CFG INSPIRING FINANCIAL LEADERSHIP

# FINANCE FOCUS

The magazine for CFG members July 2019

# Are your accounts transparent enough?

## Lessons from the SORP governance review

ALSO THIS MONTH:

- LEARNING FROM OXFAM
- HOW A NEW FINANCE LEADER CAN HIT THE GROUND RUNNING
- A LONG-TERM APPROACH TO RISK

# What have we learned from the SORP governance review?

## As it enters its fourth decade, there will be few of you who remember what life was before the charities SORP and (almost unthinkable now) the Charities Act 1992, which required charities to prepare and file accounts for the first time.

Those that recall life before SORP agree that where charity accounting was once a free-for-all, the SORP has raised standards of reporting and transparency, and our SORP is now widely acknowledged as the gold standard.

Since it first appeared in 1988, there have been various iterations, developed in consultation with charity finance professionals and steered by the SORP Committee. As the results of the current governance review are published, one current committee member (Caron Bradshaw) and two former members (Pesh Framjee and Joe Saxton) reflect on what the review's 36 recommendations mean for the sector (pages 8-10).

Last month the Charity Commission published its report into Oxfam's safeguarding scandal which hit the headlines in 2018. There are lessons for us all, says NCVO's Director of Public Policy and Volunteering (and soon-to-be Chief Executive) Karl Wilding (page 10).

If you were at our Annual Conference, you will know that we have launched the first ever CFG Awards. There are three categories, and we're officially open for nominations. On page 12, CFG's own Laura Brigliozzi explains the rationale for the awards, what we're looking for in each category, and importantly, how to enter.

Taking the step up to a leadership role can be daunting, and chances are that you won't have much of a honeymoon period! Claire Wills from Saffery Champness walks through the essentials for your first 100 days, with a step-by-step guide so that you can hit the ground running (page 13).

Charity pensions expert David Davison returns with an update on his article in April on multi-employer pensions (page 14), and on page 15, Angus Roy from Ecclesiastical Insurance shares the results of the newly-launched Charity Risk Barometer, which explores the nature of short, medium and long-term risk.

We're pleased to welcome Samaritans as our organisation of the month on page 4, and, as Tory-party turmoil prevails, our policy team has read and analysed the Labour's Civil Society Strategy. Find out what's in it on page 7.

Finally – do look into signing up to this year's **Finance Count**. The big change for 2019 is that it's **entirely free of charge** for CFG members. To find out more and register, visit: **www.cfg.org.uk/financecount19**

Have a great July!

**Kate Bines,** Head of Marketing & Communications, Charity Finance Group

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# Organisation of the month

SAMARITANS

**Samaritans run their annual Talk To Us campaign each July to raise awareness in local communities about their services. We speak to CEO Ruth Sutherland about how Samaritans is developing, change in the sector, and what she believes the government should be doing to address inequality in society.**

**What is your organisation's biggest achievement?**
That we responded to 5.4m contacts for help last year through our network of 20,000 volunteers, which means that every 6 seconds someone is reaching out to Samaritans – and that we are known and trusted in moments of distress and crisis.

**What is the largest source of support your organisation has gained from CFG membership?**
The events and training sessions hosted by CFG are always timely and informative, and provide a good opportunity to discuss current topics with finance professionals from across the sector.

**What have been the biggest changes to the charity sector since you started working in it?**
Samaritans has embarked on a substantial change and development programme which is central to our strategy. We are working to ensure that Samaritans is relevant, appropriate, accessible and sustainable for future generations from a sound base. We are making good progression.

We have three core themes of development; digital, learning and development and volunteering. There are nine projects including things like the introduction of webchat, a new multi-channel platform, and a new website and intranet. We are overhauling the volunteer experience, including new learning and development. We have also reviewed and developed our brand and income strategy. (Oh, and we have a new finance system!)

**What is the biggest issue facing your sector right now?**
Public and political trust. While Samaritans has experienced a growing public trust, I am acutely aware of how fragile this can be and how important it is to be able to demonstrate impact and value. We have to constantly demonstrate how the charity is well governed and managed, balancing the cost of this with resource to frontline service.

**If the government could change one thing that would make your charity's life easier, what would it be?**
We would like to see a substantive commitment to addressing inequality, specifically working on the wider determinants of health. Suicide rates track recessions; a middle-aged man in a low-income group is ten times more likely to die by suicide than his male counterpart in a higher socio-economic group. That's not right, it's not fair and it's got to change.

**What positive changes has your organisation seen in your sector?**
After many long years, mental health has come to the fore in public discussion, and as a result, public and political will at a height – there are many positive changes associated with this.

**What is the one piece of technology your organisation couldn't do without?**
Communication technology.

Find out more about the Talk To Us campaign at **samaritans.org/support-us/campaign/talk-us**.

## *Voice your views*

**Email policy@cfg.org.uk to contribute to any of our policy work**

### Increasing take up of Gift Aid

CFG is looking to commission research to improve the rate of Gift Aid claims, in the run up to this year's Gift Aid Awareness Day on 3 October. We want to help increase the public's understanding of what Gift Aid is, and perhaps more importantly, understand how we might get them to tick the Gift Aid box. If you interested in partnering on this, or you want to find out more, please email **policy@cfg.org.uk**.

### Northern regional engagement forum

CFG is looking to start a series of regional engagement forums to facilitate greater contact between our members, and to allow CFG staff to gain a greater understanding of the issues they face, in order to inform our work on policy, content and events. The first one is likely to be established in our northern region. For more information, or if you want to take part, contact **policy@cfg.org.uk**.

### How have local government cuts affected your charity?

We are expecting the government to undertake a Spending Review, although this is now more likely to be next year.

Spending reviews take place every two to five years and are a process where government sets departmental budgets for three to five years ahead. With tight public finances and with local government budgets already under substantial strain, this will be of great significance to the sector.

The impact of the Conservative leadership contest and the delay to Brexit have created an environment in which the chancellor has said it will be difficult to plan.

Nonetheless, with preparations well under way amongst government departments, we are really keen to hear from you on the potential impacts that further cuts might have both on your charity, but also in your region. To find out more, or to give your view please email **policy@cfg.org.uk**.

Email policy@cfg.org.uk to have your say in our policy work





# Inspiring Financial Leadership 2019/20 – extended bursary places available

**The Inspiring Financial Leadership series is run in partnership with Cass CCE, CFG and Sayer Vincent.**

Centred on the role of the charity finance professional, drawing on robust leadership research and grounded in the challenges that finance professionals face, this course is highly interactive using a mix of practical experience, research and best practice.

We're delighted to once again offer a bursary scheme this year.

We have a bursary available for under-represented groups, and in addition, we have a travel bursary place open to those living outside of London.

Find out more about the full programme and bursary scheme application forms at **cfg.org.uk/IFL**.

# Don't miss the CFG Awards 2019

CFG AWARDS

**Celebrating excellence in charity finance**

Have you and your team made an outstanding contribution to your charity? If so, we'd like to hear about it, and recognise it with one of three new awards:

- Inspirational trustee
- Embracing digital in reporting
- Innovating in the finance team

Also, it's time to recognise 2019's Inspiring Financial Leaders in our biennial award for individuals who have shown outstanding financial leadership.

To find out more and to enter visit **cfg.org.uk/cfgawards**

Read more about the Awards on page 12.

