



INSPIRING FINANCIAL LEADERSHIP

# FOCUS

FINANCE

The magazine for CFG members

June 2017



## Annual Conference 2017

from the Wild West  
 Happy 30<sup>th</sup> Anniversary  
 to

our  
 is less distinct and its less clear  
 What we stand for! reigniting+  
 our passion for what we do!  
 always apply the **So what? test!**

We need to be a **STRONGER VOICE**  
 that commands **ATTENTION!**  
 and enables us to **SUPPORT** our beneficiaries

**Inspired Leadership**  
 detail - focus - resources

**Shared Purpose**  
 - why are we here?  
 - creating a world we're proud to live in

**Community**  
 how does what I do contribute to the larger vision?  
 We can only thrive as individuals when we are all thriving as a whole

**Leadership**  
 including people  
 ideas we can work on together  
 Your com + technol  
 ideas + acti  
 towards a comm  
 Purpose  
 inspiration

**MAXIMUM IMPACT**

**LEADERSHIP**

clear  
 What we stand for!  
 reigniting+

Show your **TARGETS** and achievements (or not!) against them

**Reporting under the new Regime**

**Fundraising** - promise  
 show care that goes into it  
 compliance response

**The role of Procurement**

**know what you want**  
 go through functional spec with fine tooth comb!  
 design + configuration  
 Project m  
 customisa  
 review users  
 be prepared to change proces

**Understand needs**  
 involve key users  
 Check T5+CS  
 in ob

Page 1  
 tell your **STORY** right at the beginning

- KEY AREAS**
- Risk
  - Finance + Reserves → policy need to justify
  - Remuneration → what to publish?
  - Public Benefit → against most activities!

**Contracting** - Value for mon  
 having centralised records  
 getting the best fr beneficiaries



# General Data Protection Regulation

## With less than a year to comply – are you prepared?

Organisations in the UK that collect and use personal data must comply with the new regulation



Learn more about the new GDPR, how it can affect your organisation, and what you should be doing now to ensure you are compliant - download our free briefing pack, visit: [www.adaptaconsulting.co.uk/adapta-knowledge](http://www.adaptaconsulting.co.uk/adapta-knowledge)

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- Data Protection Act / GDPR Compliance

# HAND-CRAFTED CHARITY PORTFOLIOS



How do you navigate the unknown? How do you move beyond convention? Our great achievements all share a common theme: curiosity, courage and readiness to act on conviction. Why should investing for charities be any different?

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## CFG Annual Conference 2017 in a nutshell

**If you were one of the 600 delegates at our Annual Conference last month, we salute you! It was a resounding success, with standing room only in some sessions, lively debate, fascinating presentations, but moreover, an overwhelming sense of community and shared purpose.**

It's this commitment and passion of CFG members, both charity and corporate, that help give CFG its strong sense of purpose, and seeing so many of you in one place, so close to our seat of Parliament, was a fitting tribute to CFG's first 30 years.

We're mindful that not all our members were able to attend (we salute you too!), so have dedicated this issue of Finance Focus to bringing you the highlights and key takeaways from conference. For Ian Theodoreson, the conference was especially poignant as it was his last as CFG's Chair of Trustees. In our cover story on page 8, he urges finance professionals to use their unique perspective to address other challenges outside of their immediate remit, such as the reputation of the sector.

Adrian Warburton from WWF-UK and his team (armed with wigs and other props) gave a compelling case for why finance should be central to procurement. Read more on page 12. Having stepped up from FD to CEO, Simon Hopkins from Turn2us explores why it is more relevant than ever for finance professionals to step into charity CEO positions on page 13.

As we approach the deadline for Brexit negotiations, Caron (on page 10) reflects on the lunchtime Brexit panel which featured a stellar line up of panellists, with opposing views but one common theme: the impact will be felt by the communities we serve, and it's our responsibility as a sector to step up and speak out.

Finally, in the midst of all of the excitement on the day, four leading figures in charity finance were awarded CFG's first Inspiring Financial Leaders Awards. Read about our inaugural award winners on page 14.

For CFG's policy team, the general election has been the gift that keeps giving. Our overarching message for charities at this time is to strike while the iron's hot and speak out - this is an opportunity to shape the debate, rather than merely react to it (page 18).

Aside from the distraction of the election, they have scrutinised the Government's proposed reform to Section 75 and ask is this a silver bullet or a sword of Damocles on page 7.

Finally - our cover this month is a graphic recording of the day's events by illustrator Caroline Chappell. There's a time-lapse film lapse film of her at work on the day on CFG's new Facebook page: /charityfinancegroup

**STOP PRESS:** At the time of writing, Tracey Crouch MP has just been confirmed as Minister for Sport and Civil Society. Read more about her appointment and other post-election developments as they unfold on our live election blog: [bit.ly/CFG\\_GE2017](http://bit.ly/CFG_GE2017)

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



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A Company Limited by Guarantee.  
Registered in England No. 3182826  
Registered Charity No. 1054914  
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# Member of the month



Anne Lister,  
Systems Accountant,  
Blue Cross

This month we are showcasing a long-standing member who has regularly attended CFG's annual conferences. Anne Lister from Blue Cross reflects on past conference and what she'd like to see covered at future events.

#### When and why did you join CFG?

I joined Blue Cross five years ago and attending CFG's Annual Conference was a natural step in finding out what others in the charity sector were doing and the challenges they were facing. Blue Cross were already members so joining was easy.

#### How important do you think the Annual Conference is for charities?

The conference gives you an excellent opportunity to network with others and time to catch up with ex colleagues. The exhibition halls are also a good way to keep in touch with any latest developments and see what's out there.

The conference is great value for money as it gives you all of these benefits – I've never have won one of those bottles of champagne though!

#### What do you most look forward to?

Presentations are informative and relevant to the sector, so different from other conferences. There are options to choose from so you don't have to listen to something that isn't of worth to you. It's interesting to hear about different approaches and reassuring to know that you aren't the only one facing difficult times, or be able to think that actually things could be worse!

#### What have been the biggest changes to the charity sector since your first Annual Conference?

Since joining Blue Cross, regulation both within and externally to the sector has increased significantly in a number of areas. This places pressure on charities who need to attract a skilled work force to understand and apply all of the new rules and regulations. We need to embrace the idea that a high salary and training is not a waste of supporter's money, it is far more sensible to employ one competent person on a higher salary than having to employ two who like to work for charity but don't have the right level of skills. It's time that the sector addresses this so that it can start to appeal to a younger university educated employee which appears to be an under-utilised resource. It was reassuring to hear at the conference that this has been realised however its quite one thing to say that it needs to happen as opposed to the reality of charities potentially facing a higher payroll bill.

#### What could we do differently?

One area that I always feel is not fully represented is the part that technology can play in helping charities manage the workload. We still seem to be a sector heavily relying upon people and spreadsheets. Smaller charities who may not feel that they cannot afford systems may never realise what could be achieved by a modest investment. Larger ones may not employ the skillset to take advantage of new developments.

#### What was the highlight of this year's conference?

The changes on how we bank and make payments, for me was the highlight of this year's conference. Where best for software companies to show off their wares but the CFG conference?

The conference has gone from strength to strength – bring on next year!

## Voice your views

Visit the CFG website for more information:  
Policy > Have Your Say > Consultations

### Charity Money Laundering and Terrorist Financing Risk Assessment Survey

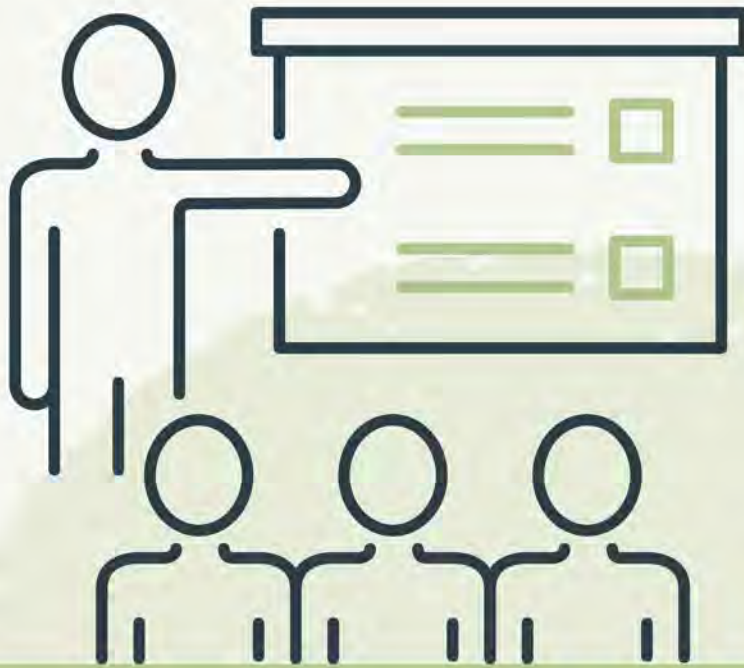
CFG has launched a survey to obtain information about how charities work to combat money laundering and terrorist financing risks in their organisations, as well as how the law and interpretations of the law by other actors such as banks impact their work. We know that charities have come under ever close scrutiny and that 'de-risking' by banks is making it harder for charities to do their work overseas.

