

REPORT TO FINANCE WORKING GROUP

MAYOR'S CHARITY FUNDRAISING ACCOUNTING

Report Reference F-21-02
Meeting Date 7th June 2021
Agenda Item 9
Prepared by Town Clerk



1.0 BACKGROUND

The Town Mayor hosts a range of fundraising event during their year in office to raise funds for their chosen charities/good causes. To date, the accounting for this has been part of the overall council accounts coded to its own committee code.

It is proposed to remove this from the overall accounts and account for the Mayor's Charity Fundraising separately to the council's own funds. The funds are already treated separately by the council's Internal Auditor and they are subject to separate VAT treatment; the separation of the accounting will fully separate the accounts.

The separation will allow for clearer reporting and remove the confusion presented in the council's main accounts caused by the difference in civic and financial years. It will allow for the funds to be accounted for by mayoral rather than financial year.

Due to the relative simplicity of the accounting (turnover under £20,000, no VAT records) it is proposed that the accounting be undertaken on a spreadsheet. Invoices would be generated manually. The spreadsheet would generate reports for mid-year performance, reconciliation and debtors.

There would be no change to the application of any financial policies in respect of the internal controls and management of the accounts and they would remain subject to review through the Internal Audit Working Group.

The council's Credit Management Policy (2.4) states "No manual invoices should be issued. All invoices must be in the format output from the accounting system". The policy would require amendment in due course to reflect the change in system for the accounting – this would be tabled at the next Finance Committee meeting for consideration.

2.0 DIRECTION REQUESTED

Members are asked to raise any queries in relation to the proposal and, subject to it meeting the general approval of members, to note a temporary breach of the council's Credit Management Policy.