

Questions to ask... ...FOR INTERNATIONAL CHARITIES

Charities operating internationally face a variety of challenges which may include working through partners, operating overseas branches or subsidiaries, and managing grant and contract income. We have set out below a number of key questions to ask in these areas and how best to use the annual report as an opportunity to convey key messages. These may be a useful guide for discussion at a trustee meeting or a review of the relevant activities.

Safeguarding

1. Do we have a safeguarding policy that clearly lets trustees, staff, volunteers and beneficiaries know what their roles, rights and responsibilities are? If not, why not?
2. When was the policy last reviewed and by whom?
3. Is safeguarding considered as part of the decision making process by relevant groups or committees, including HR, programmes and grants?
4. Are safeguarding risks incorporated into the risk register and monitored as part of the risk management process?
5. Do we have a process to confirm that our partners and grant recipients have adequate safeguarding policies and procedures?
6. Is it clear how matters of concern can be reported to us and do we have a formal whistleblowing policy for dealing with them?

Working with partners

1. What due diligence processes are in place to assess partners' capabilities?
2. Have you assessed the risks of working with each partner, and if so do you ensure your approach is tailored to that partner?
3. Do you regularly reassess the capability of your partners? As part of this, do you consider the risk of reputational damage to your organisation?
4. What processes are in place to ensure that partners deliver what you expect them to? How do you manage the situation if they do not?
5. How do you ensure that donor requirements are reflected in agreements with partners?
6. How do you ensure that reporting from partners is sufficient to enable you to report to donors?
7. Do your written agreements with partners reflect your current arrangements?
8. For overseas partners, have you assessed whether any payments made to them could be subject to reverse charges?

Branches and subsidiaries

1. What financial controls are in place at overseas offices, and is there a common control environment across the organisation?
2. How do overseas offices report to head office, and how is the reporting validated?
3. Who ensures that laws and regulations locally and internationally are complied with?
4. Do you need an audit locally? If so, how do you ensure that the audit recommendations are being addressed?
5. Have you got adequate controls at local offices over payments and banking?
6. How do you ensure that funding received locally is properly reflected in the accounts?
7. How do you ensure segregation of duties over procurement?
8. Have you assessed whether each local office is a branch or a subsidiary for accounting purposes?

Grants and contracts

1. What is the process in place to distinguish between grants and contracts?
2. Have you assessed the differing accounting and tax treatments for grants and contracts?
3. How do you ensure that you have the capabilities to manage the funding before bids are submitted?
4. How are reports to funders reviewed and verified? Do you ensure that your funding reporting agrees to your accounting records?
5. If you are taking on new forms of funding, what systems and capabilities are needed to manage that funding?
6. How do you ensure appropriate recovery of overhead costs?
7. Do you have sufficient procurement procedures in place to meet the donor requirements?
8. How do you identify restrictions on grants, and are these communicated to the finance team and key stakeholders on a timely basis to ensure compliance?

Fundraising

1. Who is responsible for submission and approval of bids? Does this group include varied expertise including finance and programmes?
2. How do you ensure that you have the capabilities to manage the funding before bids are submitted?
3. If you are taking on new forms of funding, what systems and capabilities are needed to manage that funding?
4. If you are taking on new forms of funding, do you have sufficient expertise to assess the potential tax and VAT implications of the income? If not, where will this advice be obtained from?
5. How do you identify restrictions on grants and are these communicated to the finance team and key stakeholders on a timely basis to ensure compliance?
6. Do you know what impact the social and/or economic climate is having on your donors and support for your charity?
7. If the charity fundraises from the public, are you aware of the measures in place to protect vulnerable donors and to manage third party fundraisers? Are these measures reviewed regularly?
8. Do you review the key fundraising ratios and how do you assure yourselves as to the appropriateness of those ratios?

The annual report

1. What is the purpose of the annual accounts – are they purely for compliance, or are there wider purposes?
2. Who is the audience for the annual accounts?
3. What are the needs of each audience?
4. Within the confines of statutory requirements, can we meet the needs of each audience within the annual accounts or should we refer certain audiences to other publications?
5. What is the role of other complementary publications such as an annual review or impact report?

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