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# FOCUS

FINANCE

The magazine for CFG members

July 2017

## TACKLING FRAUD TOGETHER

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### CFG launches Counter Fraud Campaign

#### ALSO THIS MONTH:

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IS THIS THE END OF  
AUSTERITY?

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WHAT DOES AN IDEAL  
BREXIT LOOK LIKE?

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SMALL INTERNAL  
CHANGES, BIG IMPACT

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DISCIPLINE MAKES  
DARING POSSIBLE

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# COUNTER FRAUD CAMPAIGN TACKLING FRAUD TOGETHER

Whether it's online or offline, fraud is a constantly-evolving criminal threat that is estimated to cost the sector £1.9bn every single year – money which is being syphoned off from charities and the beneficiaries they serve.

While some charities lead the way with robust counter fraud policies, many struggle to stay ahead of the tactics used by fraudsters.

This year is CFG's 30th anniversary. As well as looking back, we are also mindful of what's ahead for the charity sector. That is why we're launching this major campaign to tackle one of the biggest current and future threats to charities.

We're calling for all charities to take action and commit to joining us to combat fraud. We'll provide you with resources and tools so that together we can tackle fraud.

## TAKE THE COUNTER FRAUD PLEDGE

Show your beneficiaries, funders and supporters that you are tackling fraud by taking the *Counter Fraud Pledge*.

To take the *Counter Fraud Pledge* visit <http://bit.ly/CFGFraud> and:

1. Read the *Counter Fraud Pledge* on CFG's website <http://bit.ly/CFGFraud>.
2. Sign up to the *Counter Fraud Pledge* once you are confident your charity can meet the promises it sets out.
3. Once your charity has taken the *Counter Fraud Pledge*, CFG will email you a badge which you can use on your website, newsletters and printed materials.

## START HERE:

CFG has created three key resources to get you started:

### 1. The Small Charities Guide to Preventing Fraud:

This simple guide is designed for small charities. It will tell you what fraud is, what steps you can take to prevent fraud and what to do if your charity is a victim of fraud.

### 2. Countering fraud: A guide for the UK charity sector:

This guide, produced in partnership with PKF Littlejohn, helps finance professionals and Trustees to identify areas for improvement with the aim of building their resilience, and explain how you can actively manage the risk of fraud.

### 3. The Charities Counter Fraud Checklist:

Ten questions to show you what you need to do to create or strengthen your charity's fraud policy.

## LOOK OUT FOR:

**1. CFG Fraud Bulletin:** This email bulletin will give you the latest news, developments, case studies and resources to help you combat fraud in your charity. Sign up at <http://bit.ly/CFGFraud>

**2. Charity Fraud Week:** CFG will be working with the Charity Commission and the **Charities Against Fraud** to promote Charity Fraud Awareness Week on 23 – 27 October. We will be publishing case studies of how charities across the UK are combatting fraud.

**3. Tips, resources and insight:** follow CFG on Facebook, LinkedIn and Twitter at [#CFGfraud](https://twitter.com/CFGfraud) for further tips, resources and insight.



## EDITOR'S NOTE

# It's time we talked about the F-word

**In all of its shapes and forms, fraud is estimated to cost the charity sector alone a whopping £1.9bn a year. I say alone because it's equally a problem in the private and public sectors. For our sector it's a major business risk, not only on financial grounds, but also reputational.**

This month, we have deployed a national campaign against fraud and are encouraging all charities to take a Counter Fraud Pledge (see opposite). We realise that there's a spectrum of counter fraud practice across the sector and while many charities are already taking significant steps to reduce the risk of fraud, many are struggling and understandably so, fraudsters tactics are constantly evolving and it's near impossible to stay ahead.

Whatever stage you're at in tackling fraud, our campaign can help. Our six-step plan is easy to implement and our badge sends the message that you're taking fraud seriously and hopefully acts as a deterrent to potential fraudsters.

In this month's cover story on page 8, CFG's **Heather McLoughlin** sets out the context for the campaign and outlines why we're launching the campaign now, while **Pascale Nicholls**, Head of Central Finance writes on page 9 about the steps that Amnesty International have taken and why the charity was one of the first to sign up to the pledge.

The big news for charities since June's issue of *Finance Focus* is the change to the Fundraising Preference Service, allowing people to opt out of direct marketing from up to three charities at a time. It's this month's *What's the big issue?* on page 7.

Elsewhere, with negotiations in full swing, and ahead of our two VAT conferences in London and Birmingham this autumn, Caron considers the implications of Brexit for VAT on page 10, while **Robert Warne** from Crowe Clark Whitehill outlines some key concerns on page 11. If you've been the following the York Museums and Gallery Trust (YMT) court case on business rates which we covered in the 2017 Pink Book, **Colin Hunter** has some good news following a decision in YMT's favour (page 12).

Talking about the Pink Book - and in case you missed it - **Jonathan Orchard** from Sayer Vincent on page 15 has updated his guidance on managing risk. If you're not using his Big 5 model yet for keeping your Board focused in big-picture risks, it's definitely worth a try.

As the general election dust settles, **Andrew O'Brien** (page 14) asks if this is the end of austerity. Good news? Yes, in all likelihood, but not overnight and the devil is in the detail of how it's rolled back.

Finally back to fraud, and **David Hawes**, FD of the Devon Air Ambulance Trust discusses why and how the Trust's finance systems underwent a digital transformation, improving efficiency and – critically – reducing the risk of fraud.

Happy reading, and if you're lucky enough to be reading this on a beach, have a relaxing holiday!



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

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If you have any queries about *Finance Focus* or are interested in writing for us, please contact [kate.bines@cfg.org.uk](mailto:kate.bines@cfg.org.uk)

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# Organisation of the month



To mark National Marine Week 2017 we welcome Marine Conservation Society (MCS) as organisation of the month. Clare Perez, Director of Finance & Resources, MCS discusses how the organisation has achieved a great deal over the last 30 years and has grown into a well-known and respected national charity involved in key marine issues.

## Why did you join CFG?

MCS joined CFG in order to keep up to date with changes affecting the sector and to attend relevant events specifically tailored to the finance function and the diverse range of associated activities.

## What are your organisation's biggest achievements?

A key milestone in our development was in 2009/2010 when the Marine and Coastal Access Act was passed in the UK and a little later the Marine (Scotland) Act also reached the statute books.

Our Wet Wipes Turn Nasty campaign achieved great results, gaining commitments from retailers to label their products as 'unflushable'. We launched a new Good Fish Guide App, with recipes and restaurant locations as well as sustainable seafood advice, for which we received a National Design Award.

## What is the largest source of support your organisation has gained from CFG membership?

Regular updates on charity administration/governance/finance and forthcoming changes in legislation.

## What have been the biggest changes to the charity sector since you started working in it?

The changes in legislation that affect the administration of businesses as a whole also feed straight back to the charity sector. For example, the development of real time information payroll reporting, changes in Gift Aid statements and the introduction of pension auto-enrolment.

## What is the biggest issue facing your sector right now?

GDPR is probably the biggest issue facing the sector right now, plus Brexit is also consuming much of our time and resources in order to understand and respond to the implications.

## If the Government could change one thing that would make your charity's life easier, what would it be?

Charity exists to fill gaps between what the government can provide and what society requires. Public advocacy and recognition from within Government to value the critical importance of the work of the charity sector would perhaps make all our lives easier.

From a purely financial point of view, zero rating all charitable activities so we could recover VAT in line with common business practice would be a vast improvement.

## What is the one piece of technology your organisation couldn't do without?

We are focused on engaging with the public and with GDPR we are going to be absolutely relying on our CRM as our 'single version of the truth'.

