallen@wirral.gov.uk

APPENDICES

Appendix 1 – Registered Charities for which Wirral is the Trustee

BACKGROUND PAPERS

Charity Commission regulations made by the commission under the Charities Act 2022
Wirral Council Statement of Accounts 2023/24

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
n/a	n/a

Appendix 1 – Registered Charities for which Wirral is the Trustee

Name	Charity number	Registered	How the charity spends its money	What the charity does	Who the charity helps	How the charity helps	Where the charity operates	Fund balances
Birkenhead HS (Stitt)	526026	30-May-72	Training and Education	Education/training	Children/young People	Makes Grants to Individuals and Organisations	Wirral	£0.00
J E Cairns Memorial Fund	525993	16-Feb-73	Training and Education	Education/training	Children/young People	Makes Grants to Individuals and Organisations	Wirral	£2,076.36
J Oldershaw	525981	05-Dec-63	Training and Education	Education/training	Children/young People	Makes Grants to Individuals and Organisations	Wirral	£517.68
Penrice Travel - Wirral Girls	526005	16-Jun-64	Exhibitions, bursaries and maintenance allowance or financial help	Education/training	Children/young People	Makes Grants to Individuals and Organisations	Wirral	£6,515.95
Penrice Travel - Bebington High	525983	30-Apr-63	Provide Education and Training for the young people of Wirral	Education/training	Children/young People	Makes Grants to Individuals and Organisations	Wirral	£10,611.55
Old Masters Young Poets	1054047	26-Mar-96	Training and Education	Education/training	Children/young People	Makes Grants to Individuals and Organisations	Knowsley, Liverpool City, Sefton, St Helens & Wirral	£4,335.14
* Puddydale Recreation Ground	520062	22-Jun-67	Public Recreation and Children's Play	Amateur Sport	The General Public/mankind	Provides Buildings/facilities/ open Space	Wirral	£0.00
TOTAL								£24,056.68

* Puddydale Recreation Ground – Wirral named as the Trustee by Charity Commission but which had not previously been identified as a third-party fund by Wirral.

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