



# ***Analysis of Community Accountancy Services in England and Strategic Implications***

Report commissioned by the Finance Hub – Full Report

**Gareth G Morgan**

*with*

**Penny Carter, Lena Dahlberg, Tom Fitch, Fiona Gordon,  
Jason Leman, Anna Stevens, John Stringer**

June 2006



*Sheffield Hallam University*

**CENTRE FOR VOLUNTARY SECTOR RESEARCH**



Community  
Accountancy  
National  
Network

## Acknowledgements

This report arises from a project to study *Community Accountancy Services* (project FH3) commissioned by the Finance Hub (one of the six national hubs of expertise for infrastructure support to the voluntary and community sector under the Government's ChangeUp programme) in March 2006.

The project has been managed by a **Community Accountancy Project Steering Committee** comprising:

- Tom Fitch (Chair) – Community Accountancy Self-Help, London (CASH)
- Kevin Curley – National Association of Councils for Voluntary Service (NACVS)\*
- Penny Carter – West Yorkshire Community Accounting Service (WYCAS)
- Fiona Gordon – Association of Charity Independent Examiners (ACIE)
- John O'Brien – Community Accounting Plus, Nottingham (CAPlus) and also Chair of the Community Accountancy National Network (CANN).
- Kate Sayer – Sayer Vincent Chartered Accountants, London & Bristol.

Financial accountability for the project was through CASH.

\*NACVS changed its name to NAVCA (National Association for Voluntary & Community Action) at the end of this project, but NACVS was the term used during the study and is thus retained in this report.

Much of the study reported here – especially the survey – was directly undertaken under the auspices of the Project Steering Committee, but an independent researcher/consultant was commissioned to handle certain aspects of the work including interviews, desk research, survey analysis, workshops and to draw conclusions. Following a tendering exercise, the Steering Committee commissioned a team from the **Centre for Voluntary Sector Research** (led by Dr Gareth Morgan) at **Sheffield Hallam University** (SHU) to undertake these aspects and to prepare this report of the study. The team from SHU comprised six staff in all:

- Dr Gareth Morgan – project co-ordinator, interviews, workshop planning, final report.
- Dr Lena Dahlberg, Jason Leman, Anna Stevens – survey analysis and reporting
- John Stringer – desk research on existing support, workshops and analysis
- Dr Rob Macmillan – critical reflection and advice based on earlier studies.

However, this study was only possible because of the commitment of **several hundred individuals drawn from a very wide range of organisations who either offer community accountancy services or who are interested in the role of such services**. There were a few cases where submissions were received where the organisation was not fully identified, but as far as possible we have sought to include the names of participating organisations in Appendix I – the Project Steering Committee wishes to acknowledge the substantial contribution of all these participants.

*For contact details, or to obtain further copies of this report, please see page 116.*

## Contents

<b>Acknowledgements</b> .....	2
<b>List of Abbreviations</b> .....	4
<b>Executive Summary</b> .....	5
<b>1. Introduction</b> .....	6
<b>2. The Provision Of Community Accountancy Services In England</b> ....	17
<b>3. Operational Requirements and Standards for Community Accountancy Services</b> .....	35
<b>4. Strategic Support Needs For Community Accountancy</b> .....	40
<b>5. Conclusions</b> .....	46
<b>APPENDICES</b> .....	49
Appendix A: The Survey Form .....	50
Appendix B: Tables of Survey Results for Individual Questions.....	61
Appendix C: Additional Information on Provision of Community Accountancy Beyond Survey Respondents.....	83
Appendix D: Additional Narrative Comments Included in the Survey Responses .....	85
Appendix E: Summary of Issues from the Stakeholder Interviews .....	88
Appendix F: Analysis of Existing Forms of Support for Community Accountancy Services .....	93
Appendix G: Summary of Issues Raised in the Workshops .....	99
Appendix H: Outline Proposals and Costings for <i>New CANN</i> .....	107
Appendix I: List of Organisations Involved in the Study .....	113
<b>Contact Information and Further Copies</b> .....	116

This is the *Full Report* with all appendices included.

