



Cass Business School

CITY UNIVERSITY LONDON

Student Name	Intake Year
Nicola Robert	2008/9
Course Title	
PgDip in Charity Accounting	
Module Code	Module title
SMM812	Voluntary Sector Financial Management
Title of Coursework	
IMPACT REPORTING: VALUE VERSUS COST; LOOKING AT A SAMPLE OF CHARITIES WHAT WORK HAS LED TO THE BIGGEST IMPACT?	
Lecturer	
Prof. Paul Palmer	
I have read the University's policy regarding plagiarism and associated penalties and I confirm that the work submitted is my own unaided work.	
Nicola Robert	10/7/2009
Word count	
3283	

1. INTRODUCTION

Charities are under increasing pressure to measure and communicate the impact of their work. This pressure is both internal (as organisations struggle with the recession) and external (as beneficiaries, funders and regulators demand proof of value and accountability).

However, there is no clear consensus about how to respond to this demand resulting in many different approaches to impact reporting in the sector. Some are moving to more quantitative and business like approaches of value assessment. Others believe that the whole process is fatally flawed; the conclusions are so difficult to reach that they may be incorrect and the effort required could be better spent on beneficiaries.

The Charity Finance Directors' Group (CFDG) recognises the importance of impact measurement in an increasingly competitive funding environment. The purpose of this paper is to assess if the impact reporting produced by some of the UK's leading charities is answering one of the central questions asked by stakeholders: namely what is the value versus the cost? Which work led to the greatest impact per £1 spent?

The paper considers why impact reporting is important, who is driving a more financial approach to impact reporting and whether current practice in a sample of leading disability and international development charities is answering the value versus cost question. It identifies why it is so difficult to measure value and compare organisations, how the sector could improve and why making these improvements could help secure sustainable futures.

2. BACKGROUND AND CONTEXT

What is impact reporting?

"An impact report is a brief summary in ordinary language of the economic, environmental and social results of our efforts"¹ It requires an organisation to measure the "total social benefit achieved in relation to the resources expended."²

Impacts are usually defined as being the broad longer term effects of the charity's work as opposed to outputs (the activities, services and products provided to beneficiaries) and outcomes (the short and medium term changes, benefits, learning or other effects that happen as a result of the charity's activities)³.

Expanding on this definition the SROI Network describes impact as "changes that take place (outcomes) taking into consideration those changes that are not sustained (drop off), those that are shared with others (attribution), those that would have happened anyway (deadweight) and any negative consequences (displacement)"⁴.

¹ The Louisiana State University Agricultural Centre, 2009

² Center for Effective Philanthropy, 2002

³ Finlayson, 2009

⁴ The SROI Network, 2008

The intended audience is usually key external stakeholders such as funders, beneficiaries, policy makers, regulators and partners. By showing the difference made by the organisation, deeper connections can be made with these stakeholders.

Why is impact reporting important?

Good impact reporting can help the organisation illustrate the significance of its cause, foster better visibility and public understanding of its work, show accountability to stakeholders, strengthen stewardship and governance, demonstrate added value and return on investment and persuade donors to provide funding.

Information on impact can also help a charity become more effective. Identifying what works well encourages correct targeting of limited resources, crystallises good practice and learning, helps create a shared vision and can be very motivating for staff and users.

All these items are high on the agenda of charity trustees and directors. To have one methodology that could potentially address so many strategically significant issues is the reason why it is essential to get impact reporting right.

What forces are driving the development of impact reporting?

The past decade has seen three key drivers for a more financial approach:

- i) The development of the Third Sector as an essential partner in delivering government policy has focused attention on the sector's performance and accountability.
- ii) A growing appetite for impact measurement among charity stakeholders has led to greatly increased external pressure for information.
- iii) Increased interest and investment in development of a standard set of assessment tools and methodologies with a view to measuring value and enabling comparison between organisations.

i) Third sector as government partner

With an annual income of £33 billion the UK charity sector is increasingly seen as big business.⁵ The voluntary sector is progressively engaging in providing state-funded services and so must deliver and demonstrate value for money in the same way that the public sector does, especially if they want to see funding renewed.⁶

The Labour government has therefore devoted considerable attention to developing Third Sector accountability. The Government's cross cutting review of charities in 2002⁷ recommended that the sector has a clearer focus on public benefit, a principle that is now enshrined in the Charities Act 2006 public benefit requirements and in the Charities SORP reporting requirements.

⁵ NCVO Civil Society Almanac, 2009

⁶ Cairns et al, 2005

⁷ Her Majesty's Treasury, 2002

The latter provides a framework for the Trustees Annual Report that enables charities to explain “what they aim to do, how they go about it and what they achieve”⁸. It suggests charities include “both qualitative and quantitative information that help explain achievement and performance” including “indicators, milestones and benchmarks against which the achievement of objectives is assessed by the charity”.

ii) Stakeholder appetite for impact measurement

All stakeholders are wrestling with how to measure impact and demonstrate value⁹.

