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Sudhir Singh, Head of Not for Profit, MHA MacIntyre Hudson

Speaker session 4D

Trustee finance skills, competencies and training



Trustee finance skills, competencies and training

1. Results from joint survey with CFG
2. Key emerging themes and concerns
3. What charity executives can do to support trustees to achieve the financial governance their charity needs
4. Practical solutions to overcome potential barriers
5. Helping trustees know they are doing a good job



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Strong governance and bold leadership

Charity Governance Code

Consultation document





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Our joint initiative

- Essential Charity Finance for trustees
- Survey: Trustees & charity finance competency



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On a scale of 1 to 5, where 1 is inadequately and 5 is very well, how well does your trustee board understand strategic financial governance matters?

Only 60% said at least well



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On a scale of 1 to 5, where 1 is not at all and 5 is completely, does your board have the finance skills and knowledge to fulfill their responsibilities well?

Only 21% have the complete skills and knowledge required



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Do you think it would be beneficial to your charity's governance for your trustees to have a better understanding of strategic financial governance matters?

84% said "Yes"



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On a scale of 1 to 5, where 1 is not at all important and 5 is very important, how important is it to have more than one person on the trustee board that is engaged with your charity's finances?

92% consider this is important



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Do you make available charity
finance training for trustees that
need it?

Only 23% said they did



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Do you budget for training for your trustees?

57% don't



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If yes, how much do you allocate a year?

Typical range is £250 to £5,000



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If not, how is trustee training delivered?

*Broad range of responses –
In-house, professional advisers,
self study, Charity Commission
guidance, personally funded*



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How concerned are you about the level of governance costs in your charity as disclosed in your statutory financial statements?

Only 9% have any concerns



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Would you consider it positive to disclose expenditure on trustee training in your statutory finance statements?

Mixed views – both positive and negative – most were neutral



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Do you formally assess board competency in charity finance as well as considering skills?

23% never do a formal assessment (may do informally?)



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Do you formally assess the effectiveness of financial governance in your charity?

Only 24% always do



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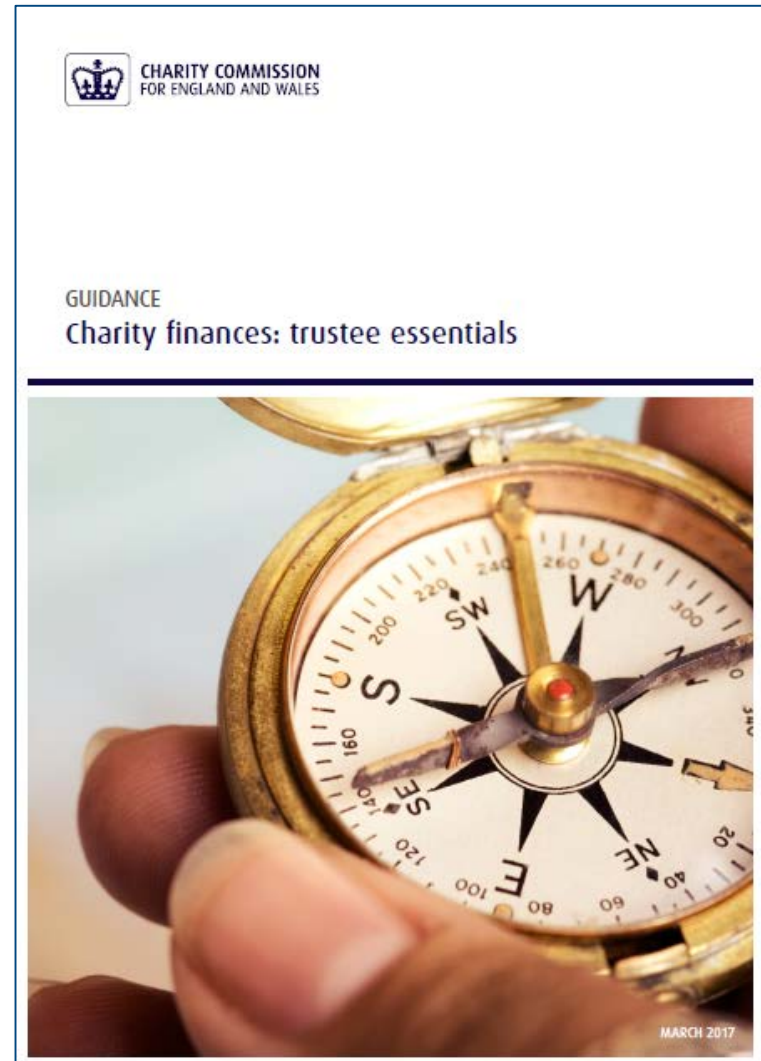
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Emerging themes and concerns