Charities have put in place risk-management structures and policies to prevent their charities being abused by money launders and terrorists. These have not been sufficiently documented to date. If you would like to complete the survey please use:  
<http://bit.ly/2pnuX1Z>

### Small Charities Financial Capability Survey

CFG has also launched the Small Charities Financial Capability Survey for small charities to find out more about their financial capability needs. The first survey in 2013 helped to produce the *Making it Count* report that was influential in developing the Small Charities Programme. The survey is open to all trustees and staff responsible for any form of financial management in charities with an annual turnover of less than £1.5 million. **The closing date for the survey is 25 June.** If you would like to complete the survey please use:  
<http://bit.ly/2rIX9rz>

# Skills-gap survey



Who else in your organisation can benefit from improving their financial knowledge and skills? Is CFG catering for all levels of staff? Let us know by taking part in CFG's Skills Survey.

The recent Annual Conference provided an opportunity to speak to both members and non-members about the support that CFG are offering and to establish any skills-gap that CFG could provide training on.

So a big thank-you to those that took part in CFG's Skills Survey, your feedback is invaluable.

This survey is a chance for you to tell us what type of events and training best suit your needs and what more we can do to support you and your team. The results will help us make sure we are providing the right training and events for charities.

It will also help us better understand what skills and training are needed for everyone in your organisation; from trustee to CEO.

## Get involved!



We want to reach as many charities as possible to enable us to better support the sector.

So if you want to help shape future events and training please email [events@cfg.org.uk](mailto:events@cfg.org.uk).

If you have any questions please contact Anjelica Finnegan on 020 7871 5480 or email [anjelica.finnegan@cfg.org.uk](mailto:anjelica.finnegan@cfg.org.uk).

## New members

Coral Dance Company

Cornwall Hospice Care

Endeavour Training

Lincoln Diocesan Trust and Board of Finance Ltd

Milton Keynes Festival Fringe

Music in Detention

Music of Life Foundation

National Association of Decorative and Fine Arts

Paul Camp Associate Member

Railway Benevolent Institution

Rainbow Trust Children's Charity

Sight Concern Worcestershire

The Brilliant Club

Welsh National Opera

## How is your charity adapting to the Apprenticeship Levy?

The Apprenticeship Levy came into effect last month and CFG is interested in hearing what steps charities are taking to adapt. We know that many charities will not be able to spend their levy in full and are struggling to find meaningful opportunities for apprentices in their organisation. We would like to hear from you about how your charity is adapting to the levy. This will help us to better understand the challenges charities are facing and help shape our recommendations to the next government. Please contact [anjelica.finnegan@cfg.org.uk](mailto:anjelica.finnegan@cfg.org.uk)

## Speaking Opportunities – share your experiences

CFG holds a variety of events across the UK covering a range of topics such as risk, gift aid, investment, VAT and trading, IT and many more, reaching over 1,000 delegates annually. We encourage members to share their knowledge with delegates by presenting at events so that others can learn from their experiences. If you have knowledge on a particular topic or would like to share a particular experience and speak at one of our events, please contact [nadine.cameron@cfg.org.uk](mailto:nadine.cameron@cfg.org.uk)



## New on the CFG blog

### Live Blog: General Election 2017

Following the election result, CFG's policy team has created a live blog to keep CFG members up-to-date with the latest developments. [bit.ly/CFG\\_GE2017](http://bit.ly/CFG_GE2017)

### Chair speech to Annual Conference 2017

Ian Theodoreson delivered his final speech at CFG's Annual Conference as chair of the charity on 18 May – read the full transcript on the CFG blog <http://bit.ly/2rA6s6X>

### What can charities learn from the international cyber attack?

CFG's Heather McLoughlin explains what happened in last month's international cyber-attack and what charities can learn from it. <http://bit.ly/2qxbDAB>

## News in brief...

### Helen Stephenson appointed as the next chief executive of the Charity Commission

Stephenson, who currently works as a director of early years, child poverty and strategy at the Department for Education, has been appointed as the successor to Paula Sussex. Stephenson has previous experience in the charity sector as chair of the charity NCT, head of strategic policy at the Big Lottery Fund, and development manager at Shaftesbury Society. Stephenson moved from the charity sector to the Cabinet Office as deputy director of the Cabinet Office and then head of the Office for Civil Society. She will take up her post at the Charity Commission from July 2017.

### Charities rank 5th in proportion of self-reported incidents to the Information Commissioners Office

The Information Commissioners Office (ICO) has published data of over 20,000 data protection complaints for 2016/17. The number of organisations who self-reported incidents of data breaches to the ICO increased by 31.5% to 2,565 since 2015/16. Charities made up 4% of these incidents – a similar level to solicitors and the police. The health sector had the highest amount of self-reported incidents at 41%. Of all self-reported incidents 17% received monetary penalties from the ICO. There were no charities in the top 10 list of organisations who received the most external complaints.

# Research and reports



### National Voices and Social Enterprise UK find that 43% of NHS commissioners are not using the Social Value Act

In a new report, *Healthy Commissioning: how the Social Value Act is being used by Clinical Commissioning Groups*, Social Enterprise UK and National Voices, find that 43% of CCGs that responded to a Freedom of Information request have no social value policy. Only 13% demonstrated that they were 'highly committed' to the Act. The report has five key recommendations including that every CCG be mandated to have a social value policy by NHS England and the Department of Health. Download the report here <http://bit.ly/2rAA58r>

### NPC publish new report, 'Charities taking charge: transforming to face a changing world'.

NPC have published this report as part of their 'state of the sector' programme of work. The report surmises that innovative leaders of organisations of all sizes across the sector have four key ways in which they boost their impact. These are: 1) establishing an impact-focused strategy 2) Building strong governance and leadership 3) Taking new approaches to existing relationships (including the state and the public) 4) Harnessing new networks and resources, including technology. Read the report here <http://bit.ly/2rysarz>

# Guidance and support



### Records management in charities: a toolkit for improvement

CFG has partnered with the British Academy Research Project 'Digitising the Mixed Economy of Welfare in Britain' to produce a practical toolkit to support charities to improve the way that they keep their records. Record keeping is an important but often overlooked part of running a charity. It is vital for good governance and necessary for complying with the wide range of regulations that apply to charities in England and Wales including the incoming General Data Protection Regulation (GDPR). For your copy of the Toolkit, email [policy@cfg.org.uk](mailto:policy@cfg.org.uk)

### Preparing for the General Data Protection Regulation (GDPR): 12 steps to take now

The Information Commissioner's Office (ICO) has re-launched their 12 steps to preparing for the GDPR. The ICO emphasises if your charity is complying properly with existing law then most of your approach to compliance will be valid under GDPR and can be a starting point to build from. However, there will be some changes. It is essential to start planning your charity's approach to GDPR compliance at the earliest opportunity and to secure buy in from the relevant people in your charity. You can download *Preparing for the General Data Protection Regulation (GDPR): 12 steps to take now* from the ICO website: <http://bit.ly/2deJ72T>

# What's the big issue?

The DWP's proposed reform to Section 75: silver bullet or sword of Damocles?

## The DWP has finally responded to its 2015 call for evidence on Section 75 (S75) Employer debt in non-associated multi-employer defined benefit (DB) pension schemes.

Multi-employer schemes include more than one employer that are unrelated, where employees are promised a defined income upon retirement. If an employer in the scheme closes without being able to meet their pension liabilities in full then an 'orphan debt' is left behind and is redistributed among the remaining employers in the scheme.

These schemes were originally sold as a sensible option for charities (specifically small and medium-sized charities) as they could share administrative costs and pool risk, whilst also offering competitive pensions to their staff. However, the collapse in asset values after the financial crisis, falling interest rates/gilt yields and increased life expectancy has resulted in substantial and ever increasing deficits in all DB schemes. However, whilst charities with standalone DB schemes can close their scheme to future accrual, those in multi-employer schemes are faced with the artificial choice of ceasing to employ staff in the scheme and immediately triggering a S75 Employer debt that they cannot afford to pay, or staying in the scheme and continuing to accrue debt that they cannot afford.

### The Deferred Debt Arrangement

The DWP's solution to this problem is the Deferred Debt Arrangement (DDA). This arrangement enables charities to defer triggering S75 if they chose to stop employing an active member in the scheme, a measure that CFG called for in our response to the call for evidence.

However, in its current form the DDA proposals allow the Scheme Trustees to serve notice to the deferred employer at any point during the agreement. Simply granting additional time for the repayment of S75 debts does not go far enough. There needs to be measures in place to prevent scheme trustees triggering S75 at some arbitrary point in the future.

