

REPORT OF THE CHAIRMAN OF THE FINANCE COMMITTEE TO COUNCIL

In the midst of the various excitements and (mis)adventures that have beset the ECF since my last report to Council, steady progress continues to be made on the financial front, although I am sure that David Eustace and John Philpott would agree that such progress has been slower than hoped for, mainly because of the resignation of the Office Manager and the need for David and John to 'hold the fort' on a more or less fire-fighting basis.

In my previous reports I have commented on progress against the various actions to improve the quality of the ECF's financial controls and reporting that I suggested should be implemented when I assumed the role of Chairman of the Finance Committee. On the assumption that Council has found this reporting format useful so far (and I for one have had no complaints about it), I have used the same format in this report, as follows:

Review the ECF's billing and collection procedures to ensure the completeness and timeliness of membership and game fee income collection.

The membership scheme is being managed effectively. As regards game fee billing, this has been going through a period of catching up as the ECF transitions from a self-declaration approach to a system based on invoicing. While teething problems were only to be expected in the first year of the new membership scheme, it is unfortunate that these have continued into the second year as a result of the further work needed to ensure that the grading system and membership system communicate properly with each other. However, the difficulties do now seem to have been overcome, and it is important that going forward a regular monthly billing cycle is established and maintained. Unpaid invoices are now being monitored more closely, and once the monthly billing cycle is in place it will be possible to implement more structured escalation procedures where an invoice remains unpaid.

Produce an accounting manual for the Office to provide in particular a robust information source at times of staff absence or handover.

When the fire-fighting of the last few months is finally over, the finance team will concentrate on establishing written procedures and ensuring that these are implemented and followed.

Develop a properly documented set of expense authorisation procedures for ECF directors, officials and staff.

Procedures have been agreed by the ECF Board for the authorisation and payment of directors' and other managers' expenses.

Develop robust monthly management accounts (including full year forecasts and tracking against budget as well as tracking against key performance indicators such as membership numbers and income, ECF graded and FIDE rated games etc).

Management accounts have started to be produced on a regular basis, and reporting will continue to be developed over the rest of 2014. In particular, John will be working on automating the reporting process.

Provide appropriate financial training for the relevant staff at the office so that over time the ECF becomes less dependent on John's financial expertise.

Following the departure of the Office Manager John continues to perform the basis accounting tasks. This has given him the opportunity to review the accounting processes in detail, and new procedures are planned to be written shortly (see above). The job description for a new Office Manager will include an appropriate level of accounting skills and understanding, and this extra financial expertise to complement John's own, together with formal written procedures, will both greatly improve the accuracy of the accounting records and enable an appropriate degree of financial training for other members of staff.

Further develop the suggestion that future British Championship congresses, and ideally other major ECF-run events, should have a dedicated treasurer for the event.

A treasurer is now in place for the British Championships on an ongoing basis.

Carry out further work on ensuring that the ECF gets good value for the money it spends.

Work on this will resume once more immediate priorities have been addressed. In particular, new tender procedures will be written for the new financial year.

In addition to all the good work that has taken place on the financial front, it should also be noted that by the time of the 12 April 2014 Finance Council meeting the accounts of both the ECF and the BCF will have been brought up to date: for the sixteen months to 31 August 2013 for the ECF, for the past three years for the BCF and for 2012/2013 for the Chess Centre. These will be presented to the relevant meetings.

My thanks go to David and John for their input to my report, and in particular for their continuing sterling efforts on behalf of the ECF. I believe that the ECF owes them both, and John in particular, a huge debt of gratitude for 'keeping the financial show on the road' under extremely testing circumstances.