- Funders and investors have an increasing desire to spend more intelligently and are looking for tools to help them do that. For example DfID has introduced performance related funding mechanisms for NGO unrestricted funding of (see Oxfam Partnership Programme Agreement¹⁰ - the majority of the indicators included in this agreement are at the outcome as opposed to the output level). Futurebuilders have commissioned Sheffield Hallam university to carry out an evaluation of their programme of investments using the SROI methodology (social return on investment)¹¹. The Adventure Capital Fund, another government initiative, states “we expect a return on our investment - we hold our investees to account to provide us with results, both social and financial.”¹²

- Purchasers (the public sector is increasingly “shopping” in the third sector market) wish to buy better, obtain value for money and are also looking for tools to help them do that.

- Policy makers have an increasing need to develop evidence-based approaches to policy interventions and are looking at value for money and effectiveness as part of this process.

iii) Standardisation of tools and methodologies for value assessment

A key development is the increased interest in tools such as Social Return on Investment (SROI) and external evaluations performed by organisations such as New Philanthropy Capital.

SROI is an impact measurement tool pioneered by REDF, a San Francisco-based venture philanthropy fund, that places a financial worth on the social value that an organisation creates through its activities, outputs and outcomes. Its blended value approach puts financial value on the important impacts, as identified by stakeholders, that do not have market values. Part of each SROI report is the “index of social return”. An index of 2:1 shows that for every £1 invested, £2 worth of social value is returned.

⁸ Charities SORP 2005, piii

⁹ The SROI Network, 2008

¹⁰ <http://www.oxfam.org.uk/resources/evaluations/index.html>

¹¹ www.futurebuilders-england.org.uk

¹² www.adventurecapitalfund.org.uk

The Office of the Third Sector has adopted a leadership and coordinating role for the standardisation of SROI because it is consistent with the government's commitment to evidence based policy making. It has launched a Measuring Social Value project which between 2008 and 2011 will standardise the approach to using SROI, increase its usage and develop the evidence base of third sector impact¹³.

3. CURRENT PRACTICE IN A SAMPLE OF CHARITIES

Approach

This paper will now review current practice in impact reporting across a sample of 6 UK disability and international development charities (see Appendix 1 for sample details).

The author has reviewed each organisation's publicly available reports and websites to identify how they approach impact reporting and what information is available. To assess the relative effectiveness of each approach the author has identified the key characteristics of effective impact reporting (Appendix 2) and rated each organisation against these characteristics (Appendix 3).

Overview of Findings

The research shows a wide range of practice with no consistency in approach or definitions. Different methods of cost classification and patchy measurement and evaluation data prevent the reader from making their own high level value comparisons between the organisations even those with similar activities. It is therefore not possible to answer the question posed in the title to this essay regarding which organisation has made the greatest impact in comparison to money spent.

When assessing the effectiveness of individual organisation's impact reporting the international development charities rated higher than the disability organisations. Their exploration, measurement and evaluation of outcomes and impact are more complete and evolved.

Specific Findings

- Only one of the organisations (RNID) published an impact report at all. The others incorporated various statements on effectiveness into their websites, Annual Review and Annual Report and Accounts. There is no consistency of approach making it difficult for the reader to quickly find impact assessments or to compare organisations.
- The development charities have a more visible accountability strand to their reporting. Oxfam has a separate Accountability Report focussing on its stakeholders.
- The organisations were generally good at illustrating the cause, outlining their strategy and positioning their charity as a key player in addressing the cause.

¹³ <http://www.sroi-uk.org/content/view/61/68/>

- When demonstrating the difference they have actually made the international charities were better at moving beyond outputs and towards outcomes and impacts than the disability charities.
- There is confusion of terminology between outputs, outcomes and impact; some of the organisations use output measures under the impact heading.
- When substantiating the change most of the charities had recognised the value of using anecdotal case studies to back up their claims. RNID's video case studies were particularly effective in this regard.
- Quantitative measurement of change predominantly consists of output measures plus occasional references to external valuation of outcomes. The exception is Christian Aid who consistently backed up outcome claims with the results of internal and external valuations.
- Benchmarking performance against best practice was a weak area with the exception of Scope who mention several external scoring mechanisms and Christian Aid who quote extensively from external evaluations.
- Demonstrating the amount spent to achieve impact is usually confined to aligning charitable expenditure categories on the SOFA with the strategic themes. Christian Aid went one step further by quoting the amount spent on each project next to its outcomes.
- None of the organisations used any standard measures of added value such as SROI. All the organisations gave examples of how they are changing to be more efficient and effective.

Putting the findings into context

The relatively low scores for the disability charities are not a reflection of actual poor performance. The rating looks at how organisations are communicating their value added and is not an assessment of the relative worth of each organisation or the quality of their underlying performance measurement.

