

ENGLISH CHESS FEDERATION

ANNUAL GENERAL MEETING

Report from Chairman of the Finance Committee.

There have been tangible improvements through the year to the finance function led by David Eustace, who has spent many many hours during the period of transition resolving some of the historic issues, updating the financial systems, educating the book-keeping provider and liaising with the auditors.

The new accounting system has now been fully implemented and, whilst the third party accounting book-keepers have taken some time to fully understand some of the intricacies of the ECF, improvements have been seen across the board. I consider the increase in professional and admin expenses as an investment that is entirely appropriate to enable the ECF to be well-run in a controlled manner given the size of the organisation. These overheads do need to be kept in check, but we are aware of the issues that can occur when relying too heavily on one person or ad hoc volunteers.

I have continued to be impressed with the level of discussion and detail that goes into the budget process at the ECF board meetings and, with more regular financial reporting during the coming year, the timing and feedback in the budget process will continue to improve. There are of course areas one can point to where we could improve on co-ordination, timeliness and transparency, but progress is being made.

I have had discussions with the statutory auditors, and they have also concurred that they have seen considerable improvement and that the controls and systems now in place are adequate for an operation of the size and complexity of the ECF. As part of their audit they undertake detailed process walkthroughs; for example, they take a sample of 30 membership renewals and track these through to receipt and income. The results this year provided reassurance that the controls in place are adequate. The auditors provide a list of recommendations to management which will be reviewed by the finance committee, but none are of significant concern at this time.

The 2016 statutory accounts have now been refiled with Companies House and the audit work for 2017 is substantially complete.

The Board prepares a detailed annual budget and five-year plan which is consistent with the Federation's long term strategy. There are a number of discretionary expense items within the budget, and there will need to be careful assessment that the forecasted increase in membership revenue will be achieved prior to this being fully spent. The Board will need to monitor more closely the membership income receipts and individual directorate spend during the year to ensure that the overall budget is achieved, particularly given the deficits budgeted for the next few years.

I would like to once again acknowledge the amount of work put in by David Eustace, and by the office team involved in various finance activities within the Federation.

Tim Herring
April 2018