Whilst moving to paying contributions on an 'on-going' rather than 'cessation' basis will improve the cash flow position, charities

will not know when a S75 debt may be triggered by a pension scheme trustee. This does not solve the challenge that charities face in being unable to pay a S75 debt up front and effectively places the sword of Damocles over charities who have opted into a DDA.

### A continued barrier to mergers?

One of CFG's primary concerns with current S75 regulations is that the cost of exiting the scheme for charities is too high. This has meant that charities are forced to continue to accrue debt that they know they cannot meet in the long term. We have seen this prevent charities from strengthening their financial sustainability through merging with another charity.

It is concerning, therefore, that the DWP have specified that mergers should trigger an employer debt.

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*This does not solve the challenge that charities face in being unable to pay a S75 debt up front and effectively places the sword of Damocles over charities who have opted into a DDA.*

### CFG recommendations

CFG has consistently argued that multi-employer schemes should be brought in line with stand alone DB schemes in which S75 can only be triggered when: the employer becomes insolvent; the employer commences winding up or the pension scheme winds up. CFG will continue to push for this.

For our full response to the consultation, and our recommendations, you can read CFG's consultation response on our website <http://bit.ly/2rvhS8C>

## Three main parties commit to working and engaging with the charity sector.

Last month CFG along with nine other leading sector bodies published a briefing for politicians outlining how the next government can work with the sector. In the briefing we called for the parties to commit to engaging with the sector to build a thriving economy, grow cohesive communities and deliver effective public services. The Conservative Party, Labour Party and Liberal Democrat Party told CFG that they are committed to engaging with the sector.

## CFG responds to DWP consultation

CFG has responded to the Department for Work and Pension's (DWP) consultation on the Deferred Debt Arrangement regulations. This proposal has been put forward by the DWP as a solution to the challenges Section 75 employer debt poses to charities in non-associated multi-employer defined benefit pension schemes. In our consultation response CFG argues that the new regulations could be a positive step forward but as they currently stand, could ultimately continue to trap charities in a situation where they cannot afford to stay in a multi-employer scheme, nor leave it. You can see our full response on the CFG website <http://bit.ly/2rvhS8C>

## CFG's election briefings gain traction with politicians

CFG has produced briefings and updates for Parliamentary Candidates outlining the key issues facing charities, how politicians can respond and why they should do so. The key points that CFG has raised in these briefings have been picked up by politicians such as Sir Vince Cable. Speaking ahead of the Charity Governance Awards, Cable encouraged charities to use the election to raise the big issues facing the sector. He specifically named the apprenticeship levy and the potential loss of business rates exemption. CFG has also had positive contact with parliamentary candidates from across the major parties on the back of this work.

## Hosted round table on the National Risk Assessment for HMT

CFG brought together charities and government to gain a more nuanced perspective of the terrorist and money laundering risks facing charities. The National Risk Assessment (NRA) is a document which sets out how the government defines, understands and assesses money laundering and terrorist financing risks faced by the UK. This directly influences the behaviour of regulators (including the Charity Commission) and financial institutions. It is CFG's hope that with better engagement we can improve the NRA for charities through, for example, alleviating the pressure on banks to de-risk and on Charity Commission and other relevant regulators to introduce disproportionate regulations.

# Stepping up, leading the way



**Ian Theodoreson,**  
Chief Financial  
Officer, Church  
of England,  
Chair of CFG  
2011–2017

## Ian Theodoreson provides a personal view of the Annual Conference.

For those of you that attended the Annual Conference this year, I hope that you had a great day and found it as useful and engaging as I did. For those of you that weren't able to attend, I am sad to report that you missed out on an excellent conference – so make sure you book next year!

As those that attended the conference or saw media coverage around it are aware, I am stepping down as Chair of Charity Finance Group in September and our Vice-Chair, Nicki Deeson, will be taking on the privilege of chairing this important organisation.

One of the many things that I have enjoyed has been the opportunity to chair the

Annual Conference and to speak about the challenges that are facing the sector and CFG's role in supporting members through them. This year I spoke about my concerns that the charity sector is becoming 'fuzzy' and this is hampering our ability to challenge to the establishment and a voice for our beneficiaries, particularly if we are delivering large amounts of contracts on behalf of the state. You can read a copy of my speech on the CFG blog site.

But the CFG team have asked me to write something about my experiences of Annual Conferences and how I think that things have changed over my time as Chair.

Although I may be biased, I think that the Annual Conference has gone from strength to strength over the past six years. There has been continuity, particularly around areas of compliance such as accounting, reporting and tax, but there has also been change as we have focused more on developing and inspiring leaders within finance.

Since the financial crash and following recession, there has been a growing appreciation, not just within charities but across government and business, that finance professionals have a larger role to play in leading organisations. As we all continue to grapple with the need to do more with less, finance leaders are being asked to step up and lead the way.

This isn't just about finance professionals 'staying in their box' but using the full range of their skills, particularly information management and analysis, to help all parts of the organisation. I strongly believe that we finance professionals must bring our unique perspective to consider other pressing issues facing charities such as the reputation and accountability of our sector.

Our Annual Conference has increasingly become the place where charity finance professionals can have these discussions, can consider what more they can do and be inspired to change not only themselves but their charities.

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*CFG must not rest on its laurels and we must continue to ensure that the Annual Conference balances strategic debate and leadership development with 'core' topics.*

Another change has been the wider range of speakers that we have attracted not just people from within the charity sector but leaders from outside, including business – most recently the excellent Sacha Romanovitch, the CEO of Grant Thornton. I believe that we have to do more as a sector to widen our horizons. This does not mean just blindly copying other parts of our economy or society, but listening and adapting the experiences of others to meet our needs as charities. I also think there is a thing or two we can teach the rest! I hope that this is something that the Annual Conference can build on in years to come.

It hasn't always been easy and I know that some members would prefer if we just stuck to the basics. But I have been warmed by the feedback that I have received from attendees over the years that people appreciate the growing levels of responsibility on finance professionals and their desire to be better leaders. I believe that the strong attendance over recent years has vindicated this approach.

CFG must not rest on its laurels and we must continue to ensure that the Annual Conference balances strategic debate and leadership development with 'core' topics. But this is a dialogue that I hope members will have with CFG over the coming months as we prepare for next year's event. I look forward to seeing the results!





(as in previous years) a popular choice. The literature to take away meant that it was possible to gain information from sessions where it had not been possible to attend. With over 600 delegates, the organisation behind the scenes needs to be commended. Some of the rooms were “standing room only” but that indicated the popularity and quality of the speakers and content of the presentation. I thought the change in the lunch arrangements to tapas style worked well for the large number of delegates all descending at the same time.

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*From these conferences, I leave with a better understanding of current thinking and updates occurring in the charity world.*

The exhibitors were varied and it was good to chat to them (and collect jelly beans) during the breaks. Hopefully I’ll win that hamper!

There were two highlights of the day for me. Sacha Romanovitch is a truly inspiring speaker whose opening plenary was entitled “Vibrant Economy” and highlighted how important it is to be collaboratively working together for the bigger picture. The other message in particular that I took away was the need to listen to everyone and give time to consider the smallest ideas as people will often start by testing the waters by offering small risk-free ideas to see how they are received before expressing the more adventurous thoughts. Do we as managers really listen to those that know their tasks better than we do?

The session from which I will take the most actions forward was the session by Nicki Deeson showcasing how she engaged the Finance team and provided them with an improved fulfilment of their needs. Her ideas and the talent matrix that she showed could be used to benefit any organisation. She offered suggestions of ways to design and implement the talent strategy including all areas of the employee’s work life from recruitment to learning and rewards with succession planning as an important consideration.

Overall it was a truly worthwhile day and excellent value for money, particularly for members. There was a wealth of interesting information to read and digest, some relevant to me, some less so, but I will definitely be taking ideas from this conference forward into the workplace.



**Catherine James,**  
Senior Financial  
Accountant,  
Cats Protection

### **Catherine James tells us how attending CFG's yearly conference helps her in her role with Cats Protection.**

I always look forward to CFG’s Annual Conference and this year was no exception. I first attended in 2015 so this is my third conference and in my opinion they improve each year. The calibre of the speakers is second to none – from MPs to Chief Executives – all willing to share their knowledge and experience in thought provoking sessions and plenaries.

Each year there are more sessions that I would like to attend than would be possible to take part in as the variety of subject matter is interesting and current.

From these conferences, I leave with a better understanding of current thinking and updates occurring in the charity world. The sessions give an overview of many “hot topics” and highlight changes within the sector that either need action back at the office or provide reassurance that we have already taken appropriate steps. For areas where I feel that I need more detailed information, I attend specialist training days – many provided by CFG, which, again are well organised and informative.