The international charities are helped by the culture of learning and measurement that runs through the wider development community in which they operate with organisations such as the United Nations and World Bank investing heavily in the analysis and measurement of social as well as economic indicators. They are also helped by having outcomes that are easier to measure.

The disability charities have a different set of stakeholders some of whom may find an approach which is high on communication and accessibility more relevant than one that emphasises financial return. They also have to balance the fact that some of their beneficiaries are also members and donors.

4. CHALLENGES TO MEASURING IMPACT AND COMPARING VALUE ACROSS CHARITIES

Our research shows the difficulty that organisations are having in measuring impact and the absence of any value measurement in current reports. This section looks at why this is the case, in the hope that a better understanding of the challenges may identify some improvement opportunities.

Complexity of what we are trying to measure

If impact is the broad long term effects of a charity's work it is apparent that this is difficult to define let alone to measure. RNIB may provide class room materials for 1,000 children with the outcome that they achieve 5GCSE's but what impact does that better education have on each individual's life and on our wider society? Since many of the outcomes are "soft" (improved confidence and self esteem) as opposed to hard facts (employment, salary level) can the impact be measured or "financialised" in any objective, meaningful or cost effective way? To what extent is the impact due to RNIB as opposed to other organisations that made interventions?

According to Ghalib's recent research into the social impact of microfinance projects, "devising a universally acceptable methodology for social impact assessment is almost impossible, since such impacts are deeply-rooted not only in human behaviour, perceptions, beliefs and values but also in external elements such as social, cultural, political and socio-economic factors"¹⁴.

The past decade has seen charities embrace the concept of impact reporting only to retreat on realising how difficult it is to do well. Oxfam prepared impact reports a few years ago but has now stopped because they were not achieving their original purpose. The difficulty of attribution and data collection, the lack of baseline comparisons and the resources required had caused the report to retreat to a series of anecdotal case studies rather than a robust assessment of impact¹⁵. The charity has instead introduced a monitoring, evaluation and learning process at programme level.

This begs the question of whether impact measurement is possible or desirable? Looking back in history there are few examples of long term change being linked to an individual organisation and those that do exist (see table below) took so long to achieve they seem to reinforce the inappropriateness of an annual reporting regime.

What	Who	When	Impact
Hospices	Van Ameringen Foundation	1970	1990s
Rocket Science	Hodgkins Fund	1940s	1970s
Anti Slavery	Granville Sharp	1765	1806
Public Hospitals	Thomas Guy	1724	1944
Famine Relief	Oxfam	1942	?

Source: Extracted from Paul Palmer/Peter Grant presentation to CFDG, 2008¹⁶

¹⁴ Ghalib, 2009

¹⁵ Former Oxfam Manager (2009)

¹⁶ Palmer and Grant (2008)

Stakeholder requirements

Many charities have objectives that are ambitious and long term in nature such as the eradication of poverty or serious disease, gender equality and education. It takes a long time to achieve genuine impact against these objectives but many stakeholders, especially government funders, will be pushing for quick wins. There is therefore a tension between what charities would like to measure and what stakeholders are asking for.

Research conducted by Zyen found that government and grant funders “often demand output statistics rather than assessment of outcomes making it harder to promote an evidence based culture”¹⁷. This is ironic state given that other parts of the government are requiring demonstration of public benefit through longer term impact assessment.

Other stakeholders, for example members of a disability charity or individual donors who are giving because of a personal connection with the cause, are interested in seeing how the charity is helping individuals here and now. They may find anecdotes and case studies a useful tool to illustrate a level of “impact” that is meaningful for them.

Another factor to consider is the pressure exerted by stakeholders for the highest possible ethical standards. There is concern about using blunt measurements that could detract from the right of beneficiaries to dignity and confidentiality¹⁸. SCOPE stood out in our study as the one organisation using no individual cases studies; further research is required to see if ethical considerations were at play.

Resource and skill constraints

Measuring any aspect of performance is time consuming and expensive. The long term perspective and complexity of analysis required by impact reporting adds to this expense as it requires advanced skills across a range of functions (programmes, IT, finance, HR) as well as the collection of baseline data.

Some believe that current systems of measurement are so compromised, that they “only appear to add to bureaucracy” and are “clearly detracting from the efficiency and effectiveness of voluntary sector activity.”¹⁹ A particular complaint is the multitude of performance measures demanded by different funders which result in a duplication of effort.

Internal challenges

There can be immense internal resistance to requests from Headquarters for evidence of impact. This can be due to scepticism about the value of the analysis compared with front line service provision or concern that an individual’s area of work is going

¹⁷ Harris, Mainelli, O’Callaghan, 2002

¹⁸ Moxham and Boaden, 2007

¹⁹ Moxham and Boaden, 2007

to be assessed as low value. This resistance can destroy charity wide efforts at impact measurement and is cited as a source of “internal tension” at Oxfam²⁰.