# FINANCE COUNT 2019 – BENCHMARK YOUR CHARITY

FINANCE COUNT INTELLIGENT FINANCIAL MANAGEMENT

**We're once again offering you the chance to tap into a community of charity finance professionals with our unique benchmarking tool Finance Count.**

This year, we're delighted to share this benefit with our members for absolutely free, saving you £250.

You will be able to see how you measure up when it comes to financial performance, and ensure that your charity is on track to have the strongest possible finance function.

Find out more and sign up at **cfg.org.uk/financecount19**

# WELCOME TO OUR NEW MEMBERS

- Active Prospects
- The British Academy
- Women at the Well
- Richard House Children's Hospice
- English Touring Opera

## News in brief...

### NCVO almanac shows fall in giving

Charity income from public donations fell in 2016/17 – the first such dip for several years – according to the 2019 edition of NCVO's UK Civil Society Almanac.

The almanac shows a fall in donated income from £8.4bn in 2015/16 to £8.3bn in 2016/17. But legacy income rose again from £2.9bn to £3.1bn.

Total income rose from £49.7bn to £50.6bn, based on growth in income from investments and grants.

### Oxfam receives official warning over safeguarding

The Charity Commission has given Oxfam an official warning over its handling of historical safeguarding scandals.

The Commission launched an inquiry last year into how Oxfam handled the use of prostitutes by its country staff in Haiti in 2011.

The regulator said in its final report that Oxfam had developed a culture of tolerating poor behaviour. It said significant further cultural and systems change was required.

**See report, p11**

### New chief executive appointed at NCVO

NCVO has appointed Karl Wilding, its Director of Public Policy and Volunteering, as its next Chief Executive.

Wilding will succeed Sir Stuart Etherington in September. He used his first speech following his appointment to warn of the difficulties faced by charities in the current funding environment, and to say government must change how it supports the sector.

Wilding's appointment prompted questions from across the sector over whether enough had been done in the recruitment process to ensure a diverse range of candidates, but NCVO said it had followed best practice.

### Abolish the role of treasurer, treasurers told

The role of treasurer should be abolished because it stops other trustees from understanding the finances, an audience of charity treasurers was told last month.

Speaking at the Honorary Treasurers Forum in London, freelance chartered accountant Hilary Seaward said many trustees who are not the treasurer currently feel no obligation to engage with their charity's finances. She said that many trustees lacked the confidence to engage with finance, but most people had the necessary skills, and needed to be encouraged.

## Research and reports

### Weaknesses in sector structures contribute to bullying, ACEVO report shows

There are a number of weaknesses in structure, culture and governance within the charity sector which could potentially lead to bullying, according to *In Plain Sight*, a report published last month by ACEVO.

ACEVO said that there was an absence of a sector-wide approach to tackle bullying, and that many charities lacked the organisational policies, procedures and practices which were needed to tackle the issue. The report is intended to be read by sector leaders and policy-makers. To read it visit **bit.ly/AcevoInPlainSight**.

### Diversity a problem among fundraisers, finds IoF report

Only 3 per cent of fundraisers have a disability and only 9 per cent are from BAME backgrounds, according to a report by the Change Collective and the Institute of Fundraising. It also found that only 24 per cent of fundraisers are men, but men are better-paid and occupy more senior roles.

The report, found at **bit.ly/WhoIsntInTheRoom**, found that while 60 per cent of charities had equality, diversity and inclusion as a stated objective, only 39 per cent had anyone to lead on EDI issues, only 35 per cent offered training, and only 13 per cent had any targets in place.

## Guidance and support

### Making Tax Digital – two free CFG webinars

To help members feel prepared to make all the changes required for Making Tax Digital, CFG has provided two free webinars on the topic. These feature a representative from HM Revenue & Customs, and runs through how to comply with MTD, including answers to questions from our members; and members of the finance team of Cancer Research UK, where they explain in detail what steps they took to meet the requirements.

If you would like to be sent a recording these webinars please email **webinar@cfg.org.uk** and we will send on a recording.

### HMRC offers feedback on common Gift Aid errors

HM Revenue & Customs officials have now provided some details of common errors on Gift Aid claims, following a meeting with the Charity Tax Group. Common errors include missing off donation dates, submitting claims from unauthorised individuals, misunderstanding of aggregated donations (where multiple gifts from the same donor are submitted as one entry) and updating Charity Commission records but not updating HMRC records. For more information see **bit.ly/GiftAidQs**.

HMRC has also said it will ask the 3,000 charities with the largest Gift Aid claims to complete a tax return.

## What's the big issue?

### What's in the Labour Civil Society Strategy?

With uncertainty being at the very heart of British politics for the foreseeable future, and the probability of a general election in the next year very high indeed, it is crucial that charities seek to engage with as broad a range of political stakeholders as possible.

It is into this environment that the Labour party released their own version of the Civil Society Strategy *From Paternalism to Participation: Putting civil society at the heart of national renewal*. It's a relatively terse document, compared to the government's strategy – 14 pages as opposed to 123 – but it contains a similar number of important policy proposals and commitments to the sector.

For some on the left of politics, the very existence of charity is a sign of failure. Prominent Labour commentator Owen Jones said recently that 'charities are needed because the current social order is rotten'. But it is clear from this Strategy that this view is not uniform within the Labour party. In fact the Strategy goes as far as to say that "civil society is at the heart of Labour's vision for twenty-first century socialism".

Overall, the Strategy offers a positive vision for the sector, offering support for local communities to increase participation, deepen democracy and give people the control over the decisions which affect them. CFG, alongside other charities infrastructure bodies, engaged in numerous discussions with the shadow Labour team to help shape the Strategy and there is much to support.

A number of the most notable proposals which will be of interest to the sector are:

- To ensure that the levels of funding lost from exiting the EU are matched in the United Kingdom Shared Prosperity Fund, and that they will set up an advisory group with strong representation from civil society, local communities and local authorities to help allocate the funding.
- To increase civil society representation on Local Enterprise Partnerships (LEPs), who will decide how the money from the Shared Property Fund is spent. This has long been a key ask of CFG, so it is heartening to see its inclusion.
- To increase grant funding, with a promise to ensure smaller charities can benefit, and for a new approach to collaborative decision-making in public procurement to promote community wealth building. This is very much in keeping with the principles of the Grants 2.0 agenda, helping to move away from payment by results contracts to increased grant funding in the sector.
- To review the Gift Aid Small Donations Scheme (GASDS) to encourage more small-scale giving. This is to be welcomed as there are issues with the GASDS, it is perhaps not the biggest concern in charity tax and not even within Gift Aid.

While there is much to commend in the Strategy, there are key questions that remain unanswered, particularly around strategic and sustainable funding commitments for the long term. The section on 'Giving civil society the resources to succeed' is notably shorter than other parts of the strategy, and while it does propose a community innovation fund using funding from dormant assets, there is not much else.

This is perhaps understandable given that many of the key decisions around funding will be made by the shadow treasury and local government teams, but this points to a more systematic issue that charities and civil society should recognise. Many of the key issues that impact the finance function of charities are made outside of government departments who have charities and civil society as their primary remit. We would be wise to dedicate more resources to trying to influence where these decisions are made.

## Policy progress

### CFG responds to BEIS independent review of the Financial Reporting Council

The Department for Business, Energy and Industrial Strategy is carrying out a review of the role of the Finance Reporting Council, which currently sets financial standards. CFG's response highlighted the need for any replacement for the FRC to have sufficient expertise in setting standards for not-for-profit entities, and to consider whether the current definition of a public interest entity should apply to charities, and other public benefit entities.

