

AUDIT COMMITTEE	AGENDA ITEM No. 6
18 NOVEMBER 2019	PUBLIC REPORT

Report of:	Pete Carpenter, Acting Corporate Director of Resources	
Cabinet Member(s) responsible:	Councillor David Seaton, Cabinet Member for Finance	
Contact Officer(s):	Steve Crabtree, Chief Internal Auditor	Tel. 384557

MAYORS' COSTS

R E C O M M E N D A T I O N S	
FROM: Acting Corporate Director of Resources	Deadline date: N/A
<p>It is recommended that Audit Committee:</p> <ol style="list-style-type: none"> 1. Receive further background to discharge their duties as the Audit Committee in the review of internal audit reports. 	

1. ORIGIN OF REPORT

1.1 This report is submitted to Audit Committee following a request from the Chairman of the Audit Committee for the Acting Corporate Director of Resources to provide details of activities associated with the Mayor's Office.

2. PURPOSE AND REASON FOR REPORT

2.1 Following an adverse report produced by Internal Audit in relation to the Mayor's Charities the purpose of this report is to provide further details on the reasons experienced and to seek the views of the Audit Committee. This is prior to issuing of the next audited accounts of the Mayor's Charities Fund which will be submitted to the Shareholders Cabinet Committee.

The report details work undertaken in relation to the Mayor's Charities Fund only. It does not include any information with regard to other Civic Services provided to the Mayor, such as the leased Mayoral Car or Civic Regalia.

2.2 This report is for Audit Committee to consider under its Terms of Reference No.2.2.2.2 – to consider summaries of specific internal audit reports as requested.

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	YES/NO	If yes, date for Cabinet meeting	
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4. BACKGROUND AND KEY ISSUES

- 4.1 A new Mayor is elected at Full Council annually. One of their roles is to nominate charities they support and to raise funds for them during their tenure with the assistance of a new management committee of volunteers. These are all coordinated through the Mayor of Peterborough Charity Fund (MPCF).
- 4.2 The MPCF is a registered charity in its own right and is independent of the Council. It was registered in late 2015. The MPCF is required by the Charity Commission to upload its accounts and a Trustees' report annually to the Commission's website. Once accounts are finalised all net proceeds are shared out between the nominated charities (usually three) and due to timings takes place in the following Mayoral year. In addition, the Charity Commission require that where a charity's annual gross income exceeds certain thresholds, the accounts are subject to external scrutiny – either an independent examination or a full audit.
- 4.3 The Council provides support to the MPCF in a number of ways. These include administrative support from Council employees, provision of Council venues and equipment for fund raising events and printing of posters and tickets.
- 4.4 Prior to September 2017, the role of the MPCF Treasurer had been undertaken for many years by a volunteer. Since that date this role has been incorporated into the duties of Mayoral Services who were already providing administrative support such as secretarial duties at MPCF meetings.
- 4.5 Following incorporating the role in-house, it is apparent that this has led to an increase in internal support for the service. These have included:
- A lack of awareness within the Council that MPCF was a registered charity and confers the obligation to upload to the Charities Commission website by a specific deadline. This includes a full set of accounts, a statement that the accounts had been audited and an annual Trustees' report. This was missed for 2016/2017 and the Trustees were issued with a warning in July 2018 stating that the MPCF was in default of its legal obligations. Extensions were granted and subsequently met.
 - Internal Audit recreated the accounts for 2016/2017 and 2017/2018 and have provided ongoing support so that the financial records can be maintained in a suitable format.
 - A number of financial and governance controls have been required to ensure that there is ongoing compliance. These cover enhancing the management arrangements for the Trustees, Mayor and Council officers; providing independent checks throughout the year in relation to each event organised to ensure all income and expenditure is accounted for; and regular reconciliation of the bank accounts.
 - Furthermore, some events are run by the Trustees or Committee members outside of the Civic Office. With no prescribed format used, this has resulted in only the net figure being provided when the accounts need all transactions to establish gross income and gross expenditure. Similarly, out of pocket expenses have not been clearly identified. Further support has been provided to ensure that records are now fit for purpose.
- 4.6 The Mayor is the public face of the Council promoting Peterborough and raising funds for worthwhile causes. For this to run smoothly has previously called upon a series of ever-changing volunteers but there is now an increasing reliance on the Civic Office which needs to be recognised. This needs to be taken in context with all external arrangements which the Council is linked to, provided by volunteers but increasingly requiring involvement from the centre, for example the Peterborough Armed Forces Day.

5. CONSULTATION

- 5.1 Report has been circulated to Director of Law and Governance and Monitoring Officer and the Acting Corporate Director of Resources as part of normal approvals.

6. ANTICIPATED OUTCOMES OR IMPACT

6.1 Raise awareness of the internal support provided to deliver the smooth running throughout the year for Mayoral activities.

7. REASON FOR THE RECOMMENDATION

7.1 To provide details of audit activities to enable Members of the Audit Committee to fulfil their duties and responsibilities.

8. ALTERNATIVE OPTIONS CONSIDERED

8.1 None

9. IMPLICATIONS

Financial Implications

9.1 Increased use of internal resources to ensure Civic activities are delivered smoothly and in accordance with governance requirements.

Legal Implications

9.2 None

Equalities Implications

9.3 None

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 10.1 MPCF Accounts 2016 / 2017 (audited)
- MPCF Accounts 2017 / 2018 (audited)
- MCPF Accounts 2018 / 2019 (draft)

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