Financial measures

Our sample shows charities having particular difficulty in attributing financial value to their impact. Making links between costs and projects is already a challenge. To extend the analysis so that costs are shown by area of outcome or impact could be a step too far for many finance teams. There is also the risk that final numbers will not be as objective as the provision of a numerical value suggests due to the large element of judgement and choice required in the cost allocation process.

5. WHAT NEXT?

The following recommendations could help the sector move forward:

i) Establish a standard reporting framework

- Discuss with stakeholders what type of assessment is required.
- Revise all parties’ expectations based on the actual experience of charities who have already tried to measure impact.
- Assess what is practical and cost effective; it must support not detract from the achievement of strategic objectives
- Develop a consistent approach to impact reporting which builds on existing SORP requirements for the Trustees’ Report

ii) Identify sub sector best practice

- Recognise that depending on the type of work being undertaken organisations will have different ways of expressing their outcomes.
- Identify best practice for each sub sector and for large, diverse charities.
- Develop a bank of common outcomes, indicators and financial proxies; this may open the door to meaningful comparison between similar organisations.

iii) Keep it cost effective and simple

- Be self critical about how much time and money is spent on measurement. This investment should be treated like any other and requires a sufficient return for the cost and effort involved.
- Avoid over complex analysis that cannot be readily understood by the reader.

iv) Address internal challenges

- Sell its usefulness to everyone in the organisation. It should be promoted as an aid to achievement of charitable aims and a chance to celebrate success.
- Embed the concept of measurement in all projects, systems and processes.
- Provide strong CEO and Trustee sponsorship.

v) Strengthen analysis of link between impact and financial value

- Provide more public information about programme costs

²⁰ Former Oxfam Manager (2009)

- Further test tools such as SROI to see if they can add to understanding of value added

6. CONCLUSION

Review of six of the UK's leading charities shows that current approaches to impact reporting are inconsistent and weak when it comes to demonstrating value per pound spent. There are clearly major challenges to overcome in order to develop a cost effective and meaningful approach to measuring impact and value. However, charities cannot ignore the subject because there is such a groundswell of demand from their stakeholders.

As Bird writes, "the parliamentary expenses scandal and an increase in social consciousness have all upped the ante as regards accountability. People are increasingly discerning about the behaviour of charities and the way their contributions are spent."²¹

The impact of the recession (reduced government funding, lower voluntary income from trusts and individuals) increases the financial incentive to improve impact reporting both to sell the cause to funders and to make better internal decisions about where to direct resources.

In the absence of clear guidance, charities have a golden opportunity to seize the initiative and define practical approaches which will help them to retain public trust and secure sustainable futures. If the sector fails to establish a more useful regime, it risks losing some of its vital independence and being subjected to government and donor defined measures and targets.

BIBLIOGRAPHY

ACCOUNTING AND REPORTING BY CHARITIES: STATEMENT OF RECOMMENDED PRACTICE (revised 2005, 2nd edition May 2008) Charity Commission (CCH)

BIRD, J (2009), Third Sector, London (2009), The focus of charities is crucial, 7 July 2009, back page

CUPITT, S AND ELLIS, J (2007) Your Project and its Outcomes (Charities Evaluation Service, London)

EMERSON, J, BONINI, S (2003) (online) The Blended Value Map: tracking the intersects and opportunities of economic, social and environmental value creation. Available: www.blendedvalue.org

²¹ Bird, J (2009)

FINLAYSON, N (2009) SORP 2005 Trustee Annual Report, Presentation at Cass Business School PGDip Charity Accounting and Financial Management Course, April 2009. Unpublished.

GHALIB, A K (2009) Measuring the impact of microfinance intervention: a conceptual framework of social impact assessment. PhD thesis. Institute for Development Policy and Management (IDPM), University of Manchester.

HARRIS, MAINELLI and O'CALLAGHAN (December 2002) "Evidence of Worth in Not-for-Profit Sector Organizations", Journal of Strategic Change, Volume 11, Number 8, pages 399-410, John Wiley & Sons

MAINELLI AND HARRIS (1995) Quality Management in Charities, The Charities Finance Handbook

MAINELLI AND HARRIS (June 1993) "Reaping the rewards of quality", NGO Finance, Volume 3, Issue2

NCVO (2009) UK Civil Society Almanac (NCVO, London)

PALMER,P AND GRANT, P (2008) Impact Reporting: What it is, What it is not presented to CFDG Annual Conference, London, May 2008

RNID (2008) The Value of Impact Reporting (RNID, London)

THE SROI NETWORK (2008) Investing in Impact: developing social return on investment (Social Economy Scotland)