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

Charity Commission concerns

- Financial management
- Financial control
- Financial reporting





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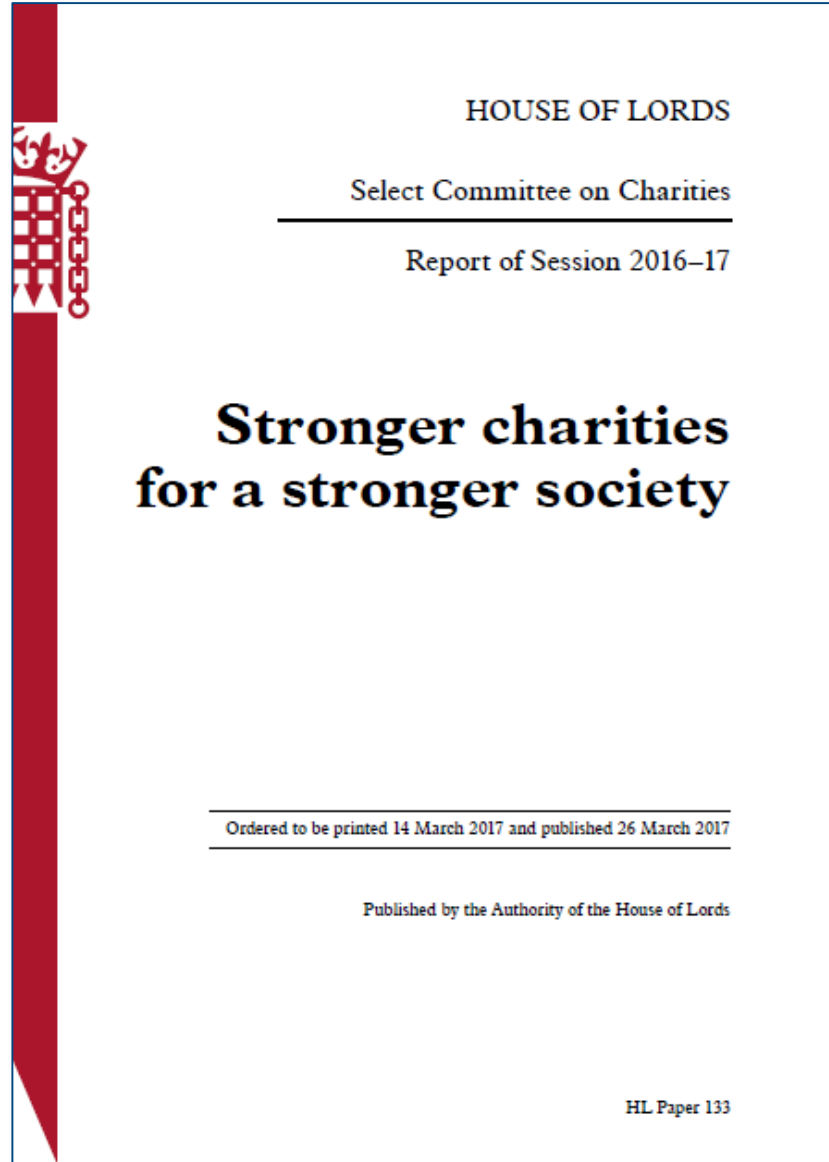
“We call for new efforts to provide training and development for trustees and recommend that charity boards should undertake greater self-reflection, examining their behaviours, processes and skills.

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.”



