chair focus

AUGUST 2007

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news and opinion from a chair's perspective

How does your organisation report its public benefit? A consultation on changes to the Accounting and Reporting Framework for charities

We need your views. The Office of the Third Sector has launched a consultation on changes to the accounting and reporting framework for charities as a result of the Charities Act 2006. One proposal that needs consideration is the requirement for charities to report on their public benefit.

It is proposed that in annual reports covering financial years beginning on the 1st January 2008 or later, smaller charities (below the new statutory audit threshold of £500K annual income) would be required to give a brief summary of how the charity's purposes have provided benefit to the public during the year. Larger charities would be required to provide a more detailed review of how the significant activities undertaken by the charity further the charity's purposes for the benefit of the public. All charities that prepare an annual report would also have to include a confirmation by the trustees that they have "paid due regard" to Charity Commission guidance on public benefit.

The consultation asks:

1. Do you agree that it is appropriate for charities to report publicly how they meet the public benefit requirement?
2. Do you agree that the annual report of a charity is the best medium through which to report public benefit?
3. Do the proposals achieve the right balance in reporting public benefit and the regulatory cost of providing such information?

CTN will be gathering your responses to this consultation to inform its submission to the Office of the Third Sector. Send your thoughts to - claire.f@trusteenet.org.uk by 31 August 2007.

Further information on the consultation can be found at –
www.cabinetoffice.gov.uk/third_sector/law_and_regulation/charities_act_2006

and clicking on Charities Act 2006 implementation in the white box on the left.

Your e-network

Log in now to the **chair to chair** pages at www.trusteenet.org.uk to join in the discussion on the chair's e-network. Rodney Buse, CTN's chair, is asking **what support do you feel you would like as a chair**? What would make you more effective? Log on now to share your views.

In the hot seat

Questions put to Julia Kaufmann, who is Chair of Whizz-Kidz – the movement for non-mobile children, a trustee of the EDF Energy Trust, which gives grants to individuals experiencing hardship, a member of the CAF Grants Advisory Panel, and a (paid) board member of Capacity Builders.

1. What attracted you to becoming a trustee? I've sat on many trustee boards over the past 20 years - it has been my voluntary contribution to the sector. Also, since I now work as a freelance consultant and help other organisations with governance issues, I feel I should practice what I preach.

2. What particularly attracted you to become chair of Whizz-Kidz? I was attracted to take this role because I admired the new Chief Executive and what she was trying to do.

3. Is there anything that would make you an even more effective chair? Yes. More time! I have a tendency to take on too much but that seems to be true of many trustees. It's that "ask a busy person" syndrome. But maybe that's a good thing - it keeps us focused and business-like.

4. What's the biggest challenge you have faced in your role? Trying to achieve and retain a strategic overview in the face of last minute, poorly written, badly structured, over wordy papers and reports to board meetings. I hasten to add that this doesn't apply to my current roles.

5. What do you consider the most satisfying aspect of your role? Debating issues with people who think differently to me and reaching the best possible conclusion.

6. Have you felt that the demands made on trustees/chairs have grown over time? Yes, and I welcome it. There is now considerably more emphasis on responsibility and accountability. However, this is a real problem for small organisations, especially those with user management committees who can be frightened to bits by the jargon and regulatory mechanisms.

7. What do you think is the ideal term of office that a chair should serve? I took on the chair with Whizz-Kidz for a two-year term with agreed objectives. The ideal term for a trustee is that length of time during which their motivation is high and their knowledge and skills are essential. However, some continuity is essential and 3 years appears to be the rule of thumb.

8. What tip would you give to a new chair? Keep your eye firmly on two things - monitoring current performance, and planning the future.

9. If you weren't a trustee, what would you do with that time? Exercise and relaxation: what a good idea!

10. As a Chair, do you welcome feedback from your staff and fellow trustees? Yes. But you don't get it if you don't organise it. One of my next tasks at Whizz-Kidz is to establish a review of the Board (and Chair) process.

Tips for good meetings

- Start and end them on time
- Schedule them when most trustees can make it
- Hold meetings in a place that is convenient, secure and accessible for all trustees
- Provide transport and/or reimburse legitimate travel expenses
- Offer refreshments
- Schedule in breaks
- Make sure all participants can see, hear and be seen by the Chair

From *A Chair's First 100 Days* by Tesse Akpeki, published by NCVO

The Questions a chair should ask…

What a new chair should ask the Chief Executive on … Finance

- What processes are in place to define, review, monitor and implement our strategy?
- How do you ensure that our reputation is protected?
- How would you describe our financial position?
- Are you getting the financial information you need to guide the business? Are you taking financial decisions confident of their basis? If not, why not?
- What key performance indicators do you use to monitor the business?
- How do the Finance and Fundraising Directors work together and how is information disseminated between their respective teams?
- How timely is the completion of appraisals and how rigorous do you think managers are in carrying out appraisals?

Provided by CFDG (Charity Finance Directors Group)

How do you advertise for new trustees?

CTN is looking for case studies on how charities have gone about advertising for new trustees. If you have experience of this, we would love to hear from you, whether or not it worked. We want to be able to share this information with other chairs and trustees, building up a pool of knowledge and experience on how to recruit trustees most effectively. Let us know -

- Details of where you advertised (feel free, but not obliged to include details of the cost of advertising)
- The wording you used for the advert, and ideally a copy of the advertisement itself
- What the response was to the advert(s)
- How you chose whether to appoint individuals who responded to the advert
- What you think worked or didn't work, and any lessons learned.

Please send your case studies to **claire.f@trusteenet.org.uk**. We look forward to hearing from you.

Any other business?

Do let us have your feedback on this e-newsletter by replying to this email. We have received financial support from the Governance Hub to develop and deliver three monthly e-newsletters for Chairs, but it is our plan to continue to send **chair focus** out to you bimonthly. Let us know if we are getting it right or how we can improve this e-newsletter. We want as much content as possible to be from you - we would really welcome your ideas and submissions.

This newsletter is sent to you by CTN

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