## What are the main obstacles preventing your organisation carrying out its charitable objectives?

Adequate funding, which I'm sure is a common sentiment throughout the sector. We have diverse income streams, and look for innovative solutions to our funding dilemmas; however more secure, sustainable income streams incorporating full cost recovery would make all the difference to our strategic planning and financial forecasting.

## What outcomes has your organisation seen through its work?

MCS has been instrumental in the development of legislation that supports Marine Protected Areas and plays a key role in the improvement of their management. Our Good Beach Guide is over 25 years old and when it began water quality was very poor, causing illness in children and through our continued campaigning for cleaner bathing waters, over 90% of UK bathing waters are now meeting the 'good' or 'excellent' standard.

# A note about Members' Meetings



Since January this year, we've changed the format to of your members' meetings to give everyone the opportunity to speak out.

## Sharing is caring

Each meeting still includes a relatable presentation about a current issue, a Q&A, and informal networking over refreshments. The key difference is that we've added in a breakout session so that you can contribute to the debate in small discussion groups and feedback to all the members.

The new approach has gone down really well, with one member commenting at the end of May's meeting in London that it's 'really useful to have a chance to discuss specific issues with others.'

All members are welcome to join us, and we're very keen to welcome new members\* to the meetings. Meetings are free but places are limited, so look out for your fortnightly events and training email for upcoming dates and bookmark: [www.cfg.org.uk/events/members-meetings](http://www.cfg.org.uk/events/members-meetings)

\*If it is your first meeting, we'd love to introduce you to some other members on the day. Just email us: [membership@cfg.org.uk](mailto:membership@cfg.org.uk)

# Take the next step in your leadership journey

**Our Inspiring Financial Leadership (IFL) programme gives attendees the opportunity to be one of the next generation of sector leaders.**

As you know, not-for-profit organisations need finance professionals who can do more than report on the figures and police the budget. An effective financial leader goes beyond the numbers to become a strategic business partner.

CFG's Inspiring Financial Leadership is a series of monthly breakfast seminars run in association with Cass Business School and Sayer Vincent, combining the latest leadership models with practical advice and support through interactive sessions, discussions and individual coaching.

Designed for financial managers and future leaders in the charity sector, IFL helps individuals deal with the challenges they face and to develop a mindset consistent with the very best leadership principles.

The Inspiring Financial Leadership course has a limited amount of places which we anticipate will fill quickly. See the full programme and book your early bird place of £515.00 for members at [cfg.org.uk/IFL](http://cfg.org.uk/IFL).

# Voice your views

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

## CFG's Fraud Survey 2017

As part of CFG's 30th Anniversary we want to find out more about charities measures to prevent fraud and what vital work is done to prevent financial loss. The survey will play an integral part in shaping our work for the Counter Fraud Campaign and beyond as part of CFG's commitment to improving fraud prevention standards in the charity sector. The survey is open to all trustees and staff who are responsible, in any form, for their charity's fraud policy. Complete the survey at: <http://bit.ly/CFGfraudsurvey>

## Small Charities Financial Capability Survey

CFG has launched the Small Charities Financial Capability Survey 2017 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 CFG's 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. If you would like to complete the survey please use: <http://bit.ly/smallcharitiessurvey>

## 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: [Nadine.Cameron@cfg.org.uk](mailto:Nadine.Cameron@cfg.org.uk).

## Charity Money Laundering & 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 others such as banks impact their work. We know that charities have come under 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 launderers and terrorists.

These have not been sufficiently documented to date. If you would like to complete the survey please use: <http://bit.ly/moneylaunderingsurvey>



# Gender pay gap

As you would have seen in recent news, many employers are now required to publish the difference in pay between male and female staff. Join us for a breakfast briefing on 13 September in London and find out more. Book now [cfg.org.uk/HREssentials](http://cfg.org.uk/HREssentials).

## New on the CFG blog

### Charities must not let Brexit negotiations get away from them

Andrew O'Brien urges charities to look closely at the early moves in the negotiation that could have big long term consequences both for the UK and for the charity sector. <http://bit.ly/charitiesbrexit>

### Celebrating small charities

Heather McLoughlin focuses on the important and crucial role small charities play in the sector. <http://bit.ly/celebratingsmallcharities>

### Record Management Toolkit Launch

Heather McLoughlin reports on the successful launch of CFG and UCL's Record Management Toolkit. <http://bit.ly/recordmanagement>

## Research and reports



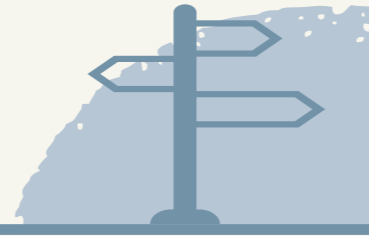
### Annual cancellation rate for direct debits lowest since 2003

Rapidata's Charity Direct Debit Tracking Report 2017 shows that 2016 had the lowest annual direct debit cancellation rate. The rate was at 2.61% for 2016, though is unlikely to reflect a rise in donor retention but rather a decrease in fundraising activity. The average figure for direct debits cancellation puts the rate at just around 3%. This year's report also tackled online giving through charities own websites. This showed a 7% annual growth in sign up online. Research also found that if an online donation was made via desktop it would, upon average, be higher than a donation made by mobile phone. Read the report here <http://bit.ly/trackingreport>

### Charity Commission publishes report on campaigning and political activity prior to 2017 General Election

Between 18 April 2017 and 8 June 2017 the Commission dealt with 41 cases relating to campaigning and political activity around the General Election. The Commission took action six times against charities who were found to have breached electoral and charity law, as set out in CC9. 13 of the cases resulted from charities contacting the Commission over concerns, while 28 were from the Commission proactively identifying concerns. The Commission reminds charities that they cannot be seen as intentionally influencing voter behaviour. Read the report and guidance from the Commission here <http://bit.ly/CCpoliticalactivity>

## Guidance and support



### New version of the Charity Good Governance Code published

The new version of the Code sets out higher standards for charities, after a consultation in 2016 received over 200 responses. The Code is overseen by a steering group of charity umbrella bodies, which is led by an independent chair, Rosie Chapman. The new Code guides charities and trustees through seven areas of good governance. In response to the new Code being published, the Charity Commission has withdrawn its Hallmarks of an Effective Charity guidance in favour of directing charities to the new code. Read the full Charity Good Governance Code here <http://bit.ly/CGGcode>

### Department for Digital, Cultural, Media & Sport (DCMS) funds 4000 training places for small and local charities

The Foundation for Social Improvement, LocalGiving, Small Charities Coalition and CFG will deliver 4000 training places across England over two years. The programme has been created from a grant from DCMS for small charity fundraising training and support. This programme includes: face-to-face training, telephone advice sessions, 30 minute and 1.5 hour webinars, a small charity fundraising conference in Leeds and more. Training in Brighton, Lancaster, Leeds and Peterborough will start in September. For the full programme visit the services page of the FSI website at [www.thefsi.org](http://www.thefsi.org).

## News in brief...

### Charity Commission publishes annual report and accounts 2016 to 2017

The Commission has published their annual report, citing a need for the regulator to explore new ways of funding. The Commission plan to consult on a sustainable funding model later in 2017. The report also shows that the Commission has undergone restructuring in 2016/17, with the creation of the new risk assessment unit that reports directly to the Chief Executive to help strengthen the new proactive approach to thematic risk the Commission has been pursuing. The policy and communications team was also restructured to place a greater emphasis on creating and using digital channels for communication. Read the report here <http://bit.ly/CCreport17>

### 15 further charities have compliance meetings with the ICO over data protection

The ICO held compliance meetings with 15 charities and two fundraising agencies, in addition to the 13 charities that received fines in 2015/16. These meetings were to discuss compliance with the Data Protection Act and Privacy and Electronic Communications Regulations (PECR). A further six charities received advice letters and three were assessed by the ICO. The charity sector made up 4% of total self-reported incidents. This is the same as policing and criminal records, and solicitors and barristers. For other sectors education was at 6%, businesses at 9%, local government at 11% and health with the highest at 41%.

