



## TODMORDEN TOWN COUNCIL

### REPORT TO THE FULL COUNCIL

<b>REPORT AUTHOR</b>	<b>Colin Hill Town Clerk and Responsible Financial Officer</b>
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<b>Date</b>	<b>11<sup>th</sup> March 2020</b>
<b>SUBJECT</b>	<b>Mayors Charity and Bank Account</b>

#### PURPOSE:

1. To advise Members that there is currently no process in place, or designated Bank Account established, to deal with the Mayor's Charity fundraising activity.
2. To seek agreement from Full Council, that a specific bank account be opened to ensure full disclosure accountability and transparency of funds received and payments made, and to be operated under the joint signatures of the Mayor and Town Clerk.
3. That specific accounting codes are established in order to be able to identify such funds and payments as separate to the Town Councils normal course of activity.
4. That at the end the Mayoral year a set of accounts are prepared and signed off by the Town Clerk and Retiring Mayor.
5. As good practice to consider adopting a process as outlined in Appendix 1

#### RECOMMENDATION:

6. To resolve that a new Charity Appeal bank account be opened at the beginning of each Mayoral year with the Town Clerk and respective Mayor as joint signatories.
7. That all transactions are finalised within 3 months of the end of the Mayoral year and the account be closed no later than 6 months after the end of the Mayoral year.
8. That the Town Clerk prepare set of accounts annually.
9. That the Financial rules governing this account are adopted as per Appendix 1

10. That specific codes are established within the accounting structure in order to isolate these transactions from the normal course of Town Council financial activity.

## **REASONS FOR RECOMMENDATION**

11. To regularise and introduce a formal process for enabling the Mayor to conduct fundraising by the Town Council managing the fund in an open manner which then achieves probity and public accountability.
12. The Financial Rules governing the Mayors Charity Appeal, as outlined in Appendix 1, follow the recommendation of The Yorkshire Local Councils Association (YCLA).

## **SUMMARY OF KEY POINTS**

13. The YCLA advise that there is no legislation which governs the way in which income which is donated to a Council Mayor is managed.
14. The custom of the Mayor encouraging donations to a fund, which will then be applied to a particular charity or charities, is a practice which has evolved in many local authorities over a number of years, and this includes principal councils as well as parish and town councils.
15. However, rules do need to be established which will govern how the fund will operate and be administered and rarely, if at all, is it a good idea to allow the individual Mayor (irrespective of how trustworthy that person is) to hold the money personally.
16. It brings the fund into the realms of the Council's financial regulations and risk assessment, and gives protection to the donors who are assured that their contributions are being applied for the purposes that they were intended for and in a timely manner.

## **FINANCIAL IMPLICATIONS**

17. There are no direct financial implications arising from this report other than to ensure that the correct processes and accounting procedures are followed in order to be able to separately identify receipt and payments through a specified cost centre.

## **POLICY IMPLICATIONS:**

18. This does reflect a need to take a Policy decision to help and enable the Mayor to account properly for any receipts and payments associated with the Mayor's nominated Charity/Charities.

## **DETAILS OF CONSULTATION:**

19. None

## **BACKGROUND PAPERS**

20. Appendix 1 – Financial Rules Governing the Mayors Charity Appeal

## **FURTHER INFORMATION PLEASE CONTACT: Colin Hill**