CFG’s Annual Conference is a really important way for charities to come together as a united body of organisations with similar interests and in this way become a voice to be heard. It is an excellent way to network with employees from all sizes of charity and I particularly enjoy sharing ideas with familiar and new faces.

The 2017 Conference lived up to expectations and was a thoroughly enjoyable day. The day was efficiently run and the venue was

# Brexit Panel and Q&A



Caron Bradshaw,  
CEO, Charity  
Finance Group

**I had the pleasure of chairing our Brexit panel at our recent Annual conference. The first thing that struck me before we even got into the debate was the considerable stature of the people we were able to secure to participate.**

It was important for us that the panel was a great mix of perspectives; from the committed Brexiteer, Baroness Steadman-Scott, Gibraltar's Chief Minister, Fabian Picardo QC MP; whose government are grappling with accepting and implementing the result despite a conclusive remain vote, the committed remainer, who has not always been seen as a friend of the sector, Gina Miller, and from the shadow lead in the Lords for Brexit, Baroness Hayter.

Despite the hugely varying views there was a surprising amount of commonality between our panellists. The messages for the sector were clear; Brexit will hit us and the communities we serve and it is beholden on us to step up and speak up.

Baroness Hayter stressed the wide ranging legislative changes that would flow from Brexit that will require our scrutiny. Our beneficiaries will need us to pour over

the plethora of post Brexit legislation and regulation to ensure that essential protections that might flow from the EU are not eroded and that their voices are not lost in the melee.

We were challenged by the Chief Minister, Fabian Picardo, to consider whether we are being wise enough in who we are talking to and how. He asked if we were not guilty of talking too much to ourselves. I think there is something in that. It may be that we have become frightened to stick our heads above the parapet but we must!

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*The messages for the sector were clear; Brexit will hit us and the communities we serve and it is beholden on us to step up and speak up.*

An unlikely source, Gina Miller, urged us to be business-like and to be professional but cautioned the sector not to lose its heart in favour of adopting the language of business. She urged charities to speak up now and to use our influence and connection with the communities we serve to ensure that Brexit does not hit us disproportionately hard. She also suggested that perhaps we should seek to influence more at a local level rather than concentrating on central government.

Baroness Steadman-Scott was keen to celebrate the contribution of the sector and thanked us all for the things we do to make the world we live in a better place. She was enthusiastic for the sector to take action to attract the brightest and best into social action; something like 'Teach First' for charities she suggested.

This all was very good stuff in my mind but it does still remain that we have to navigate the contradictions. How can we be professional but not invest in our staff? When is speaking up for our beneficiaries too political? How do we tell our stories and communicate our impact without being seen to be 'navel gazing'?

One thing is absolutely certain as we approach the Brexit negotiations over the next two years; there are more unknowns than knowns. That uncertainty can either overwhelm us, or silence us, or it can inspire us to step up and speak up for those we serve. I hope you will join us in choosing the latter.

## Good Financial Governance

**Sudhir Singh,**  
Partner and Head of  
Not for Profit, MHA  
MacIntyre Hudson



### Are charities concerned about poor financial governance? Sudhir Singh from MHA MacIntyre Hudson reports on new findings from a sector survey conducted in partnership with CFG in April and May 2017.

Charities are in the news and often for the wrong reasons. From being a byword for all that is good during the heady days of the late 1990s and early 2000s charities have had to weather a heavy storm of press and public disapproval. The Charity Commission has also been in the firing line from MPs and the press. The list of crimes includes bad management, wasteful and intrusive direct marketing, ignoring data protection and paying chief executives too much. This unwanted attention has placed many trustees on the defensive, a situation made worse by a new get tough approach from the Charity Commission. But are charities concerned about poor financial governance?

#### What are the issues that concern charities and trustees?

MHA MacIntyre Hudson together with CFG have been undertaking a survey during April and May 2017 to find out. So far, there have been over 120 responses from small to large charities.

Key findings to date are as follows:

- 40% felt that their trustee board does not understand strategic finance matters well
- Only 21% felt that their board have the appropriate skills and knowledge needed
- 84% said it would improve their charity's governance if trustees had a better understanding of strategic financial matters
- 92% believed that it is important that more than one trustee is engaged with the finances

- Only 23% made charity finance training available for their charity
- 57% have no budget for trustee training
- Of those that spend money on trustee training, amounts range from £250 to £5,000 per year
- Training provided is a mix of in-house provision, professional advisers, self study and Charity Commission guidance
- Only 9% are concerned over the level of governance costs
- Most were neutral over whether trustee training costs should be disclosed in the accounts
- 23% never do a formal assessment of board competency
- 76% do not regularly assess the effectiveness of financial governance in their charity

#### Emerging themes

In summary three themes emerge:

1. Trustees could be contributing more to strategic financial governance
2. Trustee Finance skills and knowledge need to be strengthened
3. More focus is needed on trustee training

#### Select Committee recommendations

The House of Lords Select Committee on Charities reporting in March 2107 said "We call for new efforts to provide training and development for trustees and recommend that charity boards should undertake

greater self reflection, examining their behaviours, processes and skills." They went on to say "We also believe that infrastructure bodies need to identify the shortcomings in provision of governance advice and training for charities and do more to raise awareness of the support that currently exists". CFG and other sector bodies will respond shortly.

The Charity Commission has always provided good guidance for trustees and charity professionals. The guidance is generally well presented, detailed and covers all areas and issues that might arise. The only problem is that while some of the guidance is presented in an accessible way there is such a large volume that many find it difficult to identify answers to their questions. The Commission's helpline has been scaled back due to funding constraints and so it is more difficult to speak to an individual that may be able to help. Some trustees have never engaged with the Commission.

The Commission has recently reissued some of its guidance, notably Charity Finances: Trustee Essentials (CC25). This has been strengthened to meet Commission concerns regarding Financial Management, control and reporting. The Commission has also stepped up its engagement campaign with trustees.

#### What can charities do to meet the challenge?

We suggest that as part of overcoming barriers of skills gap, shortfalls in commitment, a lack of competency and complacency by trustees that charities should encourage regular board reflection. The following key questions can help trustees understand whether they are doing a good job:

- Are they the right person with the right skills for the job? (competency)
- In taking risks do they strike a balance between prudence and informed action? (judgement)
- In exercising stewardship do they seek to maximise benefit for the charity (use of resources)
- Is strategy suitably balanced between the needs of current and future beneficiaries?
- Do they have a proper understanding of their legal responsibilities?
- Are the roles and responsibilities of trustees and staff clearly set out?

#### Conclusion

Our research shows that charities are concerned about the level of trustee competency in the area of financial management. This is in line with the House of Lords Select Committee findings and the views of the Charity Commission. Charities can address this through encouraging greater trustee awareness of the need for relevant training.

## The role of Procurement and its relationship with Finance

Adrian Warburton,  
Director of Finance,  
WWF-UK



### Should the finance function be concerned with the procurement function? Adrian Warburton from WWF explains why the answer should always be yes.

In the presentation that I gave a CFG's Annual Conference, I started by asking the audience to put their hand up if 'as a finance manager they had ever signed off a payment to a supplier and wondered whether that payment represented good value for money.' It didn't exactly surprise me when almost everyone put their hand up!

At the end of the presentation I asked another question which was 'do you know your organisation's level of compliance with its procurement procedures?' I suspect that if I had asked for a show of hands to this question, an honest response would have led to very few putting their hands up. And yet as a finance manager of an organisation with any significant spend on third party suppliers, shouldn't you know the answer to this question? My view is yes.

#### Why should the finance function be concerned with the procurement function?

This question goes to the very heart of what the role of a finance function should be. My view is that a key role of the function is to help the organisation demonstrate that it is achieving value for money for its spend. If the organisation spends significant sums on third party suppliers, then how can you demonstrate that value for money is being achieved from that spend? At a high level being able to show the impact of spend is important but does not obviate the need for having the right people, systems and processes in place. In my presentation I shared my experience at WWF-UK in trying to ensure that we had these elements in place in our efforts to maximise every

penny of money that our generous supporters give to us.

#### The right people

With the best will in the world, budget holders' level of expertise and focus on procurement and contract management will be variable. As I commented in my response to one of the questions raised at the end of the session, if your organisation isn't able to justify the employment of any procurement specialists, at least it should ensure that procurement and contract management is adequately reflected in budget holders' job descriptions, objectives and training.



*Procurement's involvement in the budgeting process can result in a win-win for the organisation of better budgeting and better procurement*

On the other hand I would suggest that if the organisation has significant supplier spend, it might be quite easy to justify employing a procurement specialist or specialists. At WWF-UK we spend more than £20m per

annum on suppliers (to assist with our fundraising and programmatic work in particular) and our two procurement specialists manage the procurement of all our larger contracts, act as an advisory resource for smaller contracts, provide procurement training for staff and report on procurement performance including the level of compliance with the procurement procedures. With cost savings achieved of approximately £2.5m in the last five years, they have no problem in justifying their existence!