## What's the big issue?

### Fundraising Preference Service launched

#### The Fundraising Preference Service

This month saw the launch of the Fundraising Preference Service (FPS) which allows members of the public to block charities from contacting them through post, email, text messaging or telephone calls.

For someone to stop a charity from directly communicating with them, they need to go onto the FPS website and enter the charity's name or Charity Commission number and submit a suppression request.

If a charity receives a suppression request they will be notified and able to view it on the FPS portal. The charity then has to stop all direct marketing communications to that person. Anyone that is still receiving communications from the charity more than 28 days after submitting a suppression request can complain to the Fundraising Regulator.

If your charity spends over £100,000 on public fundraising activities per year, you will have already been invited to enrol onto the FPS. If your charity spends less than £100,000 you won't be sent an invitation unless you receive a suppression request from a member of the public.

#### What regulatory powers does the Fundraising Regulator have?

The regulator does not have the power to issue fines itself. However, it can report charities to the Information Commissioner's Office (ICO) which does have the power to issue a fine if a charity fails to comply.

In theory this fine can be as high as £500,000 – but such a fine is unlikely. In the case that the ICO investigates a charity, it will take into account a range of factors such as what steps have been taken to suppress communication when a request has been sent through, whether staff have received appropriate training and so on.

Remember, whilst you may not spend a significant amount of money on public fundraising, if you do send direct fundraising communications to members of the public and someone submits a suppression request through the FPS website, you will be set up on the FPS and be expected to cease communications with that person. So do think ahead.

#### The fundraising levy

To register with the Fundraising Regulator charities are required to pay a levy.

1. Charities which spend more than £100,000 a year on fundraising and would like to register with the Fundraising Regulator are required to pay the levy which ranges from £150/year for charities with an annual spend of £100,000 - £149,000 on public fundraising, to £15,000 for those who spend over £50 million.
2. Those who spend below £100,000 a year on fundraising and would like to register with the Regulator do not need to pay the levy but are charged £50/year to cover administration costs.

Not all charities that spend £100,000/year on public fundraising have paid the fundraising levy and registered with the Regulator. It has been reported that the Regulator is considering the idea of 'naming and shaming' those charities that have not paid the levy, although this has not yet been decided.

Earlier this month on 11 July, the Regulator did publish a list of all charities that have registered with it and therefore agree to its Fundraising Promise and the full list can be found on the Regulator's website - <http://bit.ly/FRpublicregister>.

The Regulator has also made noises to suggest that they will seek to put the levy on a statutory footing and mandate all charities that spend £100,000 or more a year on fundraising to pay the levy if take up does not improve.

Of course if the levy for the Fundraising Regulator does become statutory, there is a risk that this will lead them to consider introducing a statutory levy to cover the costs of the Charity Commission. CFG's Andrew O'Brien has outlined the challenges of charging charities for regulation on our blog - <http://bit.ly/CCcharging>.

#### Where to find more information

For more information on the FPS you can visit <https://public.fundraisingpreference.org.uk/>

For more information on the Fundraising Regulator, visit their website at <https://www.fundraisingregulator.org.uk/>

## Policy progress

### CFG presents evidence to the Low Pay Commission

The Low Pay Commission (LPC), after lobbying by CFG, has asked charities to present evidence on the impact of the National Living Wage on the sector. As part of this, CFG was invited to attend an oral evidence session. The LPC plays a central role in setting the rates for the National Living Wage (NLW) and National Minimum Wage (NMW), as well as feeding into the government's wider skills agenda. This was a critical opportunity for CFG to be able to get the challenges that charities face across to this influential organisation.

Ahead of the consultation we issued a call for evidence to our charity members. The core message from this evidence is that charities want to pay a living wage and many already adhere to the Living Wage Foundation's rate. However, the squeeze on income, predominately due to local authorities being unable increase funding to cover the increase in the NLW and NMW means that charities, especially those in the care sector, are struggling to be able to keep up with the increases.

### CFG launches Counter Fraud Campaign

In our 30th anniversary year we wanted to not just simply celebrate all that CFG has achieved, but do something practical to support charities to combat future challenges. As the CFG policy team looks ahead at future challenges for the sector, the issue of fraud has come into sharp focus. It is for this reason that this month CFG has launched our Counter Fraud Campaign. Our aim is to equip charities with the tools to lead by example and take a proactive approach to fraud risk. The centrepiece of the campaign is the Counter Fraud Pledge which asks charities to pledge to take active measures to prevent and combat fraud wherever it may occur in the organisation. The campaign has been endorsed by the Charity Commission and they are actively encouraging charities to sign up to the pledge. The cover article for this edition of Finance Focus tells you more about the campaign and how you can get involved.

### CFG and Financial Reporting Council to discuss PN11

On the back of CFG's engagement with the Financial Reporting Council (FRC) we have arranged a meeting between the Council and our Technical Accounting Forum to discuss the revised draft of *Practice Note 11: The audit of charities in the United Kingdom*. PN 11 was last updated in 2012 and needs to reflect revisions to UK auditing standards, changes to the legislative and regulatory framework, developments in account and audit frameworks, and the issuance of a new Charities SORP. At CFG we are keen to ensure that the PN 11 works for practitioners and does not lead to burdensome requests for information that will put additional, unnecessary pressure on charities.

# WORKING TOGETHER TO PREVENT FRAUD



**Heather McLoughlin,**  
Policy & Public  
Affairs Officer,  
Charity Finance  
Group

## Charity Finance Group's Heather McLoughlin discusses the work CFG are doing to tackle fraud as part of our 30th anniversary.

In Charity Finance Group's April 2017 30th anniversary special of Finance Focus, Caron Bradshaw, CEO, put forward that CFG's 30th anniversary is a time not just for reflecting on past successes, but also an opportunity for CFG and the charity sector to look forward and discuss some of the most pressing issues facing charities today.

We have decided to focus on one of the biggest challenges facing charities: fraud. Fraud costs the UK £193 billion a year, with the UK charity sector facing a loss of £1.93

billion alone. It is estimated that an organisation loses between 3-8% of their income through fraud, which is a substantial amount of money for the charity sector to lose.

It will not be very surprising to anyone who works in the charity sector to know that the sector is still struggling after the financial recession of 2007. Greater scrutiny and a drop in public confidence over the last few years due to various charity scandals means we have to be more careful than ever in ensuring that all income is used to support our beneficiaries.

This is why fraud is a serious problem for charities, and should be countered with robust measures. Any amount of money that charities lose to fraud is a loss of money for the beneficiaries we serve.



**Any amount of money that charities lose to fraud is a loss of money for the beneficiaries we serve.**

It is not simply enough to be aware of fraud and to know when and how to report it. Instead, charities should be looking at ways of being proactive in tackling fraud head on. Fraud is an ever increasing threat that is not going to go away and the charity sector's altruistic nature is not a natural deterrent. The recent WannaCry Ransomware attack on the NHS in May 2017, unfortunately, demonstrates that your organisation's purpose is in no way a deterrent to a committed criminal.

The sector's reliance on trust and our (often wrongly) perceived amateur nature means that charities are considered soft targets. While the private and public sector get savvier in working to reduce their risk of fraud, the charity sector cannot afford to be seen as falling behind.