### CFG responds to social value consultation

In a joint response, CFG and other umbrella bodies have said that the government must strengthen its proposed framework to include social value when commissioning services centrally. At present, the government is proposing a framework in which the social value an organisation can deliver is considered to be worth 10 per cent when scoring who should win a contract, but the consultation response said this figure should be higher.

### Finance Count launched for 2019/20

Finance Count, our benchmarking survey for charity finance professionals, is once again open for registrations.

We're once again offering you the chance to tap into a community of charity finance professionals, to see how you measure up when it comes to financial performance, and to ensure that your charity is on track to have the strongest possible finance function.

Over the last four years, we've built a strong alliance with benchmarking specialists Agenda Consulting and top accountancy firm Crowe to develop the questionnaire, scorecards and expertise you need to understand your performance, and how it compares to others.

This year, if you're a member of Charity Finance Group, participating in Finance Count will cost you nothing. By taking part you will be directly helping us to build a picture of charity finance, identify trends and issues intended to help strengthen the sector's voice.

Please email **policy@cfg.org.uk** for more information of how to sign up.

# Are charity accounts meeting the needs of all stakeholders?

**Three current and former members of the SORP Committee look at the impact of the SORP governance review.**

This month saw the publication of *Guiding the Development of the Charities SORP* – the final report of an independent panel set up to review the governance of the SORP, under the independent chairmanship of respected academic Gareth Morgan.

The review looked at the composition of the committee, and whether the process was meeting the needs of all potential users of accounts, including whether alternative reporting formats should supplement or replace the traditional trustees' annual report and accounts.

The final report contains 36 recommendations, which must now be approved or rejected by charity regulators. Most of those recommendations are technical in nature and will not require charities to immediately do anything differently, but some are likely to have practical impact. In particular, the report concludes that all financial information produced by charities, whether in audited accounts or not, should be subject to the SORP. This would be a major change.

The review raises questions about what charity accounts ought to be for – in particular, it asks which stakeholders charities should hold themselves accountable to when preparing their annual report, and how best to deliver something which meets the needs of all stakeholders.

Three charity sector experts look at what this means.

## Caron Bradshaw: We need to stop using the SORP as a way to solve all problems

***Caron Bradshaw,*** *Chief Executive, Charity Finance Group*

Women readers (and those with females in their lives) will probably be aware that a decent, solid pair of high heels make a reasonably effective hammer! However they will never be able to replace that tool, for their purpose was intended to be quite different. Similarly if you strapped a hammer to your foot it would make for incredibly uncomfortable footwear. Things designed for one purpose can be bent to another but we need to recognise and respect the limits of their design. And it is so for the SORP.

For some time there has been tension around the transparency of charities and what the SORP requires; some suggesting that, as a sector, we are not transparent enough, that we disclose the wrong things or that what we publish is so inaccessible that it is anything but transparent. The response to various 'scandals', from safeguarding to CEO pay, have led to the pressure to include more disclosures in our trustees' annual reports and accounts, despite the concurrent complaints that the reports are too long and jargonistic.

> *Transparency of charities is not dictated exclusively by the SORP.*

As with all such things, there is some truth in the criticism levelled and we should look again at the purpose, role and effectiveness of the SORP. However, we must guard against the SORP being used perversely other than for the role it was intended to fulfil. It might be terribly ineffective to do so, and lead to uncomfortable outcomes which are not in the best interests of our beneficiaries or the sector as a whole.

The SORP governance review came on the back of criticism from some commentators, notably ex-SORP Committee member Joe Saxton, that the SORP development process and content fails to meets stakeholder needs. Indeed, Joe has suggested that the SORP has been 'captured by' finance professionals and is way too technical.

Let's turn the clock back for a moment, to when CFG first started; there was no SORP. As Ian Theodoreson, former Chair of CFG, put it, charity accounting and reporting was a bit like the wild west – anything went. So accountants, far from capturing the process of transparency of the sector, have driven it, with the development of this key reporting bible. It is the accounting profession who have pursued best practice and increased public interest reporting more than anyone else. We have been the guardians of accountability, not the defenders of secrecy.

So why has SORP started to get a bad rap from some? Firstly, it is not the answer to everything. In the recent past, negative press stories and misleading comparisons regarding what charities earn, raise, hold and spend have led us to look to the adequacy of the SORP. The clarity of the SORP cannot be maintained if the answer to any challenging question is "Stick it in the report and accounts". Transparency of charities is not dictated exclusively by the SORP, even though it has a huge part to play. It cannot become the dumping ground for anything vaguely in the transparency pot, if it is to remain effective.

The 48-page report offers some 36 recommendations. I won't seek to walk you through each and every one. Instead I'll pick out a few that I find of particular note and urge you to read the full report for yourselves.

### Composition of the Committee

The report suggests that the numbers and mix of people appointed changes. We cautiously welcome this but flag the importance of balance. The committee cannot afford to become skewed towards those entities who are already have greater power to demand information, like funders and the government, and a healthy balance between contributors should be maintained.

### Small first

Despite best efforts to aid smaller charities, for example by making the last SORP modular, small charities have continued to find the SORP cumbersome. Part of this in my view comes from the desire for simplification. But when the simplification is positioned as an opt out those charities require the support and input of professionals to navigate the complexities. We welcome recommendations to simplify the SORP for these smaller charities. I'd suggest stripping out the number of variables and options for small charities; yes, giving them less choice but also reducing their need to seek professional guidance.

### The Role of the SORP

As acknowledged by Gareth Morgan in his introductory comments, 'the requirements to follow the Charities SORP (and the associated requirements for audit/independent examination of charity accounts) have led to massive improvements in the standard of the SORP charity financial reporting.'

As Pesh sets out in his contribution this month the SORP has been successful in driving behavioural change in areas not strictly financial in nature. And so it must continue to develop in my view.

As I have said many times the numbers without the narrative are as meaningless as the narrative without the numbers. We have to focus on how we can aid charities in making their trustees' reports and accounts as accessible and informative as possible. But we should avoid seemingly easy solutions which offer soundbites rather than understanding.

### Expanding the SORP to cover non-statutory financial reporting

The final area I will draw your attention to; extension of the SORP to non-statutory financial information. Firstly, I should stress the recommendation is urging the inclusion of a statement to the effect that information published elsewhere is consistent with the SORP. However, we should be cautious here. How and who would codify the requirements of non-statutory financial reporting by charities and will the SORP therefore be extended to cover this? Also how and who would enforce/police it meaningfully given the difficulties in examination of current statutory requirements. The phrase 'consistent with that detailed in the SORP' needs unpacking – will this be required to be examined by auditors or independent examiners? Will this apply to small charities as well as large? What support will be available and will the benefit perceived to flow from so doing be outweighed by the cost? Will organisations be perversely incentivised to limit what they publish so as to not be burdened with additional requirements and if so will we see a rowing back from transparency rather than an embracing of it?

There are insufficient resources to currently keep on top of the statutory information charities produce. This recommendation may sound simple enough – and of course few would defend behaviours which seek to deliberately tell a different story from that given in statutory reports by producing misleading information.

But this recommendation smacks of hammers and high heels – pushing the SORP beyond its limits to such an extent that it will be the metaphoric equivalent of strapping a hammer to our foot and going for a walk – deeply uncomfortable and we won't get very far!