## List of Abbreviations

AAT	Association of Accounting Technicians
ACIE	Association of Charity Independent Examiners
BME	Black and minority ethnic (groups)
CANN	Community Accountancy National Network (the association formed at present to facilitate networking between CASs – first constituted in January 2000).
CAS	Community Accountancy Service (an individual project or organisation, normally serving a defines geographical area).
CASs	Community Accountancy Services (a number of such projects or organisations – or where used without qualification, the term CASs refers the totality of such services across the country).
CCAB	Committee of Chartered Accountancy Bodies
CVS	Council for Voluntary Service (the term includes a number of such bodies using different names e.g. “Voluntary Action” plus a place name).
FTE	Full time equivalent.
IE	Independent examination (of a VCO's annual accounts – normally in accordance with the Charities Act 1993).
IT	Information technology
ISO 9000	International Standards Organisation – standard no 9000 on quality assurance
LDAs	Local Development Agencies (a term to cover CVSs and other organisations which provided services seeking to develop the local voluntary and community sector).
NACVS	National Association of Councils for Voluntary Service (see page 2 regarding name change).
NCVO	National Council for Voluntary Organisations
New CANN	The proposed enhanced Community Accountancy National Network which might proceed from this study (outline proposals in Appendix H).
PQASSO	Practical Quality Assurance System for Small Organisations
RCC	Rural Community Council.
SORP	Statement of Recommended Practice on Accounting and Reporting by Charities
VCS	Voluntary and Community Sector
VCOs	Voluntary and Community Organisations.

## **Executive Summary**

**This study is an intensive investigation of the provision of Community Accountancy Services (CASs) across England, to consider their impact, and to ascertain possibilities for strategic development and support of such services.**

**In a 10 week period, four separate research methods were used: an extensive survey of all known CVSs and CASs (360 organisations); interviews with key stakeholders, desk research on existing support, and consultative workshops held in London, Bristol and Sheffield, attended by 89 people with a direct interest in the provision of community accountancy.**

**We found that CASs are highly valued in terms of enabling small to medium voluntary and community organisations (VCOs) (up to £250,000 income) to manage their funds effectively. As yet, only a minority of areas have access to a CAS, but some 80 CASs across England are providing direct support to approximately 6500 VCOs on these issues, with a total staffing of only 105 full-time equivalent community accountants. Some CASs are independent organisations – others operate as part of a CVS or another local agency. However, provision is extremely variable across the nine regions of England, ranging from just 3.0 FTE community accountants in the South-East to 26.5 in London.**

**Nearly all CASs provide one-to-one support on bookkeeping and financial management; most also offer a service of preparation of year end accounts and independent examinations under the Charities Act 1993; many offer payroll administration and other services. But, whilst the need is clear, it is acknowledged that standards vary considerably as regards the skills and qualifications of community accountants, in the range of services provided to VCS clients, and in terms of maintaining long term CAS provision in a climate of variable income.**

**CASs make a particular contribution to the work of frontline VCOs in the most disadvantaged communities – groups which often play a central role in community cohesion – in areas where financial skills are hardest to find. Without the CAS support many VCOs simply would not exist or would have no continuity. We found that 24% of the groups supported are from BME communities (three times as high as the proportion of people from ethnic minorities in the UK population).**

**However, most of the existing CASs are struggling to keep up with demand, and many areas have no CAS at all. In total we estimate – even allowing for other forms of support which might be used – that across England, well under 10% of groups in potential need of access to a CAS are able to get any CAS support.**

**The study demonstrates a clear demand – especially from areas with no CAS at present – for a central body to provide tools for the development of new CASs, to offer training and support for community accountants, and to begin to set quality standards. There was strong support for this to be done within the framework of the existing Community Accountancy National Network (CANN). Drawing directly from the consultations, detailed proposals are set out for a strategically-focussed *New CANN*, including specific deliverables and indicative costings.**

# 1. Introduction

This study is believed to be the first comprehensive research-based investigation of Community Accountancy Services (CASs) across the whole of England.

## What is Community Accountancy?

For the purposes of this study, a Community Accountancy Service (CAS) is defined as a project or organisation which seeks to support voluntary and community organisations (VCOs) on issues of financial management and accounting.

The focus of the support is normally on small to medium VCOs – those with less than £250,000 annual income, and the majority of the support provided by CASs is to smaller organisations with under £100,000 income. Such local VCOs are often undertaking vital roles in local communities such as supporting people with disabilities, undertaking work with children and young people, or with elderly people, providing networks for community engagement, linking people with particular medical needs, working with refugees, addressing needs of faith communities, and similar issues. Many are playing vital roles in community cohesion. As this study demonstrates, effective support on issues of financial management is fundamental to enable such organisations to fulfil their aims.

