

topical tips

Reporting achievements and performance tool kit

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Background

The new Statement of Recommended Practice (SORP) changes the requirements for the Trustees' Report. Since the introduction of Charity SORPs in 1995 Trustees have been required to comment on the activities of their organisation. The standard of that reporting, however has not met the expectations of either the Charity commission or the Government, and the requirements have now become clearer and more prescriptive.

There is now a specific requirement that charities should be reporting what they are established to do, what they actually do, and how successful they are at doing it:

'The report should help the reader understand the aims and objectives set by the charity, and the strategies and activities undertaken to achieve them. The report may also, where relevant, explain how the objectives set for the year relate to longer term strategies and objectives set by the charity.' Paragraph 47.

'The report should contain information that enables the reader to understand and assess the achievements of the charity in the year. It should provide a review of its performance against the objectives that have been set' Paragraph 53.

Since the publication of the revised draft much has been written about the need to identify indicators, milestones and benchmarks

to assess performance, and many charities have been concerned that this could prove burdensome. The SORP actually says that 'it will often be helpful to identify' any such measures which are used to assess the achievement of the objectives and it also confirms that these measures may be both quantitative (expressed in terms of numbers) or qualitative (including feelings, opinions and judgments).

The SORP also requires the Trustees to comment on those factors both within and outside the charity's control which are relevant to the achievement of its objectives; these might include relationships with employees, users,

beneficiaries, funders and the charity's position in the wider community. This will provide a focus for charities to thank and praise but will also give a space to identify insurmountable difficulties and explain why things did not happen as expected. There is a great deal of understandable reluctance to talk about failure but individual Charity Commissioners have intimated that problems should be disclosed. Indeed it is a mark of an intelligent organisation that it is prepared to be innovative and to learn from its mistakes, having put in place structures which enable it to mitigate the effects of failure and move forward.

One simple way of responding to these requirements is for the charity to look back at the end of the year and write a basic assessment. The charity could gain more, however, by recognising these requirements as part of the strategic management process. We have created this document as a practical guide for Trustees to meet the requirements of SORP 2005. We set out below a suggested format for the annual cycle of planning, performance and evaluation that will enable a charity to identify the information it needs for the annual report and at the same time provide a framework for operational decision-making and development planning.

The Tool Kit

These notes and examples are based on a set of pro-forma schedules which are designed to systematically collect information at both the planning and evaluation stages. Details of how you can obtain these pro formas appear on the back page. Two examples are used throughout - example 1 is a service providing hospice and example 2 is a grant-making trust and the pro-forma have been completed for each with an extract from the notional trustees' report each might prepare at the end of the year (figures 1 & 2).

A) Planning

You should undertake this part of the cycle at the start of the year. For many charities activities are unlikely to change significantly from year to year but it is sensible to make a point of going through these steps formally each year to ensure that the charity remains focused on what is important and remains within its objects. There is a danger that new activities may be added on an ad hoc basis as opportunities arise, without a clear link to the main aim of the charity, and activities that have been long established may no longer meet the aims and objectives. By diverting resources to these activities the charity may not be maximizing its effectiveness.

The whole process will be most beneficial for the charity if it is linked with budget setting. The pro-forma includes additional columns to enable the recording of the timescale of activities, key personnel and the resource requirements which could link into the budget plan.

Steps A1 to A4 each represent the collection of information that is needed for the trustees' report. For example 1 these are illustrated in figure 3. The remaining steps relate to a consideration of how outcomes will be evaluated. For example 1 these are illustrated in figure 4. For example 2 all steps are combined in figure 6.

A1. Identification of objects

SORP requires the identification of the objects as set out in the governing document. These are often exceedingly lengthy but it is only necessary here to refer to the principle objects. You may find it helpful to view the entry in the register of charities to identify the key objects with which the charity is registered.

A2. Explanation of the charity's aims

The aims are essentially the practical purposes of the charity and include the changes or differences it seeks to make through the

activities. Aims are continuing and will remain relatively stable over time. They may be linked to a mission statement which can also be included in the report. For some charities with very precise objects the aims and objects may coincide but for the majority of charities the aims will be clarifying the charity's area of activity.

For example the objects of a hospice charity are the relief of terminal illness by such charitable means as the association shall think fit, and the aims are the provision of a hospice to serve the people of Sunshire and the surrounding areas and the provision of trained nurses to work with the sick in their own homes.

A3. Identification of the charitable objectives for the year.

The charitable objectives for the year may include a mix of ongoing objectives and those relating to particular areas of work. For the hospice above the main objectives for the year may be:

- Meeting the needs of those requesting a hospice bed
- Meeting the needs of those requesting home support
- Increasing the awareness of the staff in the specific needs of ethnic minorities.

For a simple grant giving charity the objectives and aims may overlap and remain constant from year to year. For example for a charity whose objects are the relief of poverty and distress among musicians both the aim and the objective are to identify needy musicians and provide grants to relieve identified needs.

Alongside the charitable objectives you are likely to have fundraising objectives. SORP also requires you to report these and you may wish to identify and record them using the same process.