### The Counter Fraud Campaign

CFG has launched the Counter Fraud Campaign to help give charities the confidence and the tools they need to tackle fraud. We started by launching *The Small Charities Guide to Preventing Fraud* (<http://bit.ly/scfguide>) and *The Charities Counter Fraud Checklist* (<http://bit.ly/ccfchecklist>) in June during Small Charities Week and to continue CFG's 30th anniversary celebrations we will be doing more to help charities to work together to prevent fraud.

As part of CFG's Counter Fraud Campaign we have launched the Counter Fraud Pledge, to both acknowledge the work that charities are doing to combat fraud and to help guide organisations through the steps needed to prevent fraud. The Counter Fraud Pledge contains six promises that charities can fulfil. They are:

- 1. Consult** relevant staff, volunteers and Trustees on what types of fraud the charity could be at risk of and what needs to be done to prevent such incidents.
- 2. Create** a Fraud Policy for your organisation.
- 3. Ensure** all Trustees are aware of, and understand their legal duty to guard the charity's assets and how a counter fraud policy is an essential part of this duty.
- 4. Appoint** a key person (whether staff member, volunteer or Trustee) to be responsible for fraud.
- 5. Share** your fraud policy with all staff, volunteers and Trustees so that they fully understand what they need to do if they suspect the organisation is a victim of fraud. This will be done annually and when new staff are employed.
- 6. Assess** annually how well the fraud policy is working and take into account any new risks.

Taking the pledge could not be easier for charities and once taken your organisation will receive the Counter Fraud Pledge badge which you will be able to add to your website (and other material) to let your supporters

and beneficiaries know that your organisation is serious in thwarting fraud. To support your organisation we will also send you a toolkit, which includes useful resources to help you fulfil your pledge and ensure that your stakeholders can see and support the steps you are taking to develop the right organisational culture to prevent fraud.

At CFG we feel very strongly that it is important that the charity sector works together to tackle fraud. We are encouraging all charities to join us in working together to counter the risk of fraud within the sector.

CFG will be working over the coming months on numerous initiatives to help you combat fraud, so make sure to stay in touch and check out our blog, website, Twitter and Facebook. **You can sign up to the Counter Fraud Pledge at [cfg.org.uk/fraudpledge](http://cfg.org.uk/fraudpledge).**



**Pascale Nicholls,**  
Head of Central  
Finance,  
Amnesty  
International

## Following the development of new mitigation framework, Amnesty International's Pascale Nicholls, reflects on how the organisation implemented new ways of thinking and working in relation to bribery, corruption and fraud.

Throughout 2015 we were bombarded with messages in the media, at finance conferences and seminars and from our peers, that all organisations are losing millions of pounds annually to fraud. We were led to believe that an organisation of our size could be losing up to £3.4 million per annum. We did treat this statistic with some caution – our expenditure model is probably different to many other organisations in the sector. Nonetheless we needed to take this seriously: this is a potential loss of Amnesty International's donor funds that should be being spent on delivery of core human rights work.

This galvanised us to develop a new mitigation framework that covered bribery,

corruption and fraud including the development of a communication strategy and education programme.

The key elements of our combined fraud, bribery and corruption mitigation framework are:

### • Risk assessment and internal controls:

As the foundation for our updated policy and training and communication programme, we started with an assessment of our key fraud risks - this would allow us to provide employees with practical, implementable knowledge using examples that would resonate. We did this by looking at all the ways that the International Secretariat receives or spends funds; this helped us focus on the risk areas and identify the weak links in our controls.

• **Policy:** A combined anti-bribery, corruption and fraud policy was prepared and launched during our inaugural awareness week, timed to coincide with 2016's International Fraud Awareness week.

• **Due diligence:** We plan to review the effectiveness of our due diligence procedures relating to the ethical practices of current and prospective suppliers in late 2017. Earlier this year, our HR colleagues issued new guidance on pre-employment checks designed to mitigate against 'insider threat' (including fraud).

• **Compliance:** We also plan to review the effectiveness of our current compliance model – staff, budget holders and the International Board all have a responsibility to ensure full compliance with anti-fraud policies and processes.

• **Reporting:** Our reporting system for bribery, corruption and fraud has been articulated in the new policy document.

• **Training and communication:** Staff training and communications were developed for the inaugural Amnesty International Fraud Awareness Week.

Our starting position was to raise awareness and change behaviours in relation to fraud as an additional element of our existing bribery and corruption mitigation strategy, as opposed to trying to tackle this as a distinct element. We commenced with a communication plan, the purpose of which was two-fold:

1. To raise awareness of the potential fraud, bribery and corruption risks faced by Amnesty International and how as an organisation we are working to mitigate against these risks
2. To ensure that the efforts of the full staff can be harnessed in anti-fraud, bribery and corruption activities and thus to reduce the cost of fraud to the organisation

We also reflected on our responsibilities, along with our peer organisations, as a founding member of the INGO accountability charter. The charter includes reporting requirements regarding staff training in this area and seeks to improve transparency around these issues in the public. We want to affect positive behaviour change, so needed the messages to resonate with our staff. Supported by our internal communications team, we developed five key messages:

- Staff need to think of themselves as protectors/guardians of Amnesty's assets
- Whilst Amnesty has zero tolerance to fraud, bribery and corruption, where staff personal safety is compromised, this is of paramount importance
- All staff must comply with policies and processes to ensure that anti-fraud controls operate effectively
- Staff should be encouraged to ask questions and ask for support
- All staff have a responsibility to fully participate in Amnesty's formal anti-bribery, corruption and fraud training programme



**Our starting position was to raise awareness and change behaviours in relation to fraud**

To deliver these messages in an engaging way, we employed a variety of communication methods during our fraud awareness week including a poster campaign, a series of articles on our intranet, a pop up cake shop (fundraising to recoup our fraud losses!) and also ran a spot the fake fraudulent transaction competition (dummy requisitions were uploaded to our systems and staff were challenged to reject these).

We are now busy working on the launch of the new fraud e-learning module, planning workshop based training sessions for staff and scoping activities for the second fraud awareness week in late 2017. We have also signed CFG's Counter Fraud Pledge and will be ensuring that in all our efforts we adhere to the promises outlined, as the pledge provides a great standard to uphold all our work we are doing in this area.

Join the fight and make sure your charity is in the best position it can be to tackle fraud, sign the Counter Fraud Pledge today: [cfg.org.uk/fraudpledge](http://cfg.org.uk/fraudpledge).

# In the world of VAT, what does an ideal Brexit look like?



Caron Bradshaw,  
CEO, Charity  
Finance Group

With the dust still settling on the referendum, amidst the Brexit negotiations and (arguably most importantly) ahead of CFG's VAT Conference in September, Caron considers what a soft or a hard Brexit might mean for the landscape of VAT and tax.

When we first heard the outcome of the referendum, I at least, felt a consoling emotion that we might at last crack the question of irrecoverable VAT for the sector. But in going to the electorate with a plea for an unequivocal mandate from the British public for her approach to Brexit, May played a high risk strategy that clearly back fired. Leaving aside the political ramifications more widely, this raises some significant questions for the charity sector in how the Brexit negotiations will now play out for our old favourite; VAT.

Most commentators that know a thing or two about tax have said VAT is the area of our tax system most likely to be impacted by the flavour of Brexit we end up settling on. For us, the ideal outcome to negotiations would be one which delivered a strong economic growth for the UK, but achieved flexibility on VAT (and tax policy generally).

The EU's approach, as Andrew O'Brien has covered in his blogs on the topic, will be to secure a level playing field on competition and state aid. Now, let's assume for one moment, that we were able to dictate what charities should get out of the negotiations in respect of the tax landscape...