> *We must not be tempted by the lure of over-simple answers.*

### Closing comments

The SORP has been instrumental in driving up standards of reporting by charities. As the transparency agenda develops it is important that the role of the SORP keeps pace with these changes. We welcome the recommendations of this report and look forward to hearing the SORP-making body's response to the detailed proposals.

The reports and accounts of charities can never provide all the answers but they play an important part in signposting the questions users of accounts can ask. It's important that in driving charities towards embracing the need to be transparent with stakeholders, we do not simply flood users with data. Information published needs to be understandable and accessible and we look forward to playing a part in ensuring that charities, and in particular finance professionals, continue to be the driving force behind greater transparency and increased standards of finance reporting.

## Pesh Framjee: We need a focus on performance

***Pesh Framjee,*** *Global Head of Non-Profits, Crowe UK, and Special Advisor to CFG*

I keep hearing comment that the Charity SORP makes accounting too complicated and that it should simply require a two-page set of key information as all the other bits are too difficult to understand. So back to basics: what is a SORP, and what can it do or not do?

The Financial Reporting Council (FRC) states that SORPs shall be developed in line with current "FRC standards and best practice". It says: "The provisions of a SORP cannot override the provisions of the law, regulatory requirements or FRC standards." So a SORP has to adhere to accounting standards providing additional guidance and covering areas that are not included in standards. For example, the fund accounting requirements that are required under charity and trust law.

I have been with CF(D)G since the very beginning, when a group of charity FDs got together in 1987 to share information and support each other. About the same time, a critical report from the National Audit Office, and another from the Public Accounts Committee, highlighted charity accounting as a key area of weakness.

Although there was a charity SORP issued in 1988 it was not until the Charities Act 1992 required charities to prepare and file accounts that a need for more comprehensive guidance was recognised. This led to the 1995 SORP, and since then we have had the 2000, 2005 and 2015 SORPs.

For my sins, I have been closely involved with the preparation of all the SORPs as a member of the SORP Committee. I have come to recognise that it is important to meet the requirements of the FRC's accounting standards, whilst also meeting the needs of charities and the users of their accounts. Sometimes this is technically challenging and requires input from individuals who understand both aspects.

> “The current approach to charity accounts is like a Soviet nail factory.

Since the first SORP I have seen many changes for the better. The SORP could have simply grown as a tool to guide technical accounting in charities, but instead it has led the way in narrative reporting and driven governance improvements. For example, its requirement to report on matters such as the induction and training of trustees, remuneration policies, reserve policies and risk management forced charities that had never considered these matters to address them.

Before we throw the baby out with the bath water we should recognise that the charities SORP is seen worldwide as the gold standard and countries across Africa, Asia, and Europe look to the UK SORP for how it should be done. As and when we develop an international financial reporting standard for non profits, you can be sure it will draw heavily on the charity SORP.

There is no doubt that we must continue to explore how the statutory accounts and trustees annual report can help to better communicate impact. Just as the SORP's focus on key governance issues shaped good practice in the sector, I am sure that the SORP can aid development of the measurement and communication of impact.

However, we must not get seduced by the lure of over-simple answers to the more complex or challenging questions. I have written before of the dangers of using methods like cost ratios to give an impression of a charity's performance. We should resist the pressure to create a simple set of “indicators” that can apply to all charities in all circumstances because the reality is that for the vast majority, that information will end up meaningless at best and is usually misleading.

Charities understand this, but are also to blame by perpetuating unrealistic expectations and poor understanding by highlighting their financial ratios as a measure of effectiveness. This is because it is thought to be what donors want to see, and consequently the more difficult reporting on performance falls by the wayside.

Charities need to be bolder in their messaging, explaining operating realities, costs and what they are really achieving. We need to stop talking about good and bad expenditure and focus instead on performance. A summary statement that focuses on categories of expenditure is likely to lead to the same old flawed measures.

## Joe Saxton: We need to make five big changes to improve

*Joe Saxton, Founder, nfpSynergy*

It's welcome to see the issue of transparency being discussed in last month's report on SORP governance, but I would argue that more radical reform is needed. If we want to address the issue of making these documents fit for purpose, I think there are five areas we need to take action.

### Clearer understanding of the audiences for accounts and their needs

Perhaps the first thing we need to do is map out who are the users of charity accounts and how they are used. We also need to understand who wants the data in charity accounts but which the current system doesn't make easily available. In short we need to know how the users are, and what they want – the basics of marketing. The current approach is rather like the apocryphal Soviet nail factory – charities spew out these reports and accounts without regard for whether they are useful or there might be a better way. The system says make them, so obedient charities do just that.

### Shorter and simpler accounts

By any measure charity reports and accounts have got too long. One piece of research we did at nfpSynergy shows that typically the report and accounts are now 60 pages for a larger charity. A recent piece of research found that a typical report needs a university degree to understand. And in the age of the internet these are turned into a pdf, and shoved deep in the bowels of a charity's website. We love to claim that we are a transparent sector. However making it practically as hard as possible to get the info the current approach by producing long, turgid, accounts buried deep on websites does the exact opposite.

### Mandate an executive summary

In the last SORP consultation, I campaigned hard for some sort of executive summary (an idea that CFG fiercely resisted and a battle I comprehensively lost). If we want to get the work of charities better accessible to donors and the general public, we need to create shorter and simpler ways of getting the information across, but in a format that complies with a set of clear standards so that donors can know what to look for when they read accounts.

### Agreed metrics on measuring what matters

One challenge of that is to agree what are the key measures that every charity should make clear and easily available in any highlight or summary information. These should be no more than 20 and unlikely to be less than 10 in number. A cross-sector working group could thrash out some ideas – some are easy and obvious like turnover. Indeed the old Charity Commission website had some pretty good metrics but they got combined on the new website. The research I suggest that needs carrying out in the first paragraph about audiences would help illuminate what research people wanted to see.

### Charities stop writing their own school reports

A troubling area for anybody who wants to know how a charity is doing is that all the reports are written by the charity itself. This makes them as reliable and independent as a profile on Tinder. Put another, will always say they did a great job, but they would say that, wouldn't they? There is a need for some kind of independent reporting. The formal audit is worse than useless for that purpose (and quite possibly worse than useless for any purpose – but that is another story). There is no easy mechanism by which a donor get an independent report on how well a charity is run and the impact that it makes. And that's a problem.





# The lessons of Oxfam for the wider sector



*Karl Wilding, Director of Public Policy and Volunteering at NCVO*

**Last month, the Charity Commission finally published a report detailing the results of its inquiry into Oxfam, following last year's allegations in *The Times* that its staff had used prostitutes in Haiti, and that the charity had not properly dealt with the safeguarding issues. Karl Wilding of NCVO discusses the implications.**

Last month, the Charity Commission finally published its report into Oxfam, and how it dealt with safeguarding issues. I was inevitably drawn to the section on wider lessons for charities.

This is not primarily a set of lessons for finance departments, but there are significant implications for all charity leaders, and some areas where finance leaders may well find themselves taking the lead.

Here are my main lessons.

### Good governance matters

As trustees, we have to make sure we understand the risks our charities face. The report says: “trustees are collectively responsible for their charity and ultimately accountable for everything done by charity.”

Safeguarding is the governance priority for charities. That's all charities. No ifs. No buts. NCVO will help on this, but it is absolutely essential that your charity has the right policies and processes and procedures in place. And that they are followed.