APPENDIX 1

CHARITIES SAMPLE FOR IMPACT REPORTING REVIEW

A. UK DISABILITY

NAME	RNID
PURPOSE	The largest charity working to change the world for the UK's 9 million deaf and hard of hearing people. They do this with the help of their members, by campaigning and lobbying, raising awareness of deafness and hearing loss, providing services and through social, medical and technical research.
TURNOVER	£50 million
APPROACH TO IMPACT REPORTING?	Separate online impact report with its own mini website rnidimpact.org.uk ; printed leaflets showing how impact has been achieved in four areas and encouraging reader to access online report for more information; Also send out postcards inviting recipients to access online impact report.
OTHER FEATURES	Use of subtitles and British sign language interpreters to accompany video clips; Reduce environmental impact by doing online report; Award winner in 2003/04 (Annual Review category, Communicators in Business) and 2004/05 (CIPFA/PWC Public Reporting and Accountability); Have published a document called "the value of impact reporting" explaining their approach which includes "a ruthless focus on clearly stating what we set out to achieve and honestly appraising whether it has been achieved".

NAME	RNIB
PURPOSE	The UK's leading charity helping anyone with a sight problem. Specific aims improving lives, increasing independence and elimination preventable sight loss.
TURNOVER	£100 million
APPROACH TO IMPACT REPORTING?	No. Publish an Annual Review and Annual Report and Accounts (printed and online);
OTHER FEATURES	

NAME	SCOPE
PURPOSE	The leading charity working with children and adults with cerebral palsy in England and Wales. Provide services in areas where disabled people face the greatest inequality (early years, education, work and independent living), perform research and organise campaigns.
TURNOVER	£100 million
APPROACH TO IMPACT REPORTING?	No. Publish an Annual Report and Accounts (printed and online);
OTHER FEATURES	

B. INTERNATIONAL DEVELOPMENT

NAME	CARE INTERNATIONAL UK
PURPOSE	Seeks a world of hope, tolerance and social justice where poverty has been overcome and people live in dignity and security. Mission is to create lasting change and put money where it is needed most.
TURNOVER	£38 million
APPROACH TO IMPACT REPORTING?	There is no separate impact report but the language of impact, change and making a difference flows throughout the website, Annual Review and Annual Report and Accounts. (eg see Chairman and CEO's Statements)
OTHER FEATURES	

NAME	OXFAM
PURPOSE	To create a world free from poverty by responding swiftly to provide support and protection during emergencies, developing solutions that empower people to work out of poverty and campaigning to achieve lasting change.
TURNOVER	£300 million
APPROACH TO IMPACT REPORTING?	Impact evaluation is incorporated into individual programmes and funding agreements rather than reported at organisation level after it was found to be too difficult to do the latter. Describing how their work creates impact is a central message in the Trustees Annual Report and Accounts, Annual Review and Accountability Report. (eg see CEO foreword to Annual Review 07/08).
OTHER FEATURES	Oxfam's approach to monitoring, evaluation and learning is explained on its website ¹ . New processes will enable Oxfam to "assess the impact of our programmes, learn from our experiences and increase our accountability to different stakeholders". The new approach includes strong

¹ Oxfam.org.uk/resources/evaluations/index.html

	<p>theories of change that show how we expect programme activities to bring about intended change, good programme monitoring, collection of high quality data (including baseline data and clear indicators of change) and external evaluations for programme > £1million including impact assessments where baseline information is available. There will also be country and regional learning reviews. A wide range of evaluation documents is available for review on the website.</p>
--	---

NAME	CHRISTIAN AID
PURPOSE	“Fighting for a world free of poverty”; Our essential purpose: to expose the scandal of poverty, to help in practical ways to root it out from the world, to challenge and change structures and systems that favour the rich and powerful over the poor and marginalised.
TURNOVER	£87 million
APPROACH TO IMPACT REPORTING?	Annual report, annual review and strategy “turning hope into action” which shows “what we hope to achieve and how we can show we are making a difference”. Per annual report “we want to achieve high standards of public and stakeholder reporting”
OTHER FEATURES	Per strategy document: “we use monitoring, evaluation and impact assessment to measure the difference we’ve made and to learn from experience...we will set ourselves challenging performance targets to ensure we meet the expectations of our stakeholders”; For each goal “evidence of change” is defined though there are almost no quantitative measures. Top NGO in Global Accountability Report (2007); ranked number one in international NGO sector. In 2007 “increased impact” by devolving more authority to overseas offices.

APPENDIX 2

CHARACTERISTICS OF EFFECTIVE IMPACT REPORTING

Analysis of the literature suggests the following elements should be present:

Position the charity

The report should persuade the reader that the charity has the strategy and capability of making a significant impact on behalf the cause. It should clearly explain what the charity planned to do and what it actually achieved in the year in question.

Illustrate change

The report should illustrate what difference the charity's work has made by reference to outputs, outcomes and impacts. This could be improvements in economic value or efficiency, social/individual well-being or environmental quality. Reference should be made to the sustainability of the change to demonstrate lasting value.