#### The right systems and processes

As I realised shortly after recruiting our first recruitment specialist at WWF-UK in 2011, in order to manage the procurement function effectively, you need the right tools. This led to us implementing a fit for purpose source to pay procurement system which embeds our procurement procedures, ensuring that our procurement specialists are involved in all larger contracts and involved in approving any applications to bypass the procedures – which in turns enables the reporting on the level of compliance with the procedures. The system also includes an integrated contract management system which has helped greatly improve our management of contracts.

#### Procurement's relationship with Finance

Given my view that the finance function's role includes helping to ensure that the organisation has the ability to demonstrate value for money from its spend; it seems natural to me that the procurement function should normally report into the finance function. This has the added advantage of ensuring that the two functions work together in a way that the whole adds up to more than the sum of its parts. So, for example, the procurement function being involved in the review of budgets can help improve the accuracy of budgeting but at the same time helps enhance Procurement's awareness of planned spend and thereby enable proactive engagement with budget holders increasing the prospects of a well-planned procurement process – in other words, procurement's involvement in the budgeting process can result in a win-win for the organisation of better budgeting and better procurement.

So to conclude, here are a few questions to ask yourself if you manage the finance function of an organisation with significant levels of supplier spend:

- Do you have appropriate procurement procedures in place to help ensure that value for money is being achieved with that spend?
- Do you know the level of compliance with those procedures and, if so, are you satisfied with that level?
- Are you happy with the level of expertise of staff involved in the procurement process?

And, if your answer to any of these questions is no, what are you going to do about it?

## Financial leadership for the modern charity



Simon Hopkins,  
CEO, Turn2us

**Simon Hopkins, CEO of national poverty charity Turn2us and former charity FD argues that financial leadership and general leadership are one and the same.**

There's no such thing as financial leadership...

Hopefully I've now got your attention! So let me explain this statement. Over the last five to six years there's been a real shift in the way financial matters and finance people are viewed in the sector. The notion that you can have strategy and plans without excellent, underpinning strategies on funding, costs, reserves and overall financial resilience, is unthinkable. We've got to a position – more or less – where we understand that organisational strategy and financial strategy really is the same thing.

So it follows that financial leadership and general leadership are one and the same

too. Don't take it from me – read the job adverts. You'll rarely find a CEO role advertised that doesn't recognise the need for genuinely strategic financial skills in the top job. This merely reflects that the modern charity leader simply has to know how to run a business, albeit a business that exists to heal society and not to enrich shareholders. (Apologies to Ian T for the misquote there!)

This year's CFG conference reflected this. As well as technical briefings, we had well-attended and engaging sessions on innovation and culture, not just within the Finance team, but across whole organisations. The charity finance community has found a strong sense

of extroversion and I think it's starting to enjoy it. Just look at the attendance for CFG's Inspiring Financial Leadership (IFL) programme. Every programme has been fully subscribed. It tells its own story and it's a story of a profession radically shedding its 'back office' tag and offering rounded leadership to charities and the wider sector.

This was my first CFG conference since I became a charity CEO after three decades in finance. I was pleased to lead a session on why it's more relevant than ever for finance professionals to step up into charity CEO positions. I'm obviously a little biased here, but the truth is we need more finance people breaking the traditional glass ceiling.

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*The charity finance community has found a strong sense of extroversion and I think it's starting to enjoy it. Just look at the attendance for CFG's Inspiring Financial Leadership (IFL) programme.*

The argument is compelling. We have a profession grounded in strong business rigour; that understands the paramount need for good governance and a systematic approach to strategic risk management; that can instil financial sustainability not just into a charity's plans but into its culture; that can take a dispassionate view on the benefits of merger and collaboration within service delivery, not just to reduce overheads but to radically improve outcomes for those we serve. And we have a sector that needs to demonstrate all these things to a public that is more sceptical and which is rightly more insistent on greater transparency into what we do.

Charity finance can no longer be regarded as an administrative background job. The challenges facing us as a society – challenges that will undoubtedly require charities to step in with energy and imagination and fix parts of our society that are broken – needs a third sector that is run with the best business heads and the biggest hearts.

So there can't be any difference between financial leadership and inspiring leadership in general. The stakes are simply too high.

## Inspiring Financial Leaders 2017



**Ian Theodoreson, Joyce Materego, James Brooke-Turner and Alison Hopkinson have all been recognised for demonstrating outstanding financial leadership in the sector. Here's what they had to say about the changing face of charity leaders and CFG's IFL programme.**

**Ian Theodoreson**  
**Chief Financial Officer, Church of England, Chair of CFG 2011–2017**

Charities need to keep their eye on the main objective, which is delivering benefits to beneficiaries when there are so many other demands on resources and a lot of fear that money in particular will dry up. Over the years Finance leaders are seen much more as business partners and problem solvers rather than the guardians of the purse strings. There is a raft of new rules and regulations to grapple with that just weren't there ten plus years ago. It is a minefield that finance leaders need to pick their way through.

My advice to an aspiring charity finance leader – Have a clear idea of what it is you want to achieve (a vision) and help others buy into it. There is a second key bit of advice (if I am allowed two) – understand what it is that gives you energy (outside of work) and make it a priority to invest your time in those things to keep your batteries charged for the day job.

Last thoughts on CFG's IFL programme – I think everyone should experience the IFL programme BEFORE embarking on their leadership career, not afterwards when they have already fallen into the bear traps – it will save a lot of grief on the way!

**James Brooke Turner**  
**Finance Director, Nuffield Foundation**

The world of charity finance has been changing quickly and in at least two directions. First, people outside the sector have growing expectations of what the sector can deliver, and how those services are delivered. Second, the sector's expectations of itself have also

increased dramatically. Consequently, sometimes, for commercial or philosophical reasons, the values of the charity sector can come under considerable pressure.

It is the values of charities and social enterprises that underpin them and which makes them so special. Many businesses also reflect these values and in these times of austerity it becomes ever more important to root our decisions within the values that underpin our organisations. This is particularly true of financial decisions where the trade-off between values and money is most visible.

And that is where CFG comes into its own. It is uniquely placed to support charity finance professionals in helping them maintain their organisational values in making these decisions by providing so much information and support. Much as I was surprised and delighted to be recognised as part of the Inspiring Leadership programme, I hope it was as an advocate of the values underpinning what we do and how we do it.

**Joyce Materego**  
**Director of Finance and Resources at Child Poverty Action Group**

In the changing political climate where resources are scarce, charity finance leaders are having to ensure that resources (including cash, technology, reputation, people) are used efficiently and sustainably in order to maximise charities' outcomes and impact while functioning as a 'going concern'.

Charity finance leaders were mostly required for house-keeping and ensuring that clean financial records are kept with a few regulations. Now the requirements have evolved into those of business partnering

where finance leaders are at the heart of day to day financial activities, decision making and shaping of strategy including implementation thereof as well as ensuring that the financial statements are prepared to tell a story of the charity's challenges and triumphs over time while clearly linking these to the outcomes and impact the charity is having on and for its beneficiaries.

My advice to an aspiring charity finance leader – learn to be an effective communicator. This will enable you to build and maintain solid and positive working relationships with your first team (the senior management team); and never stop learning about your charity's business model as it constantly changes.

Finally, I'm glad to see CFG's Inspiring Financial Leadership Programme becoming a permanent fixture in the catalogue of course offered by CFG - having attended the training, I'm definitely a better leader for it!

**Alison Hopkinson**  
**Finance & IS Director, Oxfam GB**

Charities are in a particularly difficult period right now and this leads to some interesting challenges for charity finance leaders. We are facing unprecedented levels of uncertainty and it's the leaders' job to navigate the charity through these uncharted waters. Income levels from various sources are difficult to predict. The withdrawal of the Programme Partnership Agreement from DFID last year has created interesting budget challenges.

We have yet to understand what the impact of Brexit will be on UK and European government grant and contract income. We are also facing increasing costs. We have the apprenticeship levy, the increasing costs of pensions and for those charities working overseas the significant decline in the purchasing power of sterling. This, at a time when donations from regular givers are declining, is putting pressure on general reserves.

But it's not all doom and gloom! Finance leaders need to be working with funding teams to facilitate innovative forms of finance to plug the gaps. It's at critical times like this that the finance director can really help the leadership team to focus its energy and resources to ensure they are maximised in an efficient way. A Finance leader should be closely involved in establishing clear priorities for the charity, identifying relevant measures of performance against the goals and closely tracking these to enable course correction. That's the real fun and value-added part of the role in my opinion!

One piece of advice I would give an aspiring finance leader: Being able to track and explain financial performance is a given, so focus on developing your influencing and communication skills to ensure you can effectively play your part in helping any charity achieve its goals.

# Pensions Update

*Fiona Frobisher,  
Head of Policy at The  
Pensions Regulator*



## As an employer what are your pension duties? Fiona Frobisher, from The Pensions Regulator updates charities on their pension requirements.