### The fact it's hard is no excuse

Just because your charity works in a difficult or contested area, that does not give you an excuse when it comes to keeping people from harm. Many charities work in difficult environments, but the report says “Public expectations of charities operating in this space are high precisely because of the critical importance of this work. Failure to take reasonable steps to protect people cannot be excused by the difficult context a charity is working in, nor can incidents of harm be justified in relation to the importance of the cause.”

### Culture matters

We need a culture where people can speak up. Whoever they are. Whoever the perpetrator is. We need to trust our staff but also have clear lines of accountability. Charity boards must be accountable and open to staff, and there should be full and frank disclosure to all, including regulators.

> “A good culture by itself is not enough. It must be backed up by good structures.

But we also need reporting structures in place. A good culture by itself is not enough. It must be backed up by good structures. We need to put in place mechanisms and procedures that enable people to speak up and then to make sure that we don't just hear, but we actively listen.

### Don't bury your mistakes

Charities can best protect their reputation – and funding – by identifying problems early and dealing with them. Not by wishing them away or hiding them. Denial is not an option. Your job is not to avoid or deflect negative media criticism which might have a short-term impact on your charity. It is to ensure the charity operates with integrity and delivers on its purpose.

Doing good isn't enough – how we do it matters too. More than ever. Maximising value and impact isn't an excuse for a delivery model absent of values. And in the long run, if we try to deliver for beneficiaries in a way which others perceive as unethical, it's unlikely we're doing the best job.

### We're making progress

This is a difficult time for Oxfam, and for aid charities and the sector more broadly. But let's be clear: a lot of good has (and will) come from this episode. More trustee boards are on it. Safeguarding is on the register of many more charities, though not yet all.

We're also talking about issues around power in a way that we have avoided in the past. Bravo to ACEVO for their work on bullying and harassment. And to Dame Mary Marsh for leading work on charity ethical principles. A new safeguarding hub for charities is also on the way.

I hope that this opens up a conversation with the public on the challenges charities face in their work. And on the need for proper infrastructure to support the frontline.

This, in particular, is a challenge for those in the finance department. We must accept the need for stronger core functions, and resource and support the workers in them properly. And we must look across our policies and processes to ensure we are properly protecting our beneficiaries, volunteers and fellow staff. Yes, our culture needs to change at times, but so too does the quality and depth of our support structures.

Oxfam, aid charities and the voluntary sector will, I think, emerge stronger from these difficult times. NCVO and our partners across the charity umbrella bodies will work with them to do that.

# Everything you need to know about the CFG Awards

*Laura Brigliozzi, Events Officer and awards lead, Charity Finance Group*

**In May this year, at the CFG Annual Conference, a new set of awards was launched to celebrate excellence in charity finance. CFG's Laura Brigliozzi explains how you can get involved.**

Last year, CFG decided to launch a series of new awards, designed to recognise the unsung heroes in the world of charity finance.

We have three awards. One is for "inspirational trustee" and recognises any trustee, treasurer, chair or committee member who has made an extraordinary contribution to an organisation.

The second is focused on the use of digital in reporting. It recognises an improvement to financial processes and reporting using digital, and will be awarded to the team that has made the most impact in incorporating the use of digital in developing their financial report.

And finally, there's an award for innovation in the finance team. Here the winner will demonstrate creativity and innovation in how they developed and managed a new project, no matter how big or small.

We wanted to celebrate excellence in the charity finance world, and we wanted to find something unique – awards that rewarded people for something not currently recognised elsewhere.

We don't want to focus just on finance directors and traditional 'leaders'. We want something which is relevant to anyone working in the charity finance world.

In order to be nominated, you have to be a CFG member. You can nominate your own charity, or anyone else can nominate your charity – another charity, or a corporate partner you work with.

The awards opened at the CFG Annual Conference on 16 May, and nominations will be open until 27 September. After that, our panel of judges will take some time to consider the entries, and a shortlist of three for each award will be announced on 16 November 2019. Winners will then be announced on 12 December at the CFG Christmas Drinks, which all shortlisted candidates will be invited to attend.

> *We don't want to focus just on finance directors and traditional leaders. We want something which is relevant to anyone working in the charity finance world.*

The panel of judges will be announced in due course – as will the venue for the Christmas Drinks this year. So be sure to keep an eye on the CFG website!

To enter your own charity, or to nominate, visit **cfg.org.uk/cfgawards**

CFG AWARDS

Aberdeen Standard Capital

### Inspirational trustee

**Our Inspirational Trustee award recognises any trustee, treasurer, chair or committee member who has made an extraordinary contribution to an organisation.**

In your submission please include evidence of achievements, the impact they had on their charity and its objectives

blackbaud™ › power your passion

### Innovation in Finance team

**The winner will demonstrate creativity and innovation in how they developed and managed a new project, no matter how big or small.**

Please give an overview of the project and provide evidence on the impact the project had on the charity/beneficiaries/ stakeholders. We would also like to about any innovative approaches or ideas that were undertaken to achieve project objectives

haysmacintyre

### Embracing digital in financial reporting

**This award recognises an improvement to financial processes and reporting using digital, and will be awarded to the team that has made the most impact in incorporating the use of digital in developing their financial report.**

Include evidence and please explain the impact that embracing digital has had on your charity. Examples of innovation should be provided.





# How a new finance leader can hit the ground running

***Claire Wills**, Director, Saffery Champness*

**Are you new to your financial leadership role? Here Claire Wills of Saffery Champness discusses what you can expect as a new finance leader in the sector, and the key aspects and skills involved.**

The role of finance leader varies hugely depending on the organisation. The size and complexity of the organisation as well as the size of the finance team are all factors. Often in the charity sector it's an all-encompassing role including HR, IT and resources; there are a great many variations.

We have reviewed a selection of job descriptions and considered the roles of various finance leaders we encounter as auditors and advisers. We discovered five key attributes which were consistent across the board.

### Strategy

This really is key. A strong finance leader needs the ability to step back and think about the organisation as a whole and see the bigger picture, often working with, or perhaps providing challenge to, the chief executive in terms of the direction of the organisation.

### Planning

A finance leader needs the ability to plan ahead for key dates such as board meetings and year end, for staff requirements, and for cash flow. A vital part of this is identifying and clearly communicating the financial impact of strategic decisions and the actions needed to achieve them.

### Decision Making

Sometimes the finance leader is the one making the decisions, but often they will facilitate the decision-making of the senior leadership team or the trustees. Standing your ground, speaking up and being credible are all imperative.

### Compliance

Statutory accounts and VAT returns are just the start. Ensuring a charity complies with all the legal and regulatory requirements needs a good understanding of the charity and its environment, and often falls to the finance leader.

### Leadership

A finance leader is an important member of the senior team, with a vital role providing direction, coaching and development to the finance team and other trustees and staff that don't have a financial background.

### How to hit the ground running

We worked with two charity finance leaders – Adam Daniels of JW3 and Victoria Fakehinde of the RAF Benevolent Fund – who shared their experiences of the challenges that can arise. It was clear effectively working and communicating with people is key. It remains the case that who you know is as important as what you know.

> *Trustees and chief executives will be looking to their finance leader to provide reassurance, guidance and to highlight issues.*

There are many stakeholders with whom to build relationships. Trustees are very important in this but so also are the senior leadership team, the finance team and all the other people in the organisation that the finance team needs to communicate with.