Measure and substantiate the change

The report should include evidence including facts and figures supporting the impact claimed. Measurement methodologies and the source of data used should be explained so that the reader understands the rationale behind the case for change. Some evaluations and benchmarking to other organisations or best practice in the field could provide additional weight to the case being made. Anecdotes from beneficiaries, partners, staff and volunteers can be used to create greater resonance and understanding.

Value versus cost

Impact should be linked to money spent so that the reader can see how much it has cost to achieve the results. Ideally this information should flow from the audited financial statements to show the integrity of figures provided. Some effort could be made to value the changes brought about by the organisation especially in situations where investors want to see a blend² of social, environmental and economic returns on their investment. Stakeholders will also want to see evidence that the charity is working efficiently and effectively.

Demonstrate learning

The report should show that the organisation is one that learns from its experience in order to develop and improve.

Clear communication

All impact reporting must be communicated clearly using language and concepts that the intended audience understands. It should be a "manifesto for stakeholders and staff and not something that can only be understood by a few experts in reporting and accounting. It should communicate the excitement and ambitions of the organisation"³.

² Emerson and Bonini, 2003

³ RNID, 2008

APPENDIX 3
ASSESSMENT OF SAMPLE CHARITIES AGAINST KEY CHARACTERISTICS OF EFFECTIVE IMPACT REPORTING
SUMMARY OF RESULTS

CRITERIA	RND	RNIB	SCOPE	CARE UK	OXFAM	CHRISTIAN AID	Scoring Excellent Good Partial Absent	
Position the charity								
- strategy	3	2	1	3	2	3	3	
- capability	1	2	1	1	3	3	2	
- annual objectives and achievements	3	3	3	3	3	3	1	
Illustrate change								
- outputs	3	3	3	3	3	3	0	
- outcomes	2	2	1	2	3	3	3	
- impact	0	1	0	0	2	2	2	
- sustainability of change	1	1	1	1	1	3	3	
Measure/substantiate change								
- anecdotes	3	1	0	2	3	3	3	
- quantitative measurement	1	1	1	1	1	3	3	
- benchmarks	0	0	2	0	1	2	2	
- explanation of rationale	0	0	0	0	2	0	0	
Value versus cost								
- amount spent to achieve impact	1	2	2	2	2	3	3	
- measurement of added value?	0	0	0	0	0	0	0	
- efficiency and effectiveness	2	2	2	1	1	3	3	
Demonstrate learning	1	2	2	2	2	3	3	
Clear communication	3	2	1	3	1	3	3	
TOTAL	24	24	20	24	30	40		
Maximum score	48							

APPENDIX 3
ASSESSMENT OF SAMPLE CHARITIES AGAINST KEY CHARACTERISTICS OF EFFECTIVE IMPACT REPORTING
INDIVIDUAL ORGANISATION RESULTS

CRITERIA	SCORE	COMMENT
Position the charity		
- strategy	3	excellent, clear explanation of vision and new strategy by CEO in her own video clip
- capability	1	implied (eg nature of donors and partners) not explicit
- annual objectives and achievements	3	clear objectives; combination of words and video clearly demonstrates achievements
Illustrate change		
- outputs	3	outputs are clearly listed next to each aim
- outcomes	2	best illustrated by video clips telling individual beneficiary stories and by impact headings "breaking barriers", creating opportunities" etc but beyond this
- impact	0	the outcome is not explicitly stated
- sustainability of change	0	nothing substantial on wider long term impacts
Measure/substantiate change		
- anecdotes	1	implied not explicit
- quantitative measurement	3	individual video stories
- benchmarks	1	Plenty of output measures; almost nothing on outcomes and impact
- explanation of rationale	0	
Value versus cost		
- amount spent to achieve impact	1	The amounts shown are grouped differently to the categories used in the impact report so it is not possible to see amount spent per area of impact
- measurement of added value?	0	
- efficiency and effectiveness	2	No mention of value returned for spend in impact report; though Annual Report highlights improved working capital and internal processes
Demonstrate learning		
- implied not explicit	1	
Clear communication		
- Superb. Use of BSL and subtitles helpful and reinforces charity's role as an aid to deaf/hard of hearing people	3	
TOTAL	24	

Data sources used for this assessment:

Website mid.org.uk
Trustees Annual Report and Accounts 2007/2008

APPENDIX 3
ASSESSMENT OF SAMPLE CHARITIES AGAINST KEY CHARACTERISTICS OF EFFECTIVE IMPACT REPORTING
INDIVIDUAL ORGANISATION RESULTS