Many of the VCOs supported are small organisations which have been successful in winning some funding from a public sector source or a charitable trust or from one of the National Lottery distribution bodies, and find themselves in a position of employing staff for the first time.

Many of these organisations will have charitable status and are thus required to manage their funds and produce year end accounts which comply with the Charities Act 1993. A key requirement of charity law is that the organisation must be governed by a committee of some kind (the trustees) who, in the vast majority of cases, must serve voluntarily: nevertheless they are legally responsible for the funds, for the employment of staff (if applicable) and the production of year end accounts.

Even those which are not registered charities will frequently have charitable aims and thus need to be supported in terms of producing charity accounts and applying for charity registration once their income exceeds the relevant threshold<sup>1</sup>. Others are clearly non-charitable (for example tenants associations) but a condition of external

---

<sup>1</sup> Registering as a charity does not bring about charitable status: it is determined by the objects of the organisation and the requirement of public benefit. Any organisation which meets these criteria is technically a charity, and under s3 of the Charities Act 1993 is required to apply for charity registrations once its income exceeds £1000 (due to increase to £5000 in the Charities Bill now before Parliament) apart from few excepted categories – such as churches. Supporting small VCOs on such issues is one of the challenges of community accountancy.

funding normally requires similar principles of voluntary governance and production of annual accounts.

## **The Need**

Historically, in the 19th and first half of the 20th century, charitable activity was largely associated with philanthropy by the middle and upper classes, and it was not usually difficult to find an accountant, banker, or someone with a similar background to serve as treasurer to a charity and oversee the finances.

However, the second half of the 20th century, and even more so the 21st century, has seen rapid expansion in levels of formalised voluntary activity. The public sector came to recognise that many forms of social welfare can best be provided by offering grant assistance to VCOs who are closest to their beneficiaries, and increasingly voluntary organisations are being asked to play a direct role in the provision of public services. VCOs have emerged widely in communities with little experience of charitable activity: it is a major achievement to find individuals to serve as committee members (trustees) of these organisations – to expect to find treasurers who are capable of keeping proper books and producing year end accounts on a voluntary basis, is frequently impossible. Those professionals who have such expertise and the time to offer are in very short supply.

Community Accountancy Services (CASs) began appearing in the early 1980s in a small number of towns and cities in the UK in response to these needs. Local authorities realised that if they were giving grants to small or newly formed voluntary agencies, it made sense to offer them support in managing this finance.

The need for such support grew dramatically in the mid-1990s with the emergence of formal accounting requirement under the Charities Act 1993 (in England, the rules took effect for most organisations from March 1996). This created several specific new demands:

- The requirement for charities of all sizes to *publish* annual accounts, and (except for those below £10,000 income or those excepted from registration, to submit their accounts to the Charity Commission). Previously only a minority of charities had produced proper accounts.
- The requirement to present accounts in a specific format. Those over £100,000 income have to comply a detailed format linked to the Charities SORP<sup>2</sup> and even smaller charities must prepare a *receipts and payments account* and a *statement*

---

<sup>2</sup> *Statement of Recommended Practice on Accounting and Reporting by Charities* (latest version published by Charity Commission 2005). Despite the term “recommended” much of the SORP framework is actually compulsory as a result of regulations.

*of assets and liabilities* with requirements such as properly distinguishing restricted funds. This meant many groups needed support to produce accounts.