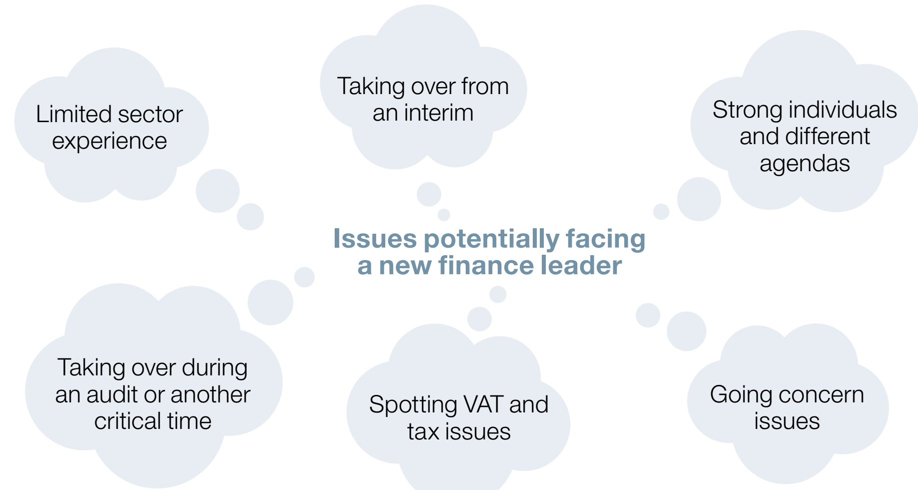
Presenting a confident, assured and credible image is essential. A finance leader is the expert in the organisation and trustees and chief executives will be looking to their finance leader to provide reassurance, guidance and to highlight issues. A huge part of this is confidence and knowing when to speak up, making sure your voice is heard. This doesn't come naturally to everyone, so identifying and developing this is very important. Both Victoria and Adam mentioned the benefit of mentors and coaches. Finding the right person to be a sounding board and assist in developing one's confidence when in front of trustees is invaluable. There are various programmes available, and many professional bodies offer mentoring schemes or trustees may have suggestions and contacts.

A good relationship between the treasurer and the finance leader can be vital. Agreeing potentially contentious issues in advance of any formal meetings so that a united front is presented (or differences are understood) will put other trustees at ease.

### There are no stupid questions.

The 'first 100 days' is often referred to in the context of American presidents, but it has meaning for the finance leader too. After the first 100 days you can no longer blame your predecessor.

Those first days in the role are your chance to ask as many questions as possible, to meet all the key stakeholders and have meaningful conversations. This will build your understanding, develop your ideas and enable you to really get under the skin of the charity.



# Charities still struggling to leave multi-employer pension schemes

David Davison,
*Director, Spence & Partners*

**David Davison of Spence & Partners says that changes in the law would make it easier for charities to pull out of multi-employer schemes, but the schemes themselves must be encouraged to use them.**

Last year, the government introduced changes to pension law which it was hoped would provide some relief to charities with members in multi-employer defined benefit pension schemes, many of whom are facing significant pension deficits – most notably the Deferred Debt Arrangements, which were introduced in April last year.

So far, however, the impact appears to have been more limited than might have been hoped for.

Broadly, the problem for charities with defined benefit pension schemes is that falling interest rates, rising inflation and increasing life expectancy are placing a higher value on pensions, and markets have been unable to keep pace with the increase, leaving charities having to fund ever greater deficits.

For many charities, this has led to the schemes becoming prohibitively expensive, leading those charities to seek to close schemes to new members, and frequently to further accrual.

However many charities are members of multi-employer schemes, in which they are part of a joint scheme with other charities or with public sector bodies. These schemes are harder to exit.

If a charity is no longer making contributions for any of its employers in a multi-employer scheme, legislation requires them to make a substantial payment immediately – a cessation debt, often called a section 75 debt. Payments made on a cessation basis are usually considerably higher than those identified on an ongoing or accounting basis. The larger debt, and the one-off nature of the payment, means the debt is often unaffordable.

This means a charity can find itself in a position where it cannot easily afford the one-off sum which is needed to stop making payments, and is therefore forced to continue making very high pension payments, which are often also hard to afford.

The situation is made worse by the fact that many charities have only a handful of employees in such schemes, often having taken them on under TUPE as part of a contract. Such a charity may be forced to face a cliff edge payment, when its last active member in the scheme retires or leaves the charity's employment.

### Deferred Debt Arrangement

At the end of February, the Department for Work and Pensions (DWP) issued the Occupational Pension Schemes (Employer Debt and Miscellaneous Amendments) Regulations 2018, which came in to force from 6 April 2018.

> *A charity can find itself in a position where it cannot easily afford the one-off sum which is needed to stop making payments, and is therefore forced.*

The key proposal is the introduction of the Deferred Debt Arrangement (DDA). This means that if an employer ceases to employ an active member in a scheme, it is no longer automatically required to pay all the cessation debt at once.

Instead, at the discretion of the scheme, it can make payments at a similar level to those it would make if it retained an active member in the scheme. This would offer charities significant additional flexibility, and allow them to pay down their existing debt while not accruing new liabilities.

However while a framework is now in place to allow DDAs, feedback from charities shows that take up has so far been modest. To date, schemes have either tended to proceed as if the changes had not been made, or to use the DDA to focus almost exclusively on what additional security they can extract from charities. It will largely be up to employers to make proposals to schemes, and to try to force their hand, but the position to date has been highly disappointing.

CFG is keen to seek feedback from charities trying to make use of DDAs, and will continue to lobby schemes to take them up, but progress is likely to be gradual.

### LGPS

Whilst local government pension schemes are obliged to have a cessation value calculated when an employer no longer has active members, in a similar way to those employers in other multi-employers schemes, they have never been obligated to use a 'buyout basis' under S75. However, in practice they have chosen to do so.

In Scotland, the 2018 LGPS Regulations sought to mirror the DDA arrangements with a new 'suspension notice' which would have a similar effect of opening up additional exit options for charities looking to exit from funds. This has proved something of a mixed blessing, as some of the Scottish funds had already pioneered their own, flexible solutions, and were not wholly enthusiastic about the new option.

Once again it will be up to employers to make the running if they want this new option to be implemented.

In England and Wales, the Scheme Advisory Board has carried out a 'Tier 3' review covering charities, social housing organisations and educational organisations. The results were published in October and not wholly surprisingly, they identified a similar problem. This led to a policy consultation issued in May 2019 containing some suggestions to help manage risk – effectively mirroring the Regulations enacted in Scotland. This consultation is due to close 31 July 2019 and we would encourage as many charities and representative bodies as possible to respond.

While it is encouraging to see attempts to tackle the issue of cessations debts in schemes south of the border, the proposals do seem to fall some way short of providing a solution. It seems likely that funds will continue to focus on extracting security rather than looking to actually deal with the problem at hand.

*This article is adapted from one which originally appeared in Charity Finance magazine.*





# Take a long-term approach to risk if you want to prosper

Angus Roy,
*Charity Director,*
*Ecclesiastical Insurance*

**Charities need to take a longer-term view of risk or face increasing threats to their prosperity and security, according to a new report by Ecclesiastical Insurance.**

Last month, Ecclesiastic Insurance published our first Charity Risk Barometer, an in-depth study exploring the immediate and emerging risks facing the charity sector, based on a survey of 200 sector leaders.

The report, published in conjunction with Third Sector, asked charity leaders including CFG, about the biggest risks facing them over the short- (12 months), medium- (one-three years) and long-term (five years), as summarised in the tables below.