We would argue that maintaining the existing and allowing new zero rates or rebates for charities on VAT would not be anti-competitive. Similarly we would also suggest that reforming state aid to shift the emphasis from red tape to a better focus on competition in functioning markets (like energy or retail) rather than in broken or non-functioning markets (where you are more likely to find charities working) is not anti-competitive.

There is a risk that the EU will want to tie in all aspects of competition into a single

approach to safeguard against future potentially undermining moves in UK policy. This blanket approach would not be good for charities and VAT. It could effectively kick the prospect of being able to change the rules on irrecoverable VAT into the long grass for the foreseeable future. So we'd press against that direction of travel.

The softer the Brexit that is now pursued (i.e. the more open and free the trade we seek) the greater the restrictions and conditions are likely to be required by the EU to balance the equation. We are likely to have far less wriggle room on these issues. Conversely, the harder the Brexit – up to and including walking away with no deal – the greater the freedom of the Government to change the VAT and tax landscape.



*The harder the Brexit – up to and including walking away with no deal – the greater the freedom of the Government to change the VAT and tax landscape*

So whilst the notion of a hard Brexit may negatively impact our sector in other areas on issues like staffing and funding in particular, in respect of VAT, a hard Brexit would at least prevent us being 'locked in' to the current sub-optimal status quo for several years. As we are significantly more impacted in terms of costs like VAT, than we gain through trade access, this is a serious consideration.

The leaders on both the right and left of the political spectrum seem to be certain that we will leave the single market and customs union. But with such a fragile minority it is clear that the power wielded by a broader range of individual MPs is increased and they must feel emboldened to push for a softer Brexit.

The uncertainty that we undoubtedly face for the period of negotiations just had the stakes raised. The VAT issues might well be put to bed once and for all – just not in the way we hope. Watch this space and we'll let you know how things develop.

# The ball continues to roll, whether we are in or out



Robert Warne, Partner & Head  
of VAT, Crowe Clark Whitehill

In the shadows of Brexit, Crowe Clark Whitehill's Head of VAT, Robert Warne, highlights some of the key VAT issues that have arisen over the past few months.

Although the news will be dominated by our exit from the EU, things continue to evolve on the VAT front here in the UK. There are two main areas which have been of interest to us over the past few months.

## 1. VAT inspections – recent highlights and will they be a thing of the past?

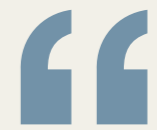
Our recent experience has shown that regular visits from HMRC officers are on the decline. VAT inspections could become a thing of the past as HMRC are closing many local offices to create a number of VAT 'super offices'. However, of those clients that have been visited in the last few months, it appears that the visiting officer has focused on certain areas which they see as potential revenue raisers.

## Recent VAT inspection highlights

- **Reverse Charges** – If you are receiving supplies from abroad, which would be subject to VAT at the standard rate if it was supplied in the UK, then you are responsible to account for UK VAT on these supplies. This applies if the charity makes any business supplies (those that are either taxable or exempt). In addition, if the charity is not VAT registered, the level of these charges will count towards the VAT registration limit.
- **Electronic Supplies** – Items that have been sold as printed matter (books/booklets/leaflets) are zero rated supplies. However, if these items are sold electronically, these suppliers become

standard rated as a service, while previously they were a supply of goods.

- **Membership Fees** – HMRC are reviewing any charity that applies the Extra Statutory Concession to their membership supplies. Traditionally when applying the apportionment there have been very few standard rated benefits. However, benefits now include electronic publication discounts and other miscellaneous benefits which would not qualify for the exemption or zero rating and this attracts VAT. HMRC are also reviewing the terms of a membership/patron scheme to see if the charity is actually entitled to split the parts of the membership fee received.



*HMRC are closing many local offices to create a number of VAT 'super offices'*

- **Penalties** – This is applied as a matter of course and a careless error can be charged at 30% of the VAT due. Do not accept these penalties on face value and every effort should be made to mitigate any penalties levied, even down to nil or being suspended.

## 2. Important court decisions

There have been a number of significant court cases that have been heard over the last 12-18 months, these include:

- **Brockenhurst College** – expands what qualifies for exempt education.
- **British Film Industry** – keeping the definition of what qualifies for the cultural exemption quite specific.
- **Durham Cathedral** – clarifies some definitions on residual VAT input tax recovery.
- **Chester Zoo** – looks at input tax recovery under the direct and immediate link test.
- **The Learning Centre (Romford) Ltd.** – challenges UK Law on welfare services with regards to fiscal neutrality.

For more information and VAT updates, Robert Warne will be speaking at CFG's VAT Conference in London on 19 September (fully booked) and in Birmingham on 14 November. Secure your place now at [cfg.org.uk/events](http://cfg.org.uk/events).

# Landmark ruling could see the level of business rates paid by charities slashed



Colin Hunter, Divisional Director, Lambeth Smith Hampton

Colin Hunter of Lambeth Smith Hampton gives an update on his article from CFG's Pink Book 2017, with some good news for charities on business rates.

In my article on pages 44-46 of CFG's Pink Book 2017, I referred to the case of *York Museums and Gallery Trust (YMT) vs Stephen G Hughes (Valuation Office Agency)*, in which a total of eight appeals concerning the use of the contractor's method of valuation and the separate assessment of trading areas in museums were brought before the Upper Tribunal in a single case. At the time of writing the decision was still awaited.

However, on 23 May 2017 - after several months of deliberation - the Upper Tribunal (Lands Chamber) handed down its decision and I'm pleased to report that common sense prevailed, with the Tribunal finding primarily in favour of my client, YMT.

The specific properties that the appeals referred to were all historic, listed buildings



*The decision provides a blueprint for how charities can avoid having their non-core activities separately assessed*

in York occupied and run by YMT and its wholly owned subsidiary York Museums and Enterprises Ltd (YME), and included the iconic Castle Museum, Yorkshire Museum

which includes the ruins of St Mary's Abbey, York Art Gallery and the former St Mary's Church, known as the Heritage Centre.

As well as ruling that museums should be valued on a net income basis for business rates purposes, rather than rebuild costs, the decision is also of significance for any charitable organisation which followed the recommendations of the Charity Commission by setting up a separate trading company to oversee non-core trading activity, such as retail sales and venue income.

Rebutting the VOA's argument, the Upper Tribunal reasoned that the aims of the YMT and YME were wholly aligned and so in areas shared between the two, there was no conflict and YMT were indeed the rateable occupiers. The exception was the small 'shop' at Yorkshire Museum which, at the dates for the appeals of 1 April 2010, was divided from the rest of the museum by a set of doors and was served by a dedicated retail counter and till. As this space was wholly retail, it was considered that there was no shared occupation and that the shop should therefore be viewed as being in the occupation of YME and separately assessed. The impact of this is a backdated liability of around £15,000, which might be further reduced.

Had the VOA been successful on this point, not only would it have significantly increased the YMT's total rateable value, it would also have meant that neither the 80% mandatory charitable rates relief nor the discretionary 20% would be available for shops, cafés and wedding or conference venues.

The decision provides a blueprint for how charities can avoid having their non-core activities separately assessed and also sets the boundaries for situations where the VOA will be able to split out the shops and cafés.

It is worth noting however, that if a café is run by a concessionaire then normally the concessionaire's occupation will be ignored and the café will remain part of the main assessment. It may therefore be more advantageous to have a concession running the café than a trading company.

We would strongly advise seeking professional advice from a qualified Chartered Surveyor before making any changes to operating structures for non-core activities.

Colin Hunter is a Divisional Director based in LSH's Leeds office and is a member of the national rates advisory team. Colin has been advising charities on business rates since 1990. He has been advising members of the Association of Independent Museums (AIM) since 2001 and is an advisor on business rates to the AIM nationally.