The Pensions Regulator (TPR) has been in the public eye a lot recently. The financial settlement agreed with Sir Philip Green to support the BHS pension fund, our first criminal prosecutions for obstructing our investigations and the debate around our future powers have all led to widespread coverage in the national media.

What may not have been clear to anyone seeing pieces about us is exactly what we do – and how it affects you and every other employer in the UK.

TPR is the public body that protects workplace pensions in the UK. We work with employers and those running pension schemes so that people can save safely for their retirement.

I'll tell you about three of the areas where we provide advice and tools that could help you if you are an employer, run a defined benefit (DB) scheme or are a pension scheme trustee.

Firstly, we are working to help employers to meet their duties to enroll all qualifying

employees in a pension scheme. All employers will have automatic enrolment duties, even those that employ just one person for a few hours a week. So far, more than 500,000 employers have met their duties, enrolling more than 7.5m workers into workplace pensions. It's very likely that you will already have been through this process unless you have only one or two staff, or are a very new employer. If you have successfully implemented this process, then for you the most important thing to be aware of is your re-enrolment date, which comes three years after your first enrolments. For small to medium size employers that date will be this year.

The first thing to do is to find out when your duties will start and when your deadline for being compliant with the law is. It is important to get this right as you risk a fine if you do not declare your compliance on time. You can find more information on our website, [www.tpr.gov.uk/employers](http://www.tpr.gov.uk/employers), where you can also find the answers to technical questions about your responsibilities.

You can find out when your re-enrolment deadline is and more information about what you need to do at [www.tpr.gov.uk/re-enrolment](http://www.tpr.gov.uk/re-enrolment).

If you are responsible for a DB pension scheme which is undertaking a valuation this year, you should read our annual funding statement at [www.thepensionsregulator.gov.uk/docs/db-annual-funding-statement-2017.pdf](http://www.thepensionsregulator.gov.uk/docs/db-annual-funding-statement-2017.pdf). It highlights some of the key issues we have identified facing schemes with 2017 valuations and sets out our expectations for schemes with different levels of funding and employer support. Some of the key messages around issues such as treating the scheme fairly in relation to payments made to shareholders will not apply to charities. But many, such as seeking higher contributions from strong sponsors where plans are currently weak, or looking at how to deal with schemes or sponsors in stressed situations, may help you.

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*The first thing to do is to find out when your duties will start and when your deadline for being compliant with the law is.*

Finally, we are determined to drive up standards of trusteeship and governance across the UK. We will be setting benchmarks that we will expect trustees to meet and will be investigating if some do not meet this standard. As with DB, we will be taking a partnership approach, working with trustees to help them to improve but taking action if they do not. You can expect to see short messages and tools targeted at trustees of different types of schemes covering a series of different governance topics such as setting out roles and responsibilities, agreeing business plans and objectives, developing training plans and more from September.

To ensure that you don't miss anything, sign up to our news by email service by visiting [forms.thepensionsregulator.gov.uk/news-by-email/subscribe](http://forms.thepensionsregulator.gov.uk/news-by-email/subscribe).

Increased focus on the issue of pensions means TPR's actions are likely to continue to make headlines over the coming months. Our new tougher approach to regulation means that it is more important than ever for organisations to work with us to ensure pension schemes and their members get the attention and support they need.

## View from our Corporate Members

Our Corporate Members play a huge role in making our Annual Conference a success. From providing expert speakers and case studies, to giving away cake pops! Here's what they had to say.



**QUILTER CHEVIOT**  
INVESTMENT MANAGEMENT

### Quilter Cheviot

30 years is an amazing and worthy milestone for an organisation that has truly delivered a measurable impact in inspiring financial leadership within the charity sector. We at Quilter Cheviot are proud to have been part of this success as a corporate subscriber. Charity Finance Group offers us a wonderful conduit to ensure we are kept up to speed with the challenges facing the sector, a great source for information and advice as well as an ability to raise our company's awareness and expertise.

Long may it continue as a symbiotic partnership for the mutual benefit of all.



### BDO LLP

The CFG conference is one of the key events in the BDO team's calendar. It provides a wonderful opportunity to catch up with clients and contacts from larger charities, to share our experiences with other sector professionals (including fellow exhibitors) and make new connections with finance professionals who are looking for

support and advice in a world of seemingly ever-changing regulation and scrutiny! The appetite for knowledge sharing and tapping into the expertise that we have across the sector was clear from the variety of engaging conversations that were stimulated and the speed at which our bulletins and update sheets were flying off the stand.

CFG organise an event which always runs like clockwork with a programme packed full of topical issues and thought provoking subject matter. Follow up conversations with our clients clearly demonstrates that CFG members take away from the conference a real sense of purpose and focus on how they can make positive changes within their own organisations. Our session on "tax oddities" seemed to be particularly well received by delegates and sparked a lot of questions around Corporate Criminal Offences and the UK Bribery Act.

We look forward to the 2018 conference and the impact on developments in the sector a further year post-election and one year closer to Brexit.



### BREWIN DOLPHIN

#### Brewin Dolphin

This year's CFG Annual Conference was a great success. Having exhibited at the 2017 Annual Conference, you realise the

vast reach CFG have to key decision makers within the Charity sector. The conference itself covered insightful topics and having spoken to many of the delegates on the day the content, location, exhibitors and other charity attendees are what makes these events such a success. As an exhibitor we were very pleased with the facilities and the venue. The spacious rooms allowed for exhibitors to network with delegates between the sessions and address any questions they may have had. Giving credit where it is due, we were delighted with the smooth and timely running of the sessions.

We are grateful for the hard work CFG put into the event and are pleased to be one of their corporate members and we look forward to continuing our relationship with them.



### Grant Thornton

An instinct for growth™

#### Grant Thornton UK LLP

The CFG Annual Conference really is the 'go to' event in the charity sector and we were delighted, once again, to be the headline sponsors. The conference this year, made special due to its 30th anniversary, had the usual great buzz around it with much of the day giving us the opportunity to catch up with our clients and meet new faces in the sector, this year over cake-pops! The sessions always



prove really valuable from a learning and development perspective – I'd be biased to say that our CEO Sacha Romanovitch gave a truly inspirational opening plenary about the world moving forward and creating a vibrant economy.

I know for a fact that our clients really value being members of CFG – long may this, and indeed our excellent relationship supporting CFG, continue.

## Rathbones

Look forward

### Rathbone Investment Management

We were delighted to be one of the main sponsors for this year's CFG Annual Conference. For us it was a great opportunity to catch up with many of our clients and also to meet some new friends. The attendees we spoke with seemed genuinely enthused by the day, and were impressed by the quality of the sessions and the smooth running of the Conference.

The highlight for us was the opportunity to distribute our recently published Financial Governance guide. The guide was produced in partnership with ACEVO and Dorothy Dalton and turned out to be the first item we ran out of on our stand. Normally it's the fancy chocolates that go first! It was great to see so many stay behind for the drinks reception at the end – the sign of a good conference in our opinion. All in all a productive and enjoyable day.



### MHA MacIntyre Hudson

MHA are pleased to be involved with the CFG Annual conference because it is a great opportunity to catch up with existing and potential clients. While many charity finance people act in a supporting role it is good to meet together at such a wonderful venue, with Charity Finance taking centre stage. With such a strong and positive set of speakers in action you could see confidence building across the room.

The buzz at our stand was great with many taking part in our golf ball powered questionnaire about confidence in their trustees' grasp of financial issues. We will be reporting on a more in depth study shortly.

All at MHA are looking forward to next year!



### Santander

The CFG conference is a fantastic way to meet likeminded finance professionals in the charity sector. As an exhibitor, the

2017 conference gave us the opportunity to showcase the wide range of services that we provide to the charity sector, a sector we are committed to supporting and helping to prosper. This year we were delighted to demonstrate a contactless donation solution, which we provide in partnership with Elavon, an innovative alternative to fundraising by cash collection.

It was great to see that many of our customers attended the event this year, we loved seeing them and hearing their views on the presentations. The Brexit Q&A and the technology sessions in particular inspired some excellent conversations at our stand this year. We thoroughly enjoyed the conference and look forward to next year.



### Newton Investment Management

The CFG Annual Conference provides an excellent opportunity to engage with the charity sector to understand the challenges it is facing and the requirements it has. For us, the conference is much more than just an opportunity to exhibit and promote our services; it provides invaluable insight into the issues and concerns of a wide range of charities. The appeal of CFG is in the breadth and diversity of its members.

CFG does a fantastic job in putting on a conference which addresses high level issues facing the sector, while also providing smaller workshops on more practical aspects of charities' work. The conference is a highlight in the charity events calendar and one not to be missed!



### Sarasin & Partners

Once again Sarasin & Partners had a thoroughly enjoyable, interesting and engaging day at the CFG Annual Conference. It is always a pleasure meeting such a large number of clients together with a wide variety of new and familiar faces from charities across the sector. As ever the programme provided a great assortment of plenary and breakout sessions to enlighten, stimulate and update the delegates and sponsors alike.