CRITERIA	RNIB	COMMENTS
Position the charity		
- strategy	2	Guides reader through vision, mission, strategy, objectives journey
- capability	2	Gives reader confidence that organisation is expert in field (nature of partnerships; scale of innovation)
- annual objectives and achievement	3	Thorough description in annual review
Illustrate change		
- outputs	3	Annual review clearly describes projects and activities within each strategic area
- outcomes	2	Link outputs with outcome by talking about reducing isolation, improving equality and saving sight (eg top 5 achievements)
		Result of campaign to get free NHS access to sight saving drugs for wet AMD (NICE decision overturned due to campaign);
- impact	1	spearheading the UK Vision Strategy
- sustainability of change	1	implied not explicit
Measure/substantiate change		
- anecdotes	1	Individual case studies are a bit too brief to really connect the reader with the case
- quantitative measurement	1	Outputs and some outcomes are quantified (eg numbers of people whose sight was potentially saved); no measures for impact
- benchmarks	0	
- explanation of rationale	0	
Value versus cost		
- amount spent to achieve impact	2	States amount spent on each strategic theme and how much of that money came from donors
- measurement of added value?	0	
- efficiency and effectiveness?	2	UK vision strategy; make a real difference by working with others; merger in Northern Ireland
Demonstrate learning	2	Gives sense that projects are constantly evolving and innovating
Clear communication	2	
TOTAL	24	

Data sources used for this assessment:

Annual report and accounts 2007/08
Annual review "Transforming lives" 2007/08
rnib.org.uk

APPENDIX 3
ASSESSMENT OF SAMPLE CHARITIES AGAINST KEY CHARACTERISTICS OF EFFECTIVE IMPACT REPORTING
INDIVIDUAL ORGANISATION RESULTS

CRITERIA	SCORE	COMMENTS
Position the charity		the flow from being the charity for people with cerebral palsy to having a strategy focussed on equality for all disabled people is not completely convincing; strategy review pending
- strategy	1	
- capability	1	honest approach to recent governance and financial problems; but these have been so great the organisation needs more time to convince on capab
- annual objectives and achievements	3	thorough description in annual report
Illustrate change		
- outputs	3	Annual review clearly describes projects and activities within each strategic area
- outcomes	1	There is little explanation of outcomes for individuals
- impact	0	There is no reference to long term impacts
- sustainability of change		Sustainability is specifically highlighted in Objectives and Annual Report (financial, full cost recovery, governance) and has a separate line in the SOFA but concern remains over the organisation's financial robustness (loss making shops and subsidiaries, reliance on fee income)
Measure/substantiate change		
- anecdotal evidence	0	Not used
- quantitative measurement	1	Plenty of output measures; almost nothing on outcomes and impact Includes targets for some output measurements (eg p12 numbers into full time jobs) and has published all its KPI targets for coming year; includes some external measures: Commission for Social Care Inspection (CSCI) rating increased from 83% to 89% (would be good to know the target), pilot scheme for Rate Us (external customer feedback system) put in place with help for beneficiaries in completing the feedback; standard bearer for Cabinet Office's new Customer Service Excellence standard (though does not explain what this means!)
- benchmarks	2	Cabinet Office's new Customer Service Excellence standard (though does not explain what this means!)
- explanation of rationale	0	Having identified KPIs it would be good to explain why these have been selected
Value versus cost		
- amount spent to achieve impact	2	States amount spent on each strategic theme
- measurement of added value?	0	
- efficiency and effectiveness	2	Clearly working on value in response to financial crisis (full cost recovery reviews, review of retail strategy) Sections on innovation in service delivery and description of how organisation is learning and changes (eg relaunch of Disability Now with disabled editor; change to governance structure)
Demonstrate learning		
Clear communication	1	A text heavy read with almost no pictures and visual aids
TOTAL	20	
Data sources used for this assessment:		Annual report and accounts 2007/2008 scope.org.uk

APPENDIX 3
ASSESSMENT OF SAMPLE CHARITIES AGAINST KEY CHARACTERISTICS OF EFFECTIVE IMPACT REPORTING
INDIVIDUAL ORGANISATION RESULTS

CRITERIA	CARE UK	COMMENTS
Position the charity		
- strategy	3	Clearly explained on page 7 annual review; clear flow from vision to these objectives
- capability	1	implied (eg nature of donors and partners) not explicit
- annual objectives and achievements	3	Clearly outlined in Annual Report
Illustrate change		
- outputs	3	Most of the outputs are reported on the pages titled "impacts"
- outcomes	2	The outcomes are described mainly using case studies
- impact	0	Little on wider long term impacts
- sustainability of change	1	Sustainability is a core value to their work; but sustainability of outcomes and impact is implied not explicit
Measure/substantiate change		
- anecdotes	2	Effective use of individual stories
- quantitative measurement	1	Most of the measures in the pages entitled "our impact" are output measures
- benchmarks	0	
- explanation of rationale	0	
Value versus cost		
- amount spent to achieve impact	2	States amount spent on each strategic theme
- measurement of added value?	0	
- efficiency and effectiveness	1	Section on working in partnership with progressive companies
Demonstrate learning	2	Whole section to review called "sharing knowledge" which covers learning
Clear communication	3	
TOTAL	24	

Data sources used for this assessment:

Annual Review 2008
Trustees' Report and Consolidated Financial Statements 2008

APPENDIX 3
ASSESSMENT OF SAMPLE CHARITIES AGAINST KEY CHARACTERISTICS OF EFFECTIVE IMPACT REPORTING
INDIVIDUAL ORGANISATION RESULTS

CRITERIA	OXFAM COMMENTS
Position the charity	
- strategy	2 Clearly stated on website, less clear in annual report/review
- capability	3 See: Statement of legitimacy and accountability oxfam.org.uk/resources/accounts/legitimacy.html
- annual objectives and achievements	3 Comprehensive coverage in annual report/review and on website. See: What we do oxfam_in_action/what we do/index.html
Illustrate change	
- outputs	3 Described in annual review. Also see example, page 19 DFID PPA agreement
- outcomes	3 Annual review descriptions routinely progress to explaining outcomes of activities. Also see example, page 19 DFID PPA agreement Several examples of external impact assessments are given (eg page 12 Annual Report: "robust evidence of the positive impact on change makers with quantitative and qualitative data depicting...changes in thinking and shifts in key attitudes around gender equality") Trying to achieve impact assessment by programme going forward. Also see example, page 19 DFID PPA agreement
- impact	2 assessment by programme going forward. Also see example, page 19 DFID PPA agreement
- sustainability of change	1 implied not explicit
Measure/substantiate change	
- anecdotes	3 Good use of case studies to substantiate change More focus on description of outputs/outcomes than measurement. But page 18 DFID PPA agreement explains that evaluation will include
- quantitative measurement	1 quantitative and qualitative assessment methods
- benchmarks	1 Monitoring, evaluation and learning process specifies that change is measured against a baseline
- explanation of rationale	2 See papers on evaluation policies and monitoring, evaluation and learning process on website
Value versus cost	
- amount spent to achieve impact	2 States amount spent on each of its 5 aims
- measurement of added value?	0
- efficiency and effectiveness	1 "being cost-effective is a key part of being accountable" (p13 annual report)
Demonstrate learning	2 Formalised in monitoring, evaluation and learning process
Clear communication	1 Rather wordy! Had to search for the information in many pages of text
TOTAL	30

Data sources used for this assessment:

Website oxfam.org.uk

Trustee Annual Report and Accounts 2007/2008

Annual Review 2007/2008

Accountability Report 2006/2007

Oxfam GB and DFID Partnership Programme Agreement 2008-2011, Baseline Report (as an example of Oxfam's monitoring and evaluation)

APPENDIX 3
ASSESSMENT OF SAMPLE CHARITIES AGAINST KEY CHARACTERISTICS OF EFFECTIVE IMPACT REPORTING
INDIVIDUAL ORGANISATION RESULTS

CHRISTIAN AID	
CRITERIA	COMMENTS
Position the charity	
- strategy	3
- capability	3
- annual objectives and achievements	3 Clear list of objectives and achievements per area of strategy
Illustrate change	
- outputs	3 Clear explanation of outputs per area of strategy
- outcomes	3 Clear explanation of outcomes per area of strategy
- impact	tsunami funds used to respond to crisis but also to reduce social exclusion in India (independent evaluation); economic justice campaign: "substantial and effective work - significant contribution to change in UK government policy on trade liberalisation...narrow focus on trade issues has helped impact" (external evaluation) Explain how funds left over after emergency relief has been given were used to help communities reduce their long term vulnerability to future disasters (p3 annual report re Bangladesh Cyclone and other disaster risk reduction projects); p10 annual report "the emphasis on building rights knowledge was seen as an investment in the future that would ensure long term sustainability of the work"
- sustainability of change	3
Measure/substantiate change	
- anecdotes	3 Effective use of case studies to illustrate impact on individual beneficiaries
- quantitative measurement	3 Outputs are measured (eg p10 annual report, democracy training delivered to 81,000); outcomes are evaluated
- benchmarks	Each strategy area shows what evaluations have taken place in year eg Secure livelihoods. Independent evaluation of response to Tsunami, 2005 Asia Earthquake
- explanation of rationale	2
Value versus cost	
- amount spent to achieve impact	States amount spent on each strategic theme and in each region, gives examples of amounts spent on individual projects alongside project outcomes
- measurement of added value?	0
- efficiency and effectiveness	partnership approach praised in tsunami evaluation as driver for "money to spend more effectively"; p22 annual report "strengthening the organisation" looks at how Christian Aid is improving its efficiency, effectiveness, accountability, environmental sustainability and impact
Demonstrate learning	as part of learning commitment one priority area is studied each year, in 2008 external evaluators looked at performance on economic justice. Description of activities and achievements includes learning points from individual projects (eg p 10 annual report "extending the project over a large area may have "diluted" some of the impact
Clear communication	3
TOTAL	40
Data sources used for this assessment:	Strategy 2005-2010 Annual Report 2007/08 Annual Review 2007/08