# Discipline makes daring possible

Jonathon Orchard, Partner, Sayer Vincent



'Discipline makes daring possible'. This quote from Dr Atul Gawande in the 2014 Reith Lectures refers to the medical profession, but it has real resonance when thinking about risk management and specifically the benefits of smart risk management for charities.

If a charity has the internal disciplines to properly understand the risks it faces and how those risks can be effectively managed, then it can have the confidence to be daring in exploring new opportunities and ensuring it is doing the very best it can for its beneficiaries. In other words, it will be better placed to meet its objectives.

And this is how risk management should be judged. Does it create a culture where we can confidently take well managed risks in support of meeting a charity's objectives as opposed to one where risks are something to be scared of and avoided wherever possible?

This moves risk management beyond the 'risk inventory' approach of traditional risk registers (hence we gave the strap-line of 'Beyond the tick box' to CFG and Sayer Vincent's *Re-thinking Risk* publication). They are one route (but not necessarily the best route) to understanding the risks - and they do nothing to create the necessary culture throughout an organisation.

Norman Marks (a leading advocate of smart risk management) claims rather counter-intuitively that the key is to stop talking about risk. As soon as the word risk is mentioned many Trustees, senior managers and staff automatically think 'compliance activity' and about avoiding harm. As Marks says; "There's a huge difference between avoiding harm and achieving objectives. If you want to eliminate cyber risk - destroy all computers".

In this context therefore the 'discipline' that can be brought is to pose the right questions. Have we thought about the uncertainties in this activity? What are the

contingency plans? What other scenarios or options do we have? Will this approach maximise the likelihood of us meeting our objective? Have we based our assessment on a fair set of assumptions? How can we have confidence in our performance indicators?



*Does risk management create a culture where we can confidently take well managed risks in support of meeting a charity's objectives?*

All of these are valid 'risk management' focused questions - but none of them use the word 'risk'.

With apologies to Marks for not banning the use of R-word entirely, here are some practical steps towards creating the necessary culture:

• **A clear understanding of what is important to your charity** - where you will and will not take risks. This can be achieved by a simple risk policy setting out where you may want to take risks; for example, in a charity's advocacy and where the charity will have zero tolerance

to risk, for example the safeguarding of vulnerable beneficiaries. This gives a clear direction on risk appetite from the Board to the management team and helps ensure that delegated decisions are made with risk appetite in mind.

- **Risk management is for everyone** so demonstrate to all staff how their role and the day-to-day activities they undertake contribute to the overall risk management effort (or the achieving of the charity's objects).
- **Scenario planning and open discussions** of pros and cons in key decision-making and project planning.
- **Keeping the Board focused on the big picture risks** and delegating operational risk management to the management team. A tool for doing this is our 'Big-5' model. This gets you to the risks that matter without going through a subjective scoring system. The basic premise of the model is that the Board should focus on just five headline risks. These five risks might be:

1. **Impact** - Are you making the desired impact in support of your beneficiaries and can you evidence it?
2. **Financial sustainability** - Are you managing the finances to ensure you continue to make an impact in the medium to long term?
3. **Compliance** - Are you meeting your regulatory, legal and donor compliance requirements and expectations?
4. **Reputation** - Are you able to respond effectively to any incident that could result in damage to your reputation?
5. **Specific to the charity** - Specific to the nature of the charity may be a risk that is at the heart of what the charity stands for. For example, for a children's charity it might be child protection.

Risk management needs to be brought to life by always considering the risks involved in key decision-making. What are the alternative scenarios? Do we need a contingency plan? Keep asking the 'what if' question.

An interesting way of thinking this through is by carrying out project 'pre-mortems'. These are thought processes at the outset of a new project which pretend that the project is complete. If the project has been a success why would that have been? If the project was a failure what would the root causes of that failure have been and how can we design them out of the project plan?

Re-thinking Risk - a free joint CFG/Sayer Vincent publication is available to download at [cfg.org.uk/riskguide](http://cfg.org.uk/riskguide).

# Is this the end of austerity? What does it mean for charities?



Andrew O'Brien, Head of Policy & Engagement, Charity Finance Group

Andrew O'Brien, Head of Policy & Engagement, Charity Finance Group, picks apart the General Election result and considers what austerity means for charities.

One of the most significant impacts of this year's General Election has been the way that it has shaken one of the most defining features of the country's political landscape: austerity.

Less than a week after the election result, the Prime Minister was quoted in The Times as saying that "austerity is over" and since then debates have erupted over funding for schools, public sector pay and resources for the health service.

Of course, this hasn't just erupted out of nowhere. Public dissatisfaction about the impact of public spending cuts has been growing for some time. Before the election, CFG highlighted the National Research Centre's *British Social Attitudes 2016* survey which saw 48% of people respond that they wanted to see more tax and spending on public services, overtaking those that thought things were at the 'right level' for the first time since 2006. The Institute of Fiscal Studies has consistently warned since 2010 that there was a growing risk that the cuts would become 'politically unsustainable'. It seems like this point may have arrived.

**But what does this mean for charities?**

The fact is that austerity has been a mixed bag for the sector. The *NCVO Civil Society Almanac 2017* data shows that charities have seen spending from central government increase and spending from local government decrease. This bucks a long term trend where local government

had been the primary distributor of charity funds. In fact until 2010, local government was consistently spending over £1bn more with the sector than central government.

Central government has, in fact, never spent more money with charities than it does today according to the NCVO data. Since 2009/10 central government has increased spending with charities by £300m. The fall in local government funding over the same period has been around £800m.

Clearly this has impacted certain sectors more than others. International development charities have seen spending from government increase by £1.4bn since 2010. Charities working in employment and training have seen their funding fall by



*Winding back austerity will be almost as challenging as implementing it. Where is investment needed? How should funding be distributed?*

£400m over the same period.

It has also impacted small charities much more than larger charities. The super-major (income over £100m) and major charities (income between £10m-£100m) have seen their government funding overall increase. Whilst charities under £1m have seen their income fall, in some cases substantially.

So for smaller charities, working at a local level, austerity has really hit hard. The fall was dramatic to start with, as cuts to local government were 'front loaded' in the austerity programme – this meant that cuts had to be made right away. By contrast, central government cuts were 'back loaded' to the end of the 2010-2015 Parliament, and as we can see from above, never really took place.

Local government income has fallen £1.2bn since its peak in 2007/08 – before the financial crash – and looks like a slow downward trend. The picture going forward doesn't look any better, with the Local Government Association (LGA) still predicting a shortfall of £5.8bn by 2020.

If the government is going to look again at austerity, arguably it is local government that needs the most support and charities should be actively pushing for funding increases for local councils. This would also take pressure off other non-funding areas such as business rate relief and 'peppercorn' office rents which have been under threat due to cuts to council budgets.

Charities also need to keep in mind that even if there is a roll back on austerity, we are going to be heading back to where we were in 2011/12 rather than seeing significant long term increases in funding. This means that we are still going to be in a period of public restraint, but it might ease some of the more acute situations facing particular sectors such as social care or education.

We are also not likely to see a change in the way the government funds the sector. Grants are not going to be coming back in significant numbers. In part this is because of the lack of 'discretionary' spending that government can do compared with core services, but there are also cultural and regulatory barriers. Culturally, commissioners have seen grants attacked repeatedly by government ministers including the Kid's Company affair. New regulations such as the 'Grant Standards' have created more hoops for commissioners to jump through if they want to give grants. Charities need to plan for contracts, and particularly 'Payment by Results', to continue to be dominant forms of funding.

Winding back austerity will be almost as challenging as implementing it. Where is investment needed? How should funding be distributed? Charities need to monitor these developments carefully, and CFG will be updating members regularly through our Economic Outlook Briefing on the latest information.