The animated atmosphere, along with the Arctic conditions in the Whittle Room,

promoted networking in and around the exhibitions, over the favoured fish and chip lunch and climaxed at the ever successful drinks reception where people only dragged themselves away early if they had another appointment to honour.

Then before we knew it, having debated the current issues and challenges within the sector and having swapped ideas and cards... it was time to go.

## Saffery Champness

CHARTERED ACCOUNTANTS

### Saffery Champness LLP

At Saffery Champness we find that the CFG Annual Conference is always a very good opportunity to catch up with old friends and make new contacts. It is attended by a wide range of charities as well as intermediaries (banks, other accountants, investment managers etc).

The format of the day allowed time for us to meet people at our stand as well as having the opportunity to present a break-out session (The Trustees, the Fraudster and the role of the Auditor).

It also feels like a 'safe' environment to test out ideas – far-ranging discussions prompt ideas that are later taken up (or sometimes discarded) but also lead on to bigger and better things, whether inspired by the plenary session speakers or over a glass of wine!



## WAVERTON

INVESTMENT MANAGEMENT

### Waverton Investment Management

The CFG Annual Conference is one of the key events in our charity team's calendar and one that we always look forward to. We have attended the Annual Conference for several years now as it is a great opportunity to meet a huge number, and variety, of charities and their representatives.

Once again, this year's conference provided us with that opportunity; allowing us to understand better the challenges that continue to face the sector from both delegates and speakers. As in previous years the range of challenges, and corresponding opportunities, was evident from our lively and in depth conversations on the day.

We are proud to support CFG; the importance to charities of conferences such as this cannot be underestimated in ensuring a continued dialogue and development across the sector. The scale, and success, of the conference is testament to the great work of CFG – we are already looking forward to next year's conference.

## General Election 2017: charities need to speak up now



Anjelica Finnegan,  
Policy and Research  
Manager, CFG

Once again the pollsters misjudged the electorate. Rather than a resounding victory for the Conservatives, the government has lost its majority and we once again have a hung parliament.

The Conservatives are looking to strike a deal with the DUP so that they can maintain power. The Queen's Speech being delayed shows that this agreement is not going to happen overnight.

### This was not the Brexit election

The campaign focused on the parties' domestic policies – i.e. health and social care, employment and education – as opposed to Brexit. These are all areas in which charities play a significant role.

Exploratory analysis by the University of Bristol shows that the correlation between voter turn-out in constituencies which voted leave was weak, and that there was no evidence to suggest that increased turnout was higher in 'remain' constituencies.

In a survey of 14,000 voters, Lord Ashcroft found that whilst those that voted conservative said it was because they thought Theresa May would do a better job at negotiating Brexit, the primary motivation for Labour, Liberal Democrat and SNP voters was their trust in the party's motives. Their secondary motivation was that they preferred the party's promises.

Charities are part of the solution to the biggest challenges facing politicians. The sector should be bold in calling for government to have a coherent plan for how it will support and work with charities to ensure that we can play that part fully.

### Young people were out in force

72% of young people that registered to vote did so. This presents charities with an opportunity.

16–24 year olds – specifically students – are more likely to volunteer than any other age group; both in terms of number of people, and the average time spent volunteering. Their motivation is to make a difference and to change the world around them. Charities are an essential driver for social change and the vehicle through which young people (students in particular) drive that change.

Young people are therefore likely to support policies that strengthen the charity sector and improve its effectiveness. This is born out of research carried out by ComRes on behalf of CFG and the Institute of Fundraising. It shows that 18–24 year olds are considerably more likely than their older

counterparts to say that government should consult charities and civil society groups when deciding future policies (41% of 18–24 year olds vs 30% of those aged 65 and above).

Politicians will need to have a coherent plan to ensure the sector can be as effective as possible as part of their bid to secure the youth vote in the future.

### Has austerity had its day?

Now the Conservatives have lost their majority and Labour and the Liberal Democrats both argued for increased spending and taxation, the election result could represent the beginning of the end for austerity.

Of course it is not a given that all charities will benefit from this. Given that it is the largest charities that receive the most funding from national government programmes, it will be those charities that benefit from spending increases at the national level. In contrast, smaller charities might benefit from increased funding to local authorities.



*If we do not speak up now the sector will not be shaping the debate but merely reacting to it.*

Until the government is formed and the Budget delivered we cannot be certain. CFG will be keeping a watchful eye on developments.

### Charities must be proactive

If the sector is proactive this election could represent a turning point for charities.

CFG's Caron Bradshaw has urged charities not to be paralysed by the uncertainty that comes with a hung parliament.

Look to other parts of the economy; business will not be waiting for the dust to settle before making their demands. As I write, the BBC is reporting that the Business Lobby sees the election result as a chance to re-assert itself – especially around Brexit.

Charities are consistently called upon for their solutions to the major challenges facing our society. We should therefore be bold in putting forward policies that break down the barriers to us being as effective as possible.

If we do not speak up now the sector will not be shaping the debate but merely reacting to it.

CFG's Live Blog [bit.ly/CFG\\_GE2017](http://bit.ly/CFG_GE2017) will provide up-to-date analysis of the election.

# New training announced

CFG's programme of training enables finance professionals in the charity sector to develop leadership and financial management skills, develop their understanding of topical finance issues, and network and share knowledge with peers.

## Foundation Charity Finance

- 12 September 2017, Bristol
- 26 September 2017, Manchester
- 28 September 2017, Birmingham
- 18 October 2017, London

Foundation Charity Finance is a popular one day introductory course, 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 the direct tax and VAT regimes, all presented by experts in their field. Other topics include the annual report, audit, handling investments and charity sector financials. This is predominately a taught day but with time for questions and discussion throughout.

Run in association with BDO.

## Advanced Charity Finance

- 1 November 2017, Birmingham
- 21 November 2017, London
- 28 November 2017, Manchester
- 5 December 2017, Bristol

This half day course is aimed at charity finance professionals with experience of working in the sector and builds on the knowledge gained in the Foundation Charity Finance course.

The session combines interactive group discussions with plenary teaching, and is entirely case study based, allowing participants to gain a practical understanding of issues such as:

- Reading of accounts and developments in accounting policies
- Reporting and impact
- Risk, reserves and investment policies
- In depth discussion of current tax rules, including trading income, gift aid and investment
- Outline of applicable VAT, including recoverable vs irrecoverable VAT, exemptions and zero rating

Run in association with BDO.



See more training at [cfg.org.uk/events](http://cfg.org.uk/events)

See more training and secure your place at [cfg.org.uk/training](http://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](http://www.cfg.org.uk/events) or email [events@cfg.org.uk](mailto:events@cfg.org.uk)

### Conferences

- CFG Conference: Leeds 2017**  
4 July  
Leeds
- VAT Conference**  
19 September  
London
- Large Charities Conference**  
27 September  
London
- Gift Aid Conference**  
4 October  
Manchester
- VAT Conference**  
14 November  
Birmingham

### Members' meetings

- LONDON & THE SOUTH EAST**  
11 July  
London
- 14 September**  
London
- THE NORTH**  
12 October  
Manchester
- MIDLANDS**  
28 September  
Birmingham
- SOUTH WEST & WALES**  
12 July  
Cardiff

### Training

- Foundation Investment Training**  
11 July  
London
- 17 October**  
London
- Advanced Investment Training**  
5 July  
London
- 8 November**  
London
- Foundation Charity Finance**  
12 September  
Bristol
- 26 September**  
Manchester
- 28 September**  
Birmingham
- 18 October**  
London
- Advanced Charity Finance**  
1 November  
Birmingham
- 21 November**  
London
- 28 November**  
Manchester
- 5 December**  
Bristol
- Preventing Fraud**  
31 October  
Birmingham
- Trading and the Law**  
14 June  
London
- Finance for Non-Finance Managers**  
8 November  
Birmingham

**Cloud Computing and Cyber Security**  
10 October  
London

**Procurement Training**  
11 October  
London

**Transforming Your Finance Function**  
12 October  
London

**Audit Committee Training**  
8 November  
London

For more information or updates on events, follow CFG on twitter @CFGtweets

# VAT Conference

19 September 2017  
London



**VAT knowledge and planning are crucial to minimising irrecoverable VAT and budgeting for remaining amounts that can't be recovered.**

Early bird available, book now at [cfg.org.uk/VAT17](http://cfg.org.uk/VAT17)

CFG's VAT Conference 2017 will provide updates on VAT, tax, partial exemptions and recovery, fundraising and zero rate activities and irrecoverable VAT and trading subsidiaries. The conference will also include a troubleshooting session so that delegates can have their questions answered by the experts who have presented throughout the day.