Reporting achievements and performance

Example 1

The planning process (2)

Sunshire Hospice

Main strategies & activities	How will we identify success?	How will we measure success or progress towards it?	Key influencing factors	Timescale	Personnel	Resources
a Maintain the hospice in Sunshire	Same number of beds supported Programme of routine maintenance and improvement has been completed	Statistics - bed numbers - collected monthly for DoH form Report of site committee - Trustee visits	External funding Support of honorary surveyor and volunteers	Throughout	CEO	Basic budget
b Monitor requests and time taken between assessment and admission	The time taken is no slower than the previous year	Statistics - administration record key dates on files & summaries	Overall level of demand for service in the area	Continuous records	Admissions officer	Staff time (day/month)
c Training for all staff on ethnic awareness matters	Increased satisfaction with service and fewer complaints Staff report greater confidence in meeting client needs	Annual family survey data review of number and type of complaints (board have this each May - change timing) Course feedback forms annual appraisal feedback	Finding the right trainer	October/ December	Matron	Blyton Trust grant available £5,000
d Employment of a translator/ interpreter for the main community languages	Suitable individual employed Key documents translated into Urdu, Punjabi and Hindi	Fact of employment Fact of number of documents translated	Funding Funding	As funding permits	CEO	£25,000 minimum
e Maintain the home care service	Establishment strength maintained Increased number of referrals from GPs	Statistics from payroll department Statistics - administration record re referral source	Available pool of suitable staff Support of local GPs for the service	Ongoing	Head of homecare service	As budget
f Monitor requests and time taken between assessment and first visit	Time taken is no slower than last last year	Statistics - administration record key dates on files and summaries	Overall level of demand for service in the area	Continuous records	Home care administrator	Staff time

figure 4

Reporting achievements and performance

Example 1

The evaluation process

Sunshire Hospice

Main activities	Success indicators	Results of measurement	Successful?	Factors influencing success	What happens next?
a Maintain the hospice in Sunshire	Same number of beds supported Programme of routine maintenance and improvement has been completed	2 new beds added in the middle of year and 98% occupancy All tasks in maintenance plan done upgrade of wards completed but windows not started	Yes Yes	Funding increased More volunteers	Consider further increase in capacity
b Monitor requests and time taken between assessment and admission	The time taken is no slower than the previous year	Generally same but we were under much higher demand in January than usual and interval extended	Generally yes	Level of local demand	
c Training for all staff on ethnic awareness matters	Increased satisfaction with service and fewer complaints Staff report greater confidence in meeting client needs	Some very positive comments - complaints about insensitivity stopped (see 'thank you' file) Staff very appreciative	Yes	Excellent trainer but staff also very open to the content	Make sure this is flowed down to new staff staff lead initiatives to keep momentum
d Employment of a translator/ interpreter for the main community languages	Suitable individual employed Key documents translated into Urdu, Punjabi and Hindi	Didn't happen - no funding	No	Lack of funding	Look for volunteers to cover the role
e Maintain the home care service	Establishment strength maintained Increased number of referrals from GPs	2 FTE extra nurses 10% increase on the previous year	Yes	Funding increased and we were approached by several nurses seeking to move to area	Maintain status quo
f Monitor requests and time taken between assessment and first visit	Time taken is no slower than last last year	Faster this year because of the extra nurses	Yes	Funding	

figure 5

Reporting achievements and performance

Example 2

The planning process

Musicians in distress

Charitable objects: The relief of poverty and distress among musicians

Charity's aims and objectives for the year	Main strategies & activities	How will we identify success?	How will we measure success or progress towards it?	Key influencing factors
To identify needy musicians and provide grants to relieve identified needs	a Make contact with musicians' groups and increase awareness of the charity by networking	Increased number of applications Applications from wider range of musicians available this year	Application statistics	Support of Trustees to carry out networking engagements Co-operation from musicians' groups
	b Grant programme	Sufficient qualifying applicants to distribute the £300,000	Total of grants awarded	The award criteria

figure 6

The evaluation process

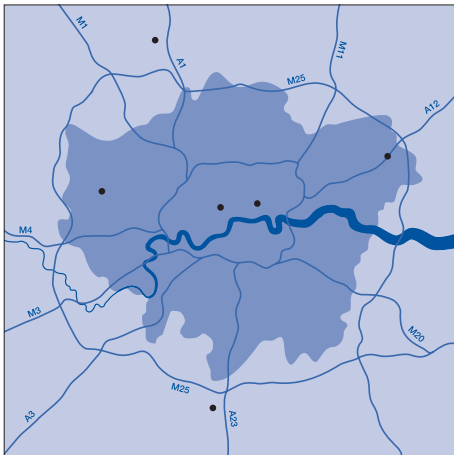
Main activities	Success indicators	Results of measurement	Successful?	Factors influencing success	What happens next?
a Make contact with musicians' groups and increase awareness of the charity by networking	Increased number of applications	460 applicants	Yes	Considerable energy from key trustees	Consider advertising in newsletters and contributing editorial
	Applications from wider range of musicians	Applications from Cornwall for first time and include those working in the 'pop' sector	Yes	Enthusiastic welcome from support groups	
b Grant programme	Sufficient qualifying applicants to distribute the £300,000 available this year	£295,200 distributed to 398 individuals	Almost	Many applicants did not meet criteria	Review criteria

figure 7

This Tool Kit has been devised by Kingston Smith LLP to assist charities to establish systems for reporting achievements and performance in their organisations in order to comply with SORP 2005. For further advice and guidance on SORP 2005, contact your Kingston Smith LLP partner or Penny Ryan at our City office on: **020 7566 4000**

Kingston Smith LLP also offers advice to charities, and other non-commercial organisations on fundraising, marketing, recruitment, IT, mobile and data services, and outsourcing. The Tool Kit can be downloaded from our website at www.kingstonsmith.co.uk/toolkit

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