# The modern charity: How small internal changes can have a big impact



David Hawes, Financial Director, Devon Air Ambulance Trust

Across the sector, charities are embracing different technologies to increase their fundraising efforts, but still use paper-based processes in the back end. David Hawes from Devon Air Ambulance Trust discusses how his organisation modernised their financial processes to improve efficiency and decrease vulnerability to fraudsters.

Charities across the board are embracing technology to help promote their causes. Interactive apps, contactless donation walls, tablet data collection – you name it and charities are using it to fire up their fundraising.

However, technology isn't just making an external difference. With mounting pressure, charities are looking to overhaul their systems and strengthen their security to make sure they can continue delivering the best work possible for those in need.

A key component of this is deploying systems to modernise finance processes and tackle an increasingly common trend: online thieves. Such a task may sound daunting and outside the comfort zones of many, but it doesn't have to be. Take the charity I work for as an example – Devon Air Ambulance Trust (DAAT).

**Devon Air Ambulance Trust – a case study**

We own and operate two helicopters, recently expanding our operations into the hours of darkness, supporting the community of Devon during trauma and medical emergencies up to midnight. It costs £5.5m a year to keep the service flying, which is raised through donations, an in-house lottery, fundraising and 18 charity shops. Spending the funds raised wisely is crucial to our ongoing success and we can't afford to waste a single penny.

It became clear that the charity could improve efficiencies even further by embracing new technologies within the

finance department. We challenged ourselves to streamline and modernise the finance process, for the benefit of our stakeholders and those we help.



*In an age where benefactors can donate to a charity via a mobile phone or contactless card payments, it's surprising how many organisations still use paper-based methods in the background.*

**The challenges**

First thing's first, we had to move away from paper-based processes in line with the organisation's overall efficiency goals. In an age where benefactors can donate to a charity via a mobile phone or contactless card payments, it's surprising how many organisations still use paper-based methods in the background. This was true for us at DAAT as we operated a handwritten

purchase order (PO) system, which presented a number of challenges. There was a risk of POs being incomplete, incorrect or needing to be physically retrieved. And not only was it open to error, but it was time-consuming for our finance team.

It wasn't just the paper and pens that could frustrate us but the growing threat from cyber criminals, particularly targeting the charity sector. In DAAT's case, we were seeing phishing emails and fake invoices occasionally making their way past the filters in place and relying on the diligence of employees to delete. These threats are all too common across the industry as a whole, looking to exploit any weaknesses in systems and controls as more is continuously asked from busy finance departments.

**The solutions**

With an awareness of potential efficiency savings and the growing risk of cybercrime, we decided to look at alternatives.

Moving away from paper POs and invoices that were causing payment delays and risk was the first priority. An automated online system was the natural choice and Concur Invoice proved the best option – offering a faster process with checks and balances in place making it easier to validate invoices at any stage.

Using an automated system, we strengthened our invoice process by an immeasurable amount. We can instantly pull up an invoice, cross-reference against the PO, check bank details, search historical payments and reduce the risk of error, while ensuring the controls and procedures are closely followed.

For example, now when an invoice is received within the system, it can be easily checked against the PO to ensure they match up before being seamlessly imported to their finance system. The team don't have to duplicate entries on different systems, significantly reducing errors. And because invoices are sent to a central place, fraudulent invoices can be more easily spotted and filtered out, particularly when combined with increased staff awareness from training courses and test emails. All of which means greater efficiency – and more resources going towards the crucial services we offer.

**The future**

Today, charities are under pressure to justify costs and it's essential that the best possible processes are in place. We've seen a number of mismanaged charities fall under the spotlight, and others have to take note. Technology, such as that offered by Concur, plug the potential holes within an organisation, reduce cash leakage and improve efficiency significantly – the ultimate internal goal for any organisation on a mission to improve the lives of others.

# Large Charities Conference 2017

Wednesday 27 September, London

Secure your place at [cfg.org.uk/lcc17](http://cfg.org.uk/lcc17)

Think 'out of the box' at this year's Large Charities Conference, as we focus on growth and cross-sector learning, using transferable skills from the unlikelyst of places.

We've shaken up this year's programme and are delighted to have **Prof. Martin Elliot** from **GOSH** as our keynote speaker, who argues that silo-working and echo chambers prevent us learning from good practice from some very unlikely sources, looking at how he learned and applied valuable techniques from Formula 1 crews.

**Thea Dexter**, Head of Front End Innovation, Good Lab will explore how collaboration and innovation, underpinned by fast development cycles and an agile approach can help charities manage strategic growth in a volatile environment, and achieve better outcomes.

**Tracey Bleakley**, Chief Executive, Hospice UK who has extensive experience of mergers, shows how they can increase

impact. Rather than being seen as a result of failure or financial crisis, with a shared vision and robust planning, they can deliver both growth and innovation.

Following each presentation and Q&A there will be roundtable breakout sessions, to enable delegates to reflect and discuss the themes of each presentation.

Join senior finance professionals from other large charities, for lively debate, roundtable discussions and networking. This is the Large Charities Conference you do not want to miss.

See the full programme and book your place at [cfg.org.uk/lcc17](http://cfg.org.uk/lcc17).

## CFG Conference: Cardiff 2017

Wednesday 22 November, Cardiff

Early bird available until 31 August [cfg.org.uk/cardiff17](http://cfg.org.uk/cardiff17)

CFG's flagship event in the South West and Wales returns to Cardiff, and this year we're on a mission to encourage charities to look to the future.

With the political, social and economic climates changing so rapidly, we don't know what the future holds, but we can ensure that we're up to speed with the current regulatory landscape. Covering topics such as **VAT, fundraising, GDPR and good governance**, the conference also provides a chance to learn from pioneering sector leaders whose innovative approaches have improved performance and efficiency.

An exhibition will run throughout the day and give delegates an opportunity to network with peers and sector experts.

View the full programme and secure your early bird place before 31 August at [cfg.org.uk/cardiff17](http://cfg.org.uk/cardiff17).

## Gift Aid Conference 2017

Wednesday 4 October, Manchester

CFG is pleased to announce this year's regional Gift Aid Conference is coming to Manchester.

Getting the most out of Gift Aid is essential to increasing your charity's fundraising income and maximising the value of donations.

This half-day conference will provide attendees with a good understanding of the main issues around Gift Aid and include a troubleshooting sessions to give attendees a chance to put your Gift Aid questions to the expert speakers.

**Key topics covered:**

- Gift Aid Small Donations Scheme
- Memberships and Gift Aid

- Fundraising Events and Auctions
- Online Giving and Intermediaries
- Data Management and Gift Aid

CFG will also be holding a Gift Aid Conference in London on 25 January 2018.

Don't miss the opportunity to improve your knowledge and stay up to date on all things Gift Aid. Secure your early bird place for just £81 at [cfg.org.uk/GA17](http://cfg.org.uk/GA17).

## VAT Conference 2017

14 November, Birmingham

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

CFG's VAT Conference 2017 is a technical deep-dive, with updates on VAT, tax, partial exemptions and recovery, fundraising and zero-rate activities, irrecoverable VAT and trading subsidiaries.

To kick off the day, we're offering an optional session in the morning before the conference with **Leila Ong**, Price Bailey, inviting those who are less familiar with VAT to feel more confident in their knowledge before attending the main conference sessions.