Confirmed speakers and sessions include:

- **Leila Ong, Suzanne Goldsmith & Helena Wilkinson**, Price Bailey – *Irrecoverable VAT & Using a Trading Subsidiary*
- **Socrates Socratous**, SOC VAT Consultants – *Partial Exemptions and Recovery*
- **Steve Hodgetts**, RSM UK – *Fundraising and Zero Rate Activities*

CFG will also be running an optional session in the morning before the conference, inviting those who are less familiar with VAT to gain an overview and a better understanding of the topic.

The aim is to help junior delegates feel more confident in their knowledge before attending the main conference sessions.

There will also be plenty of time to discuss the topics covered in groups, as well as enjoy a networking lunch and refreshments.

See the full programme and book your early bird place of just £81 at [cfg.org.uk/VAT17](http://cfg.org.uk/VAT17)

# Large Charities Conference 2017

Early bird available until 31 May 2017

Book now at [cfg.org.uk/lcc17](http://cfg.org.uk/lcc17)



CFG's Large Charities Conference brings together senior finance professionals for an opportunity to stay informed on key topics, debate, exchange ideas and share best practice with your peers.

External pressures, greater demand for services and competition for funding, combined with a call for greater transparency, means that we are facing a challenging future. This year's Large Charities Conference programme will combine thought-provoking presentations and interactive breakout sessions, focused around working together, collaboration, mergers and change.

Delegates will have plenty of time to discuss the topics covered in groups, as well as enjoy a networking lunch and refreshments.

View the full programme and secure your early bird place before 31 May at [cfg.org.uk/lcc17](http://cfg.org.uk/lcc17)

## HR Breakfast Briefing

### Towards gender equality in the workplace

13 September 2017  
London



This April saw the introduction of regulations that will require many employers to publish the difference between their pay to male and female staff.

CFG is partnering with Russell-Cooke to provide a breakfast briefing to explore the impact of gender equality legislation on charities.

The intention of the new regulation is to tackle the continued problem of pay inequality that persists in most sectors more than 30 years after the introduction of equal pay legislation.

In this seminar we will look at the new regulations in the wider context of gender equality in the workplace, including sex discrimination under the Equality Act and recent case law, as well as the rights of mothers and carers.

Run in association with Russell-Cooke LLP.

Last chance to book!

## CFG Conference: Leeds 2017

4 July, The Met Hotel



CFG Conference: Leeds 2017, formerly known as the Northern Conference, will provide delegates with a regional outlook and vital updates on VAT and tax, HR, fundraising, pensions, data protection and GDPR and investments.

Kathy Evans, Children England's inspiring CEO will deliver the opening plenary and to close we will hear from Michelle Russell, Charity Commission.

Other speakers for the day include:

- Jo Garnham-Parks, Director of Finance & Operations, CAPE UK
- John Forth & Richard Wilson, RSM
- Stephen Baker & Tom Pearce, Grant Thornton
- Malka Livingstone, Women's Aid and Rehaila Sharif, Imkaan
- Andrew Davidson, Hempsons
- David Davison, Spence and Partners
- Ian Singer, PKF Littlejohn
- Adrian Maxwell, Rathbones
- Andrew O'Brien, Charity Finance Group

See the full programme and book your place at [cfg.org.uk/leeds17](http://cfg.org.uk/leeds17)



INSPIRING  
FINANCIAL  
LEADERSHIP

## Charity Finance Group Large Charities Conference

27 September 2017  
London

Full programme  
& speakers to be  
confirmed  
[cfg.org.uk/lcc17](http://cfg.org.uk/lcc17)

**CFG's Large Charities Conference** brings together senior finance professionals for an opportunity to stay informed on key topics, debate, exchange ideas and share best practice with your peers.

This year's conference will focus on the opportunities of working together and the practicalities of collaboration and mergers, drawing on the experiences of finance directors who have explored these options.

**CFG member rate: £142**

## Find the latest charity sector salaries in our 2017 survey



How realistic is your staffing budget for the year ahead? What salary offers will secure the talent you need, but keep overheads down? And how do your own earnings compare with others in the sector?

In our most detailed report to date, based on the 3,000+ roles we've worked over the past year, we give salary ranges for both permanent and temporary positions at all levels, in all the specialist charity functions we cover, including:

Data Management • Digital • Executive Search  
Fundraising • Finance • Human Resources  
Marketing • Operations, Admin & Support  
Press & PR • Projects & Programmes

Visit [www.harrishill.co.uk/salariesurvey](http://www.harrishill.co.uk/salariesurvey)

or contact our charity finance specialists for your free 16-page copy, along with any specific advice you'd like on salaries and benchmarking. We'd be delighted to help.

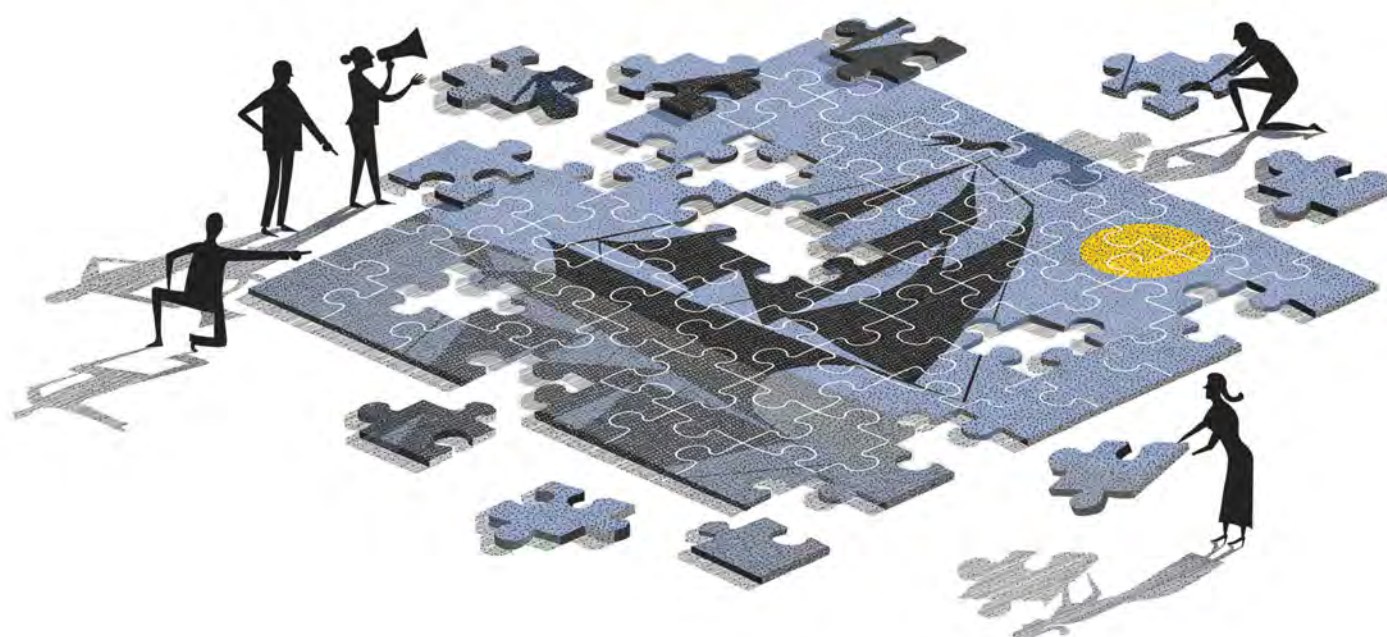
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To find out more, visit us at [www.standardlifewealth.com](http://www.standardlifewealth.com), call **0345 279 8880** or email [charities@standardlifewealth.com](mailto:charities@standardlifewealth.com)

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Past performance is not a guide to future performance.

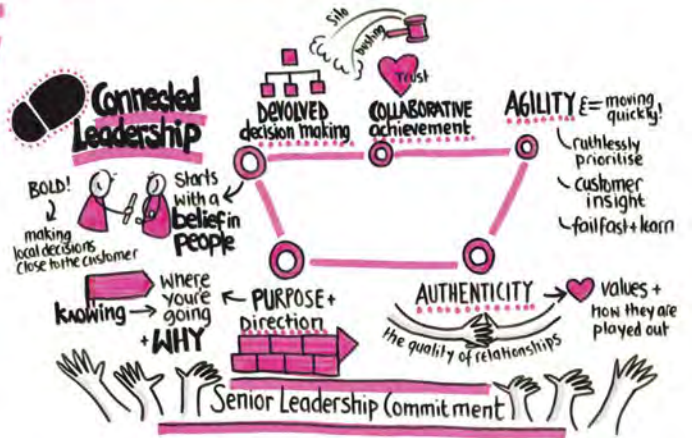
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**LEADING THE WAY**  
to create the change we want

# STEPPING UP



## Brexit Panel

We need to...

# SPEAK UP!

- With a single voice
- putting NGO issues on the AGENDA
- On behalf of beneficiaries
- to the public as well as to government