- The requirement for independent scrutiny of accounts. Until the 1993 Act there was no general requirement for unincorporated charities to have any kind of “audit” of their accounts: the new regime created a requirement for a professional audit by a firm of registered auditors where the organisation’s income exceeded £250,000, but for smaller charities, a simpler regime of *independent examination* (IE) was created. Only the very smallest organisations (under £10,000 income) are exempt from IE – and even then an IE may be required as a condition of funding. Although the framework of IE is laid down in law, it does not have to be carried out by a qualified accountant: it was an obvious form of support which could be provided by a CAS.
- Although not linked to the Charities Act, the 1990s also saw major increases in the complexity of payroll accounting (PAYE). Whilst owner-managers of small businesses had traditionally paid their staff directly and kept manual records of deductions on the relevant Inland Revenue forms, this became harder and harder as more and more issues of public policy (e.g. statutory sick pay) were implemented through the PAYE system. Few individuals serving on voluntary management committees and employing staff for the first time had the skills to do their own PAYE calculations: where a local voluntary organisation was willing to offer a payroll administration service this made a massive difference. However, the provision of payroll support created many related questions of financial management which could create huge demands for generic voluntary organisations such as CVSs: locating such support in a clearly-identified community accountancy service – whether run by the CVS or independent (and including in some cases, with the CAS providing the payroll service itself) made clear sense.
- The changes in the mid-1990s also brought a much greater emphasis on the roles and responsibilities of charity trustees: not just at year end, but in terms of ongoing financial management. Many VCOs had traditionally had little or no management accounts and often survived with “carrier bag accounting” where no financial information was produced except at year end. Education on trustee responsibilities under the 1993 Act combined with greater demands from funders for VCOs to manage their finances properly, began to create significant demands for support of this kind. Enabling smaller VCOs to keep books up to date and to produce some kind of simple management accounts for their committees was an area where it was totally uneconomic to use professional accountants, but it is crucial for effective financial decision making. Likewise, cashflow forecasts are vital to help smaller organisations achieve some continuity of their work. These are areas where support from a CAS can make a huge difference.

- One of the consequences of new funding for the sector combined with the requirements of charity law, was the need for many relatively small VCOs to account properly for restricted funds: many VCOs found themselves in receipt of grants which could only be spent on specific purposes. Even a relatively small organisation with a total income of (say) £60,000 can easily have three or four different funds. This meant maintaining a system of books to track separately the income and expenditure related to a number of different funds, and to do this on an ongoing basis – not just at year end. Even when the organisation had someone with basic bookkeeping skills this presented considerable new challenges. It began to be clear that charity/voluntary sector accounting was very different from commercial accounting in this respect, and even those with financial experience in other sectors, needed considerable support in applying those skills in the voluntary and community sector (VCS). The availability by this stage of low cost personal computers, and of accounting software suitable for the sector, meant that a relatively limited amount of support from a CAS in helping a group to implement a simple computerised bookkeeping system could achieve very significant results in terms of improved financial management.

In response to these demands, and especially where a local funder was willing to commit resources to such services, gradually, new CAS have developed over the years. While some have fallen by the wayside, those that continue are often providing services which are critical to many VCOs which make up the sector in a particular locality or subregion. In many areas where no CAS currently exists, considerable energy is being given to establishing a CAS of some kind.

### **Services Provided**

A common feature of all CASs is the aim of helping local organisations to manage their finances properly. Services commonly provided include:

- Individual training/coaching, and provision of advice and information in financial management (which is normally offered by every CAS)
- payroll bureau services
- preparation and independent examination of accounts
- training courses around financial management
- support on the financial details of funding bids (e.g. cashflows, full cost recovery)
- support for computerised bookkeeping.

However, until this study there was little knowledge of the actual range of services provided by different CASs: provision is highly variable between different parts of the country and it was not known, for example, how many CASs provided each of these services or the scale of their activity – there has even been some uncertainty as to how many CASs exist in England overall.

## **The Organisational Structure of Community Accountancy Services**

The vast majority of CASs are themselves voluntary organisations, or operate as a project within a larger voluntary organisation such as a Council for Voluntary Service (CVS).

There are also a few commercial bodies offering support of this kind, e.g. small firms of accountants specialising in the charity sector<sup>3</sup> and also a number of individuals providing such help on a voluntary basis<sup>4</sup>: occasionally work of this kind is described as a CAS. But the focus of the present study is on CAS provision *as a specific activity offered by a voluntary organisation to other voluntary and community organisations* (rather than offered by an individual or by a firm).

This study obtained detailed responses from 53 such CASs operating in England (see Appendix B for details) and based on further telephone follow up (Appendix C) we estimate that at the present time there are approximately 80 CASs operating in total, in the sense of a voluntary organisation which has some staff time specifically devoted to CAS-type work.

It appears that at the present time just nine of these are constituted as independent organisations: these tend to be the larger CASs offering a wide range of services or supporting a large geographical area. The remainder operate mainly as projects within a CVS – although some CASs are actually run with staff employed by a number of different organisations (e.g. different CVSs) but working closely together to provide a CAS under a common name. However, we learned during the study of several CASs which began within a CVS but which have subsequently moved towards independence and others are in the process of doing so.

