
Report to : Clackmannanshire Council

Date of Meeting: 9th March 2017

Subject: Charitable Trusts

Report by: Chief Accountant

1.0 Purpose

- 1.1. The purpose of this report is to seek approval to add Independent Members to the Board of Trustees to the four remaining Charitable Trusts where currently the Council/Council Members are sole Trustees.

2.0 Recommendations

- 2.1. It is recommended that Council agree to the addition of Independent Trust Members as set out in the Table 1 (paragraph 3.3).
- 2.2. It is recommended that the Council bear the cost of the Trusts External Audit Fee for the year ending 31st March 2017.

3.0 Considerations

Background

The External Audit Final Report for 2013/14 recommended that Independent Trust Members be appointed to the five Sundry Trusts where the Council / Council Members are sole Trustees.

- 3.1. An Independent Trustee has been added to the Alloa Day Home Trust leaving the four remaining Trusts responsible for their respective share of the audit fee. If an independent member is not agreed for any of the remaining Trusts they will continue to pay their share of the audit fee. Due to the low level of funds held by the trusts the payment of the external audit fee is unsustainable and there is a possibility that the Trusts may be required to be wound up in future years.

3.2. Current Position

Members of the community who are willing to become the appointed Independent Members for all four remaining Trusts have been identified and these are detailed in Table 1.

Table 1: Independent Member Nominees

Trust Name	Trust OSCR number	Independent Member
Clackmannanshire District Charitable Trust	SCO11479	Reverend Sang Cha
Clackmannanshire Educational Trust	SCO08282	Bill Thomson
Old Folks Annual Outing	SCO02564	Elma Mitchell
Old Folks Welfare Fund	SCO04079	Elma Mitchell

An annual audit will still be required for these Trusts, however by making the recommended changes an alternative audit provider can be engaged which is likely to be a cheaper option than the Council's appointed External Auditor. The current proposed audit fee for 2016/17 is £4,000. It is also proposed that the costs of the audit fee for 2016/17 are met by the Council.

3.3. Future Position

Working with the legal team and within the regulations for the Trust Governing Body (OSCR) a number of actions are required before the appointment of an Independent Member can take place. The actions required for each Trust are set out below.

Table 2: Actions Required

Trust Name	Trust OSCR number	Action Required
Clackmannanshire District Charitable Trust	SCO11479	<ol style="list-style-type: none"> 1. Constitution amended to allow addition of independent member. 2. Amended Constitution submitted to OSCR for approval. 3. Addition of independent member once approval provided by OSCR.
Clackmannanshire Educational Trust	SCO08282	<ol style="list-style-type: none"> 1. Constitution amended to allow addition of independent member. 2. Amended Constitution submitted to OSCR for approval. 3. Addition of independent member once approval provided by OSCR.
Old Folks Annual Outing	SCO02564	<ol style="list-style-type: none"> 1. Constitution written. 2. Constitution submitted to OSCR for approval. 3. Addition of independent member once approval provided by OSCR.

Trust Name	Trust OSCR number	Action Required
Old Folks Welfare Fund	SCO04079	1. Constitution amended to allow addition of independent member. 2. Amended Constitution submitted to OSCR for approval. 3. Addition of independent member once approval provided by OSCR

3.5 As we are working with an external body we need to work within their timescales for approval, it is anticipated that this work will be completed during the first half of the financial year 2017/18. This will enable alternative audit arrangements of the Trust Account for the year ending 31st March 2018.

4.0 Sustainability Implications

4.1. *There are no direct sustainability implications arising from this report*

5.0 Resource Implications

5.1. *Financial Details*

5.2. *The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate.* Yes ✓

5.3. *Finance have been consulted and have agreed the financial implications as set out in the report.* Yes ✓

5.4. *Staffing*

6.0 Exempt Reports

6.1. *Is this report exempt?* Yes (please detail the reasons for exemption below) No

7.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box)

The area has a positive image and attracts people and businesses

Our communities are more cohesive and inclusive

People are better skilled, trained and ready for learning and employment

Our communities are safer

Vulnerable people and families are supported

- Substance misuse and its effects are reduced
- Health is improving and health inequalities are reducing
- The environment is protected and enhanced for all
- The Council is effective, efficient and recognised for excellence

(2) **Council Policies** (Please detail)

8.0 Equalities Impact

8.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?

Yes No

9.0 Legality

9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

10.0 Appendices

10.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

none

11.0 Background Papers

11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes (please list the documents below) No

External Audit Final Report to members on 15/16 Audit

Author(s)

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Approved by

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