ENGLISH CHESS FEDERATION

ANNUAL GENERAL MEETING – October 2018

Report from Chairman of the Finance Committee.

Further to my detailed report to Council at the April Council meeting, I am pleased to report on the

4 key areas covered by the Finance Committee:

* The soundness of the Board’s overall long term financial plans.
* The overall appropriateness of the Board’s proposed budget to support the Federation’s strategy.
* The appropriateness of the resources, systems and processes used to manage the Federation’s finances.
* The annual audited accounts and reports of the Federation.

During the year the board has further looked at the long term strategy for the ECF recognising the financial implications that this may have on its financial footing. There has been considered discussion on how to utilise the resources available and how to structure for short and long term stability. It has looked to made steps to improve processes whilst also invest in new initiatives through balancing the use of pre-exisiting funds and increasing current income to meet the proposed higher costs arising from the strategic plans. As the costs increase there is an inherent increase in the potential financial risk – for example a reduction in membership if the targets are not achieved. This will need monitoring closely. Under the current plans the Federation would continue to maintain adequate reserves appropriate with its size and operation.

As part of these strategic initiatives the board has proposed a number of additional expense items for consideration at the AGM. The focus on simplification of current structures, growing the membership base, investing in, and improving the profile of, women’s and International chess and ensuring the back office operations are suitable staffed are all initiatives that will support the ECF core purpose. Whilst there could be many ways to split how this funded, the mixed base proposed for funding these is considered appropriate and financially supportable based on the projections and revised proposed budget. Given the challenging target for the increase in membership it is noted the additional fees included in the budget from the proposed membership fees has been held at current membership numbers.

It is reassuring to see that the administration and finance function has, and is, receiving additional support. The new accounting system was fully implemented during the year. Improvements have been seen across the board.

I have continued to be impressed with the level of debate that goes into the budget process at the ECF board meetings. There are areas one can point to where we could improve on co-ordination, timeliness and transparency, but progress is being made, and I look to work with David over the coming months on aspects of the budget process.

As noted in my April report, I have had discussions with the statutory auditors during the year, and they have also concurred that the controls and systems now in place are adequate for an operation of the size and complexity of the ECF. The 2017 financials were given a clean audit opinion and considered to give a true and fair view of the company’s affairs. The 2017 financial accounts were filed with Companies House on 4th July 2018 and this was considerable improvement to the previous set of financials and a testament to David Eustace. I fully expect the 2018 financials will be filed within a shorter period still.

It is important to note that the Finance Committee does not undertake the role of internal auditor or carry out internal audits but provides guidance to the board and an independent view to Council on the 4 keys areas addressed above.

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

October 2018