---

<sup>3</sup> The authors acknowledge the very significant contribution to the sector by firms of accountants and other financial specialists who make a genuine attempt to engage with the culture and values of the VCS and understand the legal requirements. There is particular appreciation where professional practitioners undertake work for VCOs at reduced fees or sometimes even on a *pro bono* basis. However, of necessity, the vast majority of professional assistance has to be on a fee-paying basis, which is often out of reach to small VCOs. Moreover, with charity accounting now a very specialised field due to the requirements of the SORP etc, it is no longer the case that offers of help from *any kind* of accountant are readily welcomed, even if offered without charge. A clear message from this study is that those providing accounting support to VCOs (whether voluntary or paid) need to be specialists – and, also, need to be able to engage with the day to day realities of those running small VCOs.

<sup>4</sup> The authors also pay tribute to the many individuals personally providing voluntary help on accounting issues to VCOs – this includes, for example, voluntary treasurers with sufficient experience to provide clear financial guidance to their organisations, and individuals who act as voluntary independent examiners of charity accounts. However, these kinds of volunteers find themselves in great demand, and experience suggests that such individuals are particularly scarce in disadvantaged communities.

At the smaller end, some CASs are not even clearly identified “projects” within their host organisations, but simply represent part of someone’s time to provide support to groups on financial management issues: there is some debate as to whether work of this kind should be classed as a community accountancy *service*, but such cases are included in this study where respondents have categorised it as being a CAS.

Those who work in a CAS – at least those providing direct support and accountancy services to end users – are generally described as “community accountants” – however, there is no legal definition of the term. Some CASs insist that the term *community accountant* should only apply to staff who have a certain level of expertise. But in other cases more generic job titles are used such as “development worker” or “groups support worker” especially where the support is broader than just financial management.

### **The Community Accountancy National Network**

Most CASs appear to have emerged from local initiatives, though often looking to a more established CAS for help and advice. Partly in response to such requests, a *Community Accountancy National Network* (CANN) was established in the late 1990s to provide a formal means for networking between CASs. It became formally constituted in 2000, but does not have any staff – from the outset it has been administered by CA Plus, the long-established Nottingham-based CAS, although it is now governed by an elected steering committee and has its own bank account. CANN is established with charitable aims and is currently applying for charity registration.

Under the auspices of CANN, community accountants meet for 3-day annual conference each January – in recent years it has attracted over 100 participants – and many see this as a key opportunity for professional updating and networking. The cost is kept down by using a seaside venue at an unpopular time of year. CANN also provides a web site with links to most of the local CASs, a message board, and a few other resources. However, CANN has no funding beyond a £50 annual subscription from participating CASs and the fees for the conference (which are kept as low as possible to help under-resourced CASs take part).

### **Origins of the Present Study**

This study forms part of the Government’s *ChangeUp* capacity building and infrastructure framework for the voluntary and community sector<sup>5</sup>.

---

<sup>5</sup> Following the Treasury’s 2002 review of the VCS role in public service delivery, the Home Office was given £80 million to invest in the sector’s infrastructure and following a period of consultation the Home Office’s Active Community Unit (ACU) announced the *ChangeUp* programme in June 2004. In 2005 there was an announcement of an additional £70 million to develop the programme for a further two years (2006/7 and 2007/8), including the establishment of CapacityBuilders - a new sector-led agency at

To implement the ChangeUp programme, the Home Office established six national “Hubs of Expertise” – each managed by consortia drawn largely from the sector, covering: Governance, Information and Communication Technologies, Performance improvement, Workforce development, Finance, and Volunteering. In addition, ChangeUp provides resources for additional co-operation between VCS infrastructure organisations at local, sub-regional, and regional level.

The present study is one of nine projects commissioned in March 2006 by the *Finance Hub* whose mission is delivering to the Government’s ChangeUp programme “to create voluntary and community organisations which are effective and independent because they are financially sustainable”. Much of the Finance Hub’s work is concerned with projects to supporting fundraising and income generation in the sector, but it recognised from the outset that winning funds alone is insufficient and thus included this project on Community Accountancy.