Funding continues to be the major concern for all charities. The research found it was the top issue for charity leaders for the short and medium term and the second biggest concern over the next five years.

Unsurprisingly, the impact of Brexit is a major concern for the year ahead, with more than half of charities citing it as a concern, followed closely by growing political instability. Brexit was more of an issue for larger charities and became less important to all charities over the longer-term.

With a number of prominent charity scandals brought to light in the past few years – most notably the sexual exploitation scandal at Oxfam and the collapse of Kids Company – reputational risks are also high on charities' agendas, emerging as the biggest perceived risk over the long term.

A number of emerging risks are also revealed including charities' ability to attract and retain talent, stress-related burnout among staff and engaging with the next generation of supporters.

The report highlights the need for charities to think more strategically about risk management to ensure their future prosperity.

Three-quarters of boards have risk discussions as a standing agenda item, but one in four charity leaders feel they aren't spending enough time considering risk at a strategic level. Worryingly one in three small charities don't spend any time considering strategic risk on a regular basis.

The research also found that many charities were taking a short-term view of risk. One in five charities is only looking ahead 12 months when considering their strategic risks, and just 40 per cent are looking beyond three years.

> *Reputational risks are high on charities' agendas, emerging as the biggest perceived risk over the long term.*

### Overarching recommendations

The report makes four over-arching recommendations

- Boards need to regularly evaluate their risks and set time aside to properly consider the threats to the charity's prosperity and security.
- Diversification is crucial to protecting charities from financial headwinds and to maintaining relative stability in an unstable world. The era of continuous growth in funding for charities is coming to an end, and the sector must adapt its practices to survive on less with greater demand on services.
- Fundraising models need to evolve more quickly to attract a new generation of supporters in a digital world. Charities must learn from some of the more successful outsider movements of recent years such as Extinction Rebellion and ensure they do not become left behind by more nimble and digital-savvy groups
- Diversity of opinion and talent at board level will enable boards to move forward as confidently as possible in an uncertain world.

| SHORT-TERM CONCERNS | |
|---|---|
| Loss of funding | 54% |
| Impact of Brexit | 51% |
| Attracting and retaining talent | 43% |
| Breaching data regulations | 41% |
| Political instability | 38% |
| Threat of cyber-attack | 38% |

| MEDIUM-TERM CONCERNS | |
|---|---|
| Loss of funding | 29% |
| Threat of cyber-attack | 26% |
| Attracting and retaining talent | 24% |
| Employees being hit by burnout | 23% |
| Reputational risk | 23% |
| Inability to engage with the next generation of supporters | 16% |

| LONG-TERM CONCERNS | |
|---|---|
| Reputational risk | 26% |
| Loss of funding | 24% |
| Inability to engage with the next generation of supporters | 22% |
| Attracting and retaining talent | 18% |
| Threat of cyber-attack | 18% |
| Increased focus on governance | 16% |


# TAX CONFERENCE BIRMINGHAM NEWCASTLE LONDON

**Date:** Thursday 26 September 2019, Wednesday 9 October 2019, Wednesday 30 October 2019

**Time:** 09:00 – 16:40

**Location:** Hays Birmingham, 3rd floor, 1 Colmore Square, Birmingham B4 6HQ; Brewin Dolphin Newcastle, Time Central, 32 Gallowgate, Newcastle upon Tyne NE1 4SR; EY London, 1 More London Place, London SE1 2AF

**Price:** CFG members £109 / Non-members £139

Full programme and bookings: **cfg.org.uk/TaxBirm; cfg.org.uk/TaxNew; cfg.org.uk/TaxLondon**

For many charities, raising income through trading activities and Gift Aid has become an increasingly important source of revenue. However, there are certain restrictions that can apply and charities need to be aware of what they can and can't claim depending on the nature and level of activity.

The conference will offer updates for those already working with VAT and Gift Aid, offering tips for optimising income, as well as those new to it, walking them through the benefits, registering and administration of VAT and Gift Aid schemes.

The programme for the day includes:

- VAT and tax update
- Fundraising and memberships
- Introduction to Gift Aid
- Getting the most of available reliefs
- Record keeping
- Troubleshooting – Ask the speakers!
- Making the best use of your trading subsidiary
- Introduction to VAT
- Grants and contracts
- Retail Gift Aid
- Making Tax Digital – A case study

Book your place for only £99 at **cfg.org.uk/TaxBirm**, **cfg.org.uk/TaxNew** and **cfg.org.uk/TaxLondon**

*This conference is kindly hosted by Hays, Brewin Dolphin and EY.*

# MAXIMISING YOUR ORGANISATION'S IMPACT

**Date:** Monday 23 September 2019

**Time:** 10:00 – 14:30

**Location:** Crowe UK, St Bride's House, 10 Salisbury Square, London EC4Y 8EH

**Price:** Early bird for members: £99
Full cost: CFG members £119 / Non-members £152

Full programme and bookings: **cfg.org.uk/maximpact19**

**Maximising your impact through flexible financial planning**

Charities are driven to achieve the greatest impact possible, whilst at the same time, knowing they need to use their resources widely.

Finance teams hold great insights and have an integral role to play in determining what activities make the biggest impact in their organisation, and in advising how funding should be directed to these activities.

This conference will move beyond spend ratios as a measure of impact, and explore how finance teams can develop flexible finance models which will allow a more reactive allocation of resources, ensuring your charity delivers the maximum impact possible.

**Speakers include:**

- **Pesh Framjee**, Partner, Global Head of Non Profits, Crowe UK
- **Naziar Hashemi**, Partner, National Head of Non Profits, Crowe UK
- **Kate Lee,** CEO, CLIC Sargent
- **Mark Salway**, Director of Sustainable Finance, Cass Centre for Charity Effectiveness
- **David Ainsworth**, Sector Specialist, Charity Finance Group

Book your early bird place now at **cfg.org.uk/maximpact19**

*Kindly hosted and partnered by Crowe.*



CFG EVENTS
Keeping you ahead in your career: highlights of upcoming CFG events across England and Wales. Book now at www.cfg.org.uk/events


# SOCIAL CARE CONFERENCE 2019

**Date:** Tuesday 8 October 2019

**Time:** 09:15 – 16:30

**Location:** Mills & Reeve – Birmingham, 74-84 Colmore Row, Birmingham B3 2AB

**Price:** CFG members £99 / Non-members £152

Full programme and bookings: **cfg.org.uk/SWW19**

If your charity is directly providing social care services, this event is an essential chance to get up to date with the big issues affecting social care, from the inevitable funding issues and how you can manage funding in a better way, as well as the latest policy, legal and regulatory changes you need to know.

The programme for the day includes:

- The Social Care Green Paper – reviewv and outline the key issues around funding
- Funding – Brexit, contracts and models
- Regulation – everything you need to know
- Legal update
- A perspective from a Local Government Authority
- Recruitment and retention in the social care sector
- Impact – improving your measurement and evaluation
- The finances

This is also a unique opportunity to gather with other charity professionals working in the social care space, discuss your particular challenges, and share ideas and inspiration for a better operating environment now and in the future.

Early bird discount is available to CFG members for a limited time only, so don't miss out.

