

## **REPORT OF THE CHAIRMAN OF THE FINANCE COMMITTEE TO COUNCIL (C21.7.4.3)**

Substantial progress continues to be made on the financial front, although much remains to be done. The membership scheme is settling down, accounts are up to date and taxation issues have been resolved. That said, I remain concerned that the matter of the future location of the ECF office has still not been decided in general, and that a new office manager has still not been recruited in particular, despite John Philpott's confirmation several months ago that he is going to have to reduce the time he is able to dedicate to ECF financial and operational matters. This atmosphere of uncertainty combined with threadbare resources cannot be allowed to continue if the ECF is to make the progress it needs to make on various fronts, and indeed to my mind presents serious financial and operational risk to the ECF. David Eustace, John Philpott and the office staff can only do so much!

In this regard, I do feel that I need to put on record my disappointment as I have observed from a distance the seeming disfunctionality of the ECF Board in a number of areas. I believe this to be one of the main reasons why less progress has been made than I for one would have hoped on these (and indeed other) matters - matters which I consider are vital to the ECF's longer-term wellbeing. At Board level too much time seems to be spent on bickering between directors and on operational minutiae, and too little on articulating and implementing a strategic vision for the ECF – a vision which should incorporate a longer term ambition for the ECF's financial position as opposed to the day to day, almost hand to mouth approach which in my view currently pertains. My hope is that this will be addressed at the AGM and beyond.

“Mais revenons à nos moutons financiers”. 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. An update on these actions follows below:

### **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 gone through a period of catching up on previous errors. While teething problems could have been expected in the first year of the new membership scheme, it is unfortunate that these have continued into the second year. However, this is now being billed effectively.

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

Much effort has gone into bringing all the sets of ECF, BCF and Chess Centre Accounts up to date, and having them audited and submitted to Companies House. Outstanding taxation issues with HMRC have also been resolved. Now that this major exercise has been completed, it is intended to focus on the production of written accounting procedures.

**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).**

The records from which management accounting information can be produced is now in a much better state, but further work is needed to develop the reporting package that will provide the most appropriate information at a detailed level to individual directors, and at a high level to the Board as a whole. This is another area where more effort will be needed in 2014/2015. Automation of the reporting process is a target, but more work needs to be done.

**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). Apart from this, however, less progress has been made in this area than was hoped. The new Office Manager has not been appointed as the Board have yet to decide where the office is to be located; when that is decided a new manager will be appointed. The job description of the role will include the requirement for some level of accounting and bookkeeping knowledge, and in conjunction with the new procedures once they are written, suitable training will be provided to the new appointee.

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

During 2014/2015 the finance team will work on updating the procedures for all areas where the ECF receives income and spends its funds. Work on this will resume now that most of the immediate accounting priorities have been resolved. New tender and procurement procedures will be developed for the major expenditures in 2014/2015.