The aims stated in the Finance Hub’s tender document (ref FH3) were:

- *To examine existing provision and report on the development of the infrastructure required to support a community accountancy service, and to advise on risks and on areas, with full costs, of optimum investment in year two (2006/07).*

Responding to this invitation to tender, a “Community Accountancy Project Steering Committee” was formed comprising:

- Three major CASs:
  - CASH – London
  - CA Plus – Nottinghamshire
  - WYCAS – West Yorkshire
- CANN – Community Accountancy National Network
- ACIE – Association of Charity Independent Examiners<sup>6</sup>

---

arm’s length from government, responsible for managing ChangeUp funds, which started in April 2006. (Source: NCVO). Following the reorganisation of Government departments announced in May 2006, responsibility for ChangeUp is transferred to the new Office of the Third Sector in the Cabinet Office.

<sup>6</sup> ACIE was formed in 1999 specifically to provide support, training and the possibility of a professional qualification to those who act as independent examiners of charity accounts anywhere in the UK - where a CAS provides an IE service, there are clear links with the professional support available from ACIE. The ACIE Full Membership qualification is now available at three levels: LCIE, MCIE and FCIE according to the size and complexity of the charity accounts to be examined, but in all cases it is awarded on the basis of demonstrated experience (rather than examinations). The ACIE qualification is now recognised in law in the 2006 Scottish Charity Accounting Regulations and is included in the Charities Bill for England & Wales which is expected to be enacted later in 2006. ACIE currently has nearly 600 members or whom just over 100 hold the qualification: as well as community accountants the members range from individuals providing IE on a voluntary basis, to professional accountants specialising in smaller charities.

- NACVS – National Association of Councils for Voluntary Service<sup>7</sup>
- Sayer Vincent Chartered Accountants<sup>8</sup>.

This composition meant that the study was being led by people with direct hands on knowledge of CASs, supplemented by others with an interest in the work of CASs but able to look with some detachment on the practicalities. This Steering Committee was awarded the tender by the Finance Hub, with CASH acting as the accountable body.

The Steering Committee designed the study on the basis that it would be undertaken with a hands-on role for CASs: in particular it would involve a substantial survey which would be written and administered directly by CASH and nine regional CASs. However, they also recognised the need for a independent researcher/consultant to handle other aspects of the study and to prepare the final report, and following a further tendering exercise, a team from the Centre for Voluntary Sector Research at Sheffield Hallam University (SHU) was selected for this.

### **Specific Aims of the Study**

Taking account the broad overall aim set by the Finance Hub, it was agreed that the specific aims to be addressed in the study and this report would be:

- To investigate systematically and report on the current level of CAS provision in England – including issue such as: areas served (and gaps), level of activity, number of staff, numbers and size of groups supported by CASs.
- To identify the needs to support development of CAS where little or no provision currently exists.
- To identify the range of specific services which voluntary organisations seek from a CAS.
- To consider the key standards to which a CAS might be expected to operate (e.g. level and timescale of services to voluntary sector clients, staff training and qualifications, internal documentation).
- To identify the principal support resources needed by a CAS to achieve these standards (e.g. training, technical support in charity law and accounting, standard tools and templates).

---

<sup>7</sup> NACVS supports local CVSs in the development of a wide range of support to local VCOs, and recognises that support on financial management and accounting is a high priority.

<sup>8</sup> Sayer Vincent is a firm of chartered accountants based in London and Bristol whose work is almost entirely focused on the VCS. Over the years, the firm has provided a wide range of informal support for CASs. Their senior partner, Kate Sayer, is the author of various books on charity accounting, serves as a member of the Charities SORP Committee, and is the organiser of the national Charity Accountants Conference.

- To document in general terms the issues involved in funding of CAS on a sustainable basis.

It was clear that in a short term study of only ten weeks it would not be possible to provide a comprehensive answer to all these questions but the intention was to identify the issues in sufficient clarity to propose a *strategic way forward* for the community accountancy sector in England.

### **Implementation – Research Methods**

In order to take forward these aims, within the short timescale available, it was agreed to proceed in two phases, but using a range of research methods in order to obtain a rich understanding of the state of community accountancy and the strategic needs for the future.

- PHASE 1 (April/May 2006)

The task of phase one was to obtain an *understanding the nature of the community accountancy sector* specifically by means of:

- (a) a survey of all known CASs and CVSs or equivalent whether or not providing a community accountancy service (largely quantitative) – with appropriate chasing this achieved a high response, but in order to identify any further CAS provision among non-respondents, the Steering Committee commissioned a further telephone follow up study
- (b) desk-based research on existing forms of support for community accountancy
- (c) stakeholder interviews with key individuals with detailed knowledge

and the provision of an interim report to the Finance Hub in mid-May.