Book your early bird place for just £99 at **cfg.org.uk/socialcare19**

*Hosted by Mills & Reeve.*


# SOUTH WEST AND WALES CONFERENCE 2019

**Date:** Wednesday 27 November 2019

**Time:** 09:00 – 17:00

**Location:** The Bristol Hotel, Prince Street, Bristol, BS1 4QF

**Price:** Early bird for members: £109
Non-members £169

Full programme and bookings: **cfg.org.uk/SWW19**

At a difficult and uncertain time for us all, we know charity finance professionals need to be one step ahead for their charity and beneficiaries. With a thought-provoking programme, our biggest conference in the region will bring you the regulatory and topical knowledge you need to know to be effective in your pivotal role as a charity finance professional.

The two streams of sessions include case studies, technical advice, and latest news from the sector. We'll have updates on all the latest news, and changes in VAT, tax and regulation, plus:

- How to manage multiple teams
- MTD: a case study
- Benchmarking, impact and your charity
- How to diversify income
- Cyber security – be prepared
- Financial planning in challenging times
- A guide to bid writing
- Creating a happy workplace

The day is also a brilliant networking opportunity, allowing you to meet colleagues across the sector and region, and share your challenges and successes.

There will be an exhibition running throughout the day so you will have the chance to meet exhibitors working in a range of service areas and discuss your charity's needs with the experts.

This event is open to members and non-members and has something to offer for anyone involved in charity financial management, including financial managers, finance directors, CEOs and treasurers.

Members can book an additional place for just £99 by emailing **events@cfg.org.uk**.


# FINANCIAL LEADERSHIP 2019/20

**Date:** October 2019 – April 2020

**Time:** Breakfast sessions 08:00 – 11:00

**Location:** Centre for Charity Effectiveness at CASS Business School, 106 Bunhill Row, London EC1Y 8TZ

**Price:** CFG members early bird: £545 / Non-member charities £635

Full programme and bookings: **cfg.org.uk/northern19**

The Inspiring Financial Leadership series has been sold out for the last three years. Run in partnership with Cass CCE, CFG and Sayer Vincent, the course is centred on the role of the charity finance professional, drawing on robust leadership research and grounded in the challenges that finance professionals face. This course is highly interactive using a mix of practical experience, research and best practice.

**Registration/breakfast is from 08:00. Sessions run 08:30-11.00.**

- Module 1: Leadership from the finance function – Thursday 3 October 2019
- Module 2: Coaching for empowerment – Tuesday 5 November 2019
- Module 3: Vision and culture – Tuesday 10 December 2019
- Module 4: Leading change – Wednesday 22 January 2020
- Module 5: Communication – Tuesday 25 February 2020
- Module 6: Motivating self and others – Thursday 19 March 2020
- Module 7: Wellbeing and resilience – Wednesday 22 April 2020
- Module 8: Leading and influencing high performing teams – Wednesday 20 May 2020

**Extended bursaries available**

CFG is pleased to once again offer a bursary scheme this year. We have a bursary available for under-represented groups, and in addition, we have a travel bursary place open to those living outside of London.

# UPCOMING TRAINING

If you have any questions on upcoming training, get in touch with Natalie Keppler at **natalie.keppler@cfg.org.uk**

***Natalie Keppler,***
*Training and Content Manager, Charity Finance Group*

**CFG's programme of training enables finance professionals in the charity sector to develop leadership and financial management skills, develop your understanding of topical finance issues, and network and share knowledge with peers. If you have any questions on upcoming training, get in touch with CFG's Training and Content Manager Natalie Keppler on natalie.keppler@cfg.org.uk.**

### Foundation Charity Finance

**Wednesday 18 September 2019 – Manchester**
**Wednesday 9 October 2019 – London**

This popular one day introductory course is aimed at people who are comfortable with finance matters, and concentrates on what is different in the world of charity finance. The main sessions focus on accounting under the SORP and direct tax and VAT regimes. Other topics include the annual report, audit, fraud, investments and charity sector financials. This is predominately a taught day but with time for questions and discussion throughout. Charity participants will find it helpful to bring their annual report and accounts with them.

*In association with BDO and Saffery Champness.*

### Advanced Charity Finance

**Tuesday 12 November 2019 – London**
**Thursday 3 October 2019 – Manchester**
**Tuesday 8 October 2019 – Birmingham**
**Wednesday 23 October 2019 – Bristol**

This training will examine some of the more complex areas of charity finance. Using case studies and participating in group work, you will learn more about VAT, direct tax, and accounting best practice.

*In association with BDO, Saffery Champness and MHA Macintyre Hudson.*

### Foundation Investment Training

**Wednesday 27 November 2019 – London**

This intensive half-day seminar is designed to give participants a thorough understanding of the fundamental principles and responsibilities involved in charity investment. We aim to provide attendees with an outline of charity finance, their obligations within this and how to make responsible decisions regarding charity investments.

*In association with Sarasin & Partners*

### Advanced Investment Training

**Wednesday 2 October – London**

This training is a complementary addition to our Foundation Investment Training, and is suitable for professionals with responsibility for investments, and for those who need to develop a greater understanding of the management of their funds.

*In association with Sarasin & Partners*

### Finance for Non-Finance Managers

**Monday 11 November 2019 – London**
**Wednesday 27 November 2019 – Bristol**

This course will explain charity finance for those from a non-financial background. By the end of the day, participants will have more understanding and greater confidence when working with budgets and accounts.

In association with RSM.

### Audit Committee

**Wednesday 6 November 2019 – London**

This course introduces the main functions of audit committees and discusses their role in charities. It is a combination of presented material and discussion time, exploring; the role and composition of an audit committee, guidance from regulators, key issues – assurance, risk and reporting, and a look at the effective audit committee.

*In association with BDO.*

For our full training calendar and to book visit **cfg.org.uk/training**.

# Events at a glance

For further information on all CFG events or to book, please visit **www.cfg.org.uk/events** or email **events@cfg.org.uk**

## Conferences

Maximising your organisation's impact
**Monday 23 September 2019**
*London*

Tax Conference – Birmingham
**Thursday 26 September 2019**
*Birmingham*

Social Care Conference 2019
**Tuesday 8 October 2019**
*Birmingham*

Tax Conference – Newcastle
**Wednesday 9 October 2019**
*Newcastle*

Tax Conference – London
**Wednesday 30 October 2019**
*London*

South-west and Wales Conference
**Wednesday 27 November 2019**
*Bristol*

## Members' meetings

LONDON AND SOUTH EAST
**Wednesday 18 September and Thursday 10 October 2019**
*London*

MIDLANDS
**Thursday 12 September 2019**
*Birmingham*

SOUTH-WEST AND WALES
**Wednesday 11 September 2019**
*Cardiff*

NORTHERN
**Wednesday 25 September 2019**
*Leeds*

## Training

Foundation Investment Training – London
**Wednesday 27 November**

Advanced Investment Training – London
**Wednesday 2 October**

Foundation Charity Finance
**Wednesday 9 October**
*London*
**Wednesday 18 September**
*Manchester*

Advanced Charity Finance
**Tuesday 12 November** – *London*
**Thursday 3 October** – *Manchester*
**Tuesday 8 October** – *Birmingham*
**Wednesday 23 October** – *Bristol*

Audit Committee Training
**Wednesday 6 November**
*London*

Finance for Non-Finance Managers
**Monday 11 November**
*London*
**Wednesday 27 November 2019**
*Bristol*

Inspiring Financial Leadership 2019/20
**October 2019 – April 2020**

For further information and full programme information on CFG's training and events, visit **cfg.org.uk/events_and_training**