

17 OCTOBER 2015

## REPORT OF THE CHAIRMAN OF THE FINANCE COMMITTEE TO COUNCIL

Good progress continues to be made on the financial front, with thanks due as always to David Eustace, John Philpott and the ECF Office for their excellent work. Updates on the various agreed actions are as follows:

### 1. Timeliness and completeness of game fee billing

*Update: It had been hoped that the introduction of a 30 June cut-off for the purchase of memberships would enable League and Club Game Fee billing to be started at a much earlier date, with the aim that the exercise should, if possible, be completed prior to the end of the financial year on 31 August. Unfortunately, the online purchase of 2014/15 memberships remained possible for several further weeks, and the billing had to be deferred. The Financial Controller is hoping to be able to report by the AGM that all bills have been issued.*

### 2. Documentation of a full accounting manual

*Update: This has made no further progress because of the various crises that seize the ECF on a regular basis and demand attention from the Financial Controller, the Finance Director and the Office. Now that the Office Manager is beginning to become familiar with the work of the Federation it has been decided to combine this with the Office procedures. Work will be slow as it can only be done when other items do not interfere. In the meantime, agreeing areas in which particular procedures can be captured as a short term exercise are being agreed. Development of the full manual remains a major project.*

### 3. Management reporting to the Board

*Update: This is yet to be realised as other items have taken precedence. As to financial reporting, the annual budget for the Federation is a good guide as much of the expenditure and income items are regular and of the budgeted amount. Exceptions to income and expenditure are usually well highlighted by the Financial Controller and the Finance Director if they arise. The Financial Controller is in the course of redesigning the suite of spreadsheets recording the data to facilitate the easy derivation of management accounting information.*

#### 4. Production of consolidated accounts

*Update: We hope to be ahead of the game by having an early version of the draft entity accounts available for the AGM.*

#### 5. Review and challenge of accounting transactions

*Update: The accounting items are regularly reviewed by the Financial Controller; any items of importance/query are communicated to the Finance Director. The Finance Director has had on rare occasions challenged claims for expenditure and other items. Generally the accounting transactions appear to be in good order. With Gary Willson in place the Financial Controller is acting to a much greater extent as a reviewer and challenger as he is no longer so directly involved with generating the transactions in the first place.*

#### 6. Review of procurement and contract processes

*Update: It is intended that the Finance Director and the Chair of the Finance Committee work on this during 2015/2016.*

So far, so good. However, I have some concerns in a number of other areas pertaining to both financial and operational governance matters, and I comment briefly on some of these below:

1. On occasion compliance with bye law 4 (“The Financial Bye Laws”) has been a little patchy regarding agreed arrangements with third parties. Moreover, the bye law itself needs a thorough overhaul (see above), one area of deficiency to my mind being the inadequate definition of those arrangements with third parties which should be caught by its provisions.
2. The budget for the current financial year was agreed with an assumption that £11,000 of the international budget would be raised through donations; my understanding is that a significant part of this sum remains to be raised. The learning lesson for the next budget round is that the budget should treat donations as not guaranteed. Of course, the corollary of this is that if we wish the international budget to rely less on donations (and in my view it should not), membership fees will potentially need to rise again if we wish to spend similar sums on the international teams and other areas.
3. The appointment of certain individuals at senior level within the ECF has at best been irregular and at worst has not formally taken place at all. The absence of clearly defined roles and responsibilities may result in less than optimal financial and operational outcomes.

4. Relationships between certain members of the Board are not good, with a willingness on the part of some to criticise other directors both in public and via ECF email distribution lists that cannot be good for the ECF's public image and working effectiveness. There have been a number of extremely regrettable and damaging disagreements between directors, both public and private, which have reflected badly on the ECF and absorbed inordinate amounts of time that could have been used for more productive purposes. Again, one can hardly expect optimal financial and operational outcomes in such an atmosphere.

I have found this past year to be one of the more frustrating and depressing that I have experienced as an ECF director/official. To my mind the Federation is in grave danger of losing willing, hard-working volunteers if the Board does not find ways of working better together. My hope is that matters will improve after the AGM.