- PHASE 2 (May/June 2006)

Phase 2 then provided a framework for detailed reflection on findings and to gain further views with a focus on *quality issues and strategic support requirements* for community accountancy.

This phase was essentially qualitative, with input being sought from a wide range of participants with experience of operating community accountancy services (or wishing to do so).

This was done by means of three key workshops (held in London, Bristol, and Sheffield) between 31 May and 5 June. The workshops were widely publicised to community accountancy organisations and to CVSs and other LDAs, and arrangements were made to reimburse participants' travel expenses so that the costs of participation would not be a barrier.

## Findings

The details of each of these elements of the research, and the relevant findings, are set out in the appendices<sup>9</sup> to this report.

- The survey, which was circulated to some 360 organisations in total, is shown in Appendix A.
- A total of 178 responses were received (49%) and a detailed tabulation of the answers to individual questions are given in Appendix B, including the specific provision in each region. The responses included detailed data from 53 organisations directly providing CAS – based on further follow up work with those who did not respond initially (Appendix C) we estimated that there are 80 CASs in total operating in England<sup>10</sup> – this means the main survey response rate is 66% where CAS provision exists (and from knowledge by the Steering Group it is clear that 100% response has been achieved from the major CASs currently operating).
- Appendix D summarises the comments made on the main narrative questions in the study.
- Detailed interviews were conducted in Phase 1 with individuals drawn from the seven organisations represented on the Steering Committee as and some wider contacts – as “experts” with detailed knowledge of the need for CASs and the issues facing the sector. The questions posed, and a summary of the main issues which emerged from the interviews, are given in Appendix E.
- Appendix F sets out the results of the desk-based research on the support which already exists which is potentially useful to CASs – either from CANN, from individual CASs with resources to share, from Government departments, and from other organisations and professional bodies with an interest in non-profit accounting.

---

<sup>9</sup> Appendices A-G are only included in the *Full Report* – if you are using the shorter *Main Report*, see page 117 for details on obtaining the full version.

<sup>10</sup> Based on a definition of a CAS where at least part of someone's job is devoted to provision of CAS. If totally unfunded services are included, the total could be increased to around 94 CASs.

- Appendix G gives full details of the three workshops in terms of the questions posed and a summary of the issues raised by participants – which were recorded on flipcharts during the sessions.
- One of the proposals which emerged from the study was the need for a more extensive and more formalised support for community accountancy. Appendix H summarises the Steering Group's proposals for a *New CANN* which might address this need.
- Finally, Appendix I seeks to summarise all the organisations which contributed to this study.

### **Next Steps**

The remaining chapters of the report seek to assess the implications of these findings – drawing together the various elements of the study:

- Chapter 2 reports on the findings from the survey regarding *the state of CAS provision*.
- Chapter 3 takes this data, supplemented by detailed issues raised in the workshops and by interviewees to consider the *operational requirements and standards required for community accountancy services*.
- Drawing further on the survey data, plus the second half of the workshops, the interviews, and the desk-based research on existing support, Chapter 4 then considers the *strategic support needs for community accountancy* if the role of CASs is to develop in response to the substantial needs of VCOs which the study demonstrates.
- Chapter 5 assesses the overall conclusions of the study and makes recommendations for the future.

## **2. The Provision Of Community Accountancy Services In England**

This chapter explains the main findings from the survey, which forms one of the largest parts of this study, examining the existing provision of community accountancy services (CASs) in England, the main resourcing and support issues of CASs, and the perceived needs for a CAS where not currently provided.

### **Background**

In April 2006, Community Accountancy Self Help (CASH), on behalf of the Project Steering Committee, designed and distributed a questionnaire (see Appendix A for details) to all 360 known CASs and CVSs – together covering the whole of England. The questionnaire was distributed, and responses managed, via one Community Accountancy Service per region. In total, 178 organisations (49%) responded to the questionnaire by the deadline for analysis. In addition, a telephone follow up of non-respondents was arranged as explained in Appendix C – which meant information was received from 89% of the organisations approached: this has made it possible to extrapolate some of the survey figures to give reasonably accurate figures for CAS provision in totality.

In May 2006, Centre for Research and Evaluation at Sheffield Hallam University, working in support of the Centre for Voluntary Sector