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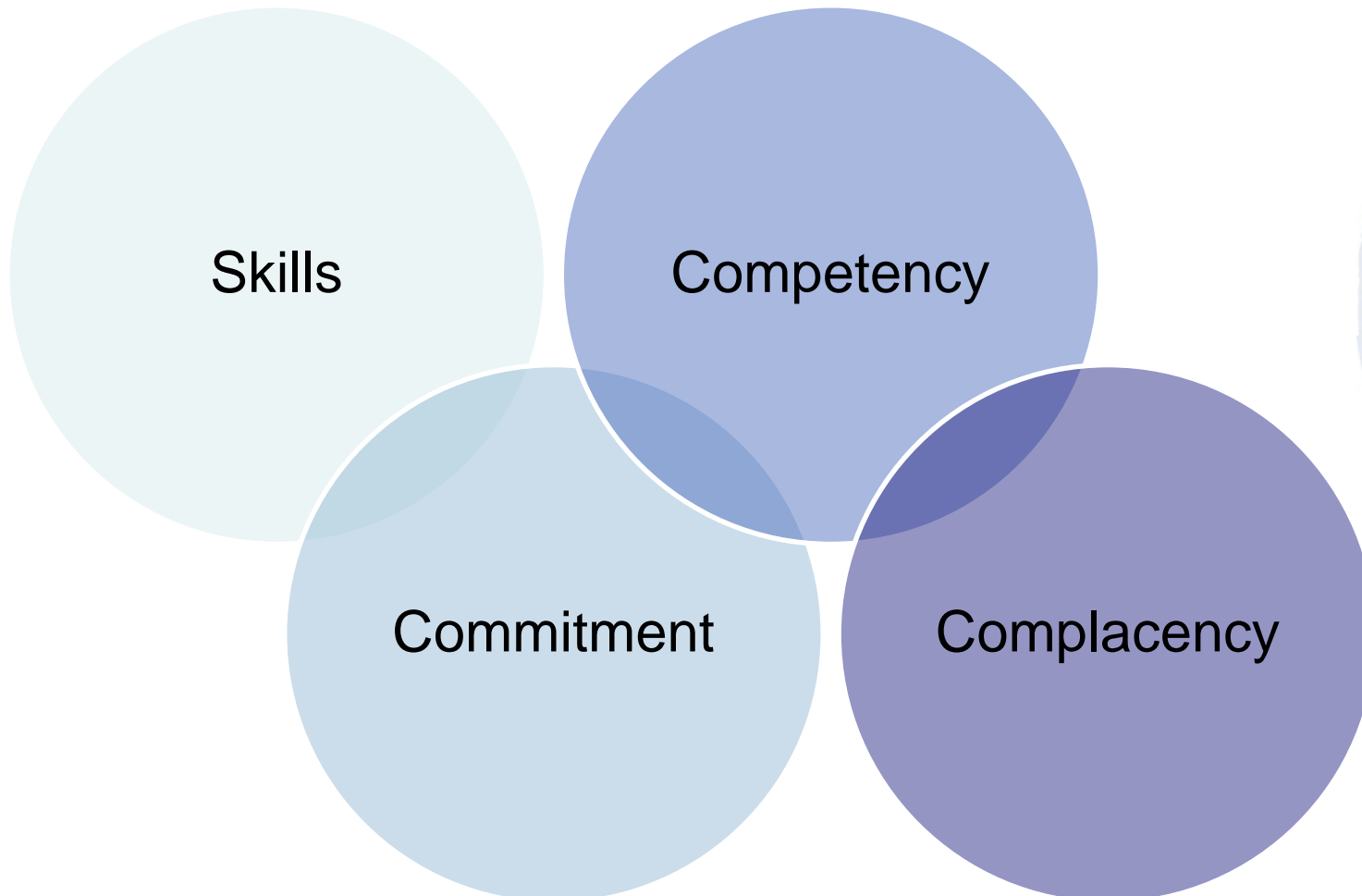


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Overcoming Barriers





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Helping trustees know they are doing a good job...

1. Are they the right person with rights skills for the job?
2. Prudence Vs Informed risk taking
3. Stewardship Vs Seeking to maximise benefit
4. Current beneficiaries Vs Future beneficiaries
5. Responsible trusteeship Vs Mis-placed responsibility
6. Establishing rules Vs Setting principles and values



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Conclusions

- Our survey said...
 - Enhancing trustee financial fitness is
 - Worthwhile
 - Makes a tangible difference
 - Is realistically achievable
- Barriers exist – but can be overcome
- You can effect the necessary change



Questions & Answers



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