We then have an expert line up of speakers and sessions confirmed for the conference, including:

- **Robert Warne**, Partner & Head of VAT, Crowe Clark Whitehill - VAT update & developments
- **Gregg Pearman**, Senior VAT Manager, BDO - Making strategy work (Birmingham)
- **Leila Ong, Suzanne Goldsmith & Helena Wilkinson, Price Bailey** - Irrecoverable VAT & using a trading subsidiary
- **Socrates Socratous**, Director, SOC VAT Consultants - Partial exemptions & recovery
- **Steve Hodgetts**, VAT Partner, RSM UK - Fundraising & zero rate activities

The conference will close with a troubleshooting session, allowing time for delegates to quiz the expert speakers from the day on all things VAT.

Places are filling fast, book now at [cfg.org.uk/VAT17](http://cfg.org.uk/VAT17).

# More training dates 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.

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



## 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

**VAT Conference**  
19 September 2017  
London

**Large Charities Conference**  
27 September  
London

**Gift Aid Conference**  
4 October  
Manchester

**VAT Conference**  
14 November  
Birmingham

**CFG Conference: Cardiff 2017**  
22 November 2017  
Cardiff

### Members' meetings

**LONDON & THE SOUTH EAST**

14 September  
London  
5 October 2017  
London

**THE NORTH**  
12 October  
Manchester

**MIDLANDS**  
28 September  
Birmingham

### Training

**Foundation Charity Finance**  
12 September  
Bristol  
26 September  
Manchester  
28 September  
Birmingham  
18 October  
London

**Advanced Investment Training**  
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

**Finance for Non-Finance Managers**  
8 November  
Birmingham

### Preventing Fraud

31 October 2017, Birmingham

Fraud surveys have demonstrated that charities are as at risk to fraud as any other organisation and in the age of cybercrime the risks are only increasing. Every pound lost to fraud is a pound that does not reach your charity's beneficiaries. This training course will help understand fraud risk and give you practical tips on how to develop a fraud awareness culture and strong counter-fraud controls in your charity.

Run in association with Sayer Vincent.

### Audit Committee training

8 November 2017, London

All charities need to monitor their governance and risk. Some do this through their trustee body, and some through committees like 'finance and general purposes'.

Increasingly, charities are also establishing separate audit committees to help in their governance processes, but there is no established framework for them in the charity sector. This course introduces the main functions of audit committees and discusses their role in charities.

Run in association with BDO.

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

**Procurement Training**  
11 October  
London

**Transforming Your Finance Function**  
12 October  
London

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

## 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)

Adapta are working with organisations to ensure they are ready

- Compliance reviews – to identify and resolve issues
- Developing new data protection policies and procedures
- Data protection training to staff and volunteers

Speak to our specialists to discuss how we can help identify, prepare and implement changes within your organisation.

t: 020 7250 4788 e: [help@adaptaconsulting.co.uk](mailto:help@adaptaconsulting.co.uk)

[www.adaptaconsulting.co.uk](http://www.adaptaconsulting.co.uk)

CRM

Digital

Outsourcing

Project reviews

Software selection

Advice and support

Process improvement

Supplier management

Business case development

Information systems strategy

Information security management

Programme and project management

Data Protection Act / GDPR Compliance

## Need a summer temp with charity finance expertise? Ask our specialists.

It's summer holiday season and if your team are swapping spreadsheets for sandals it's worth knowing we have skilled temps who can fill their shoes.

Because we specialise purely in charity and not for profit finance, our temporary and interim candidates have the sector-specific skills and experience to slot straight in and keep things running smoothly.

We can provide high quality staff for anything from a few days to a few months, at short notice and all levels from junior assistants to senior executives.

To ensure you only receive the very best candidates who are fully eligible and ready to work, we have a thorough and robust vetting process which covers:

- Telephone screening
- Verifying right to work
- Full referencing and compliance
- Face to face meetings with all candidates
- Complete DBS checks where required

So if you have any temporary or interim staffing needs this summer or beyond, just sit back, chill out and let our charity finance specialists resolve them.

Sam Kondic 020 7820 7310  
[sam.kondic@harrishill.co.uk](mailto:sam.kondic@harrishill.co.uk)

Simon Bascombe 020 7820 7311  
[simon.bascombe@harrishill.co.uk](mailto:simon.bascombe@harrishill.co.uk)

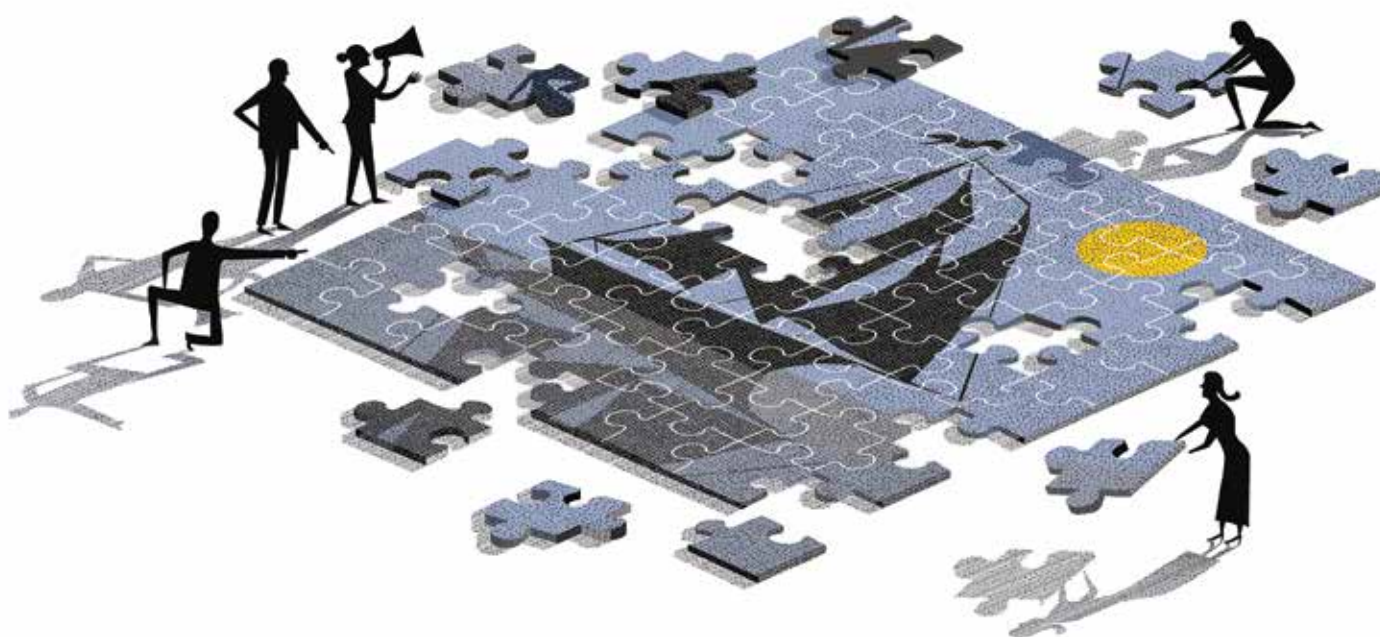
We recruit for permanent, temp and interim roles in charity finance, including

Finance Director  
Finance Manager  
Head of Finance  
Management Accountant  
Finance Business Partner  
Financial Controller  
Finance Officer  
Finance Assistant  
Director of Finance & IT  
Financial Accountant  
International Accountant  
Purchase Ledger  
Payroll Manager  
Financial Analyst  
Credit Controller

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

# Different goals, different approaches, aligned to your charity's needs



At Standard Life Wealth, we have extensive experience of managing the investments of charities just like yours.

Our dedicated charities team offers clients an essential combination of award-winning\* expertise and investment solutions, with support for your charity on governance and policy issues, all delivered with a high level of personal service.

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)

An investment may fall as well as rise and is not guaranteed  
Past performance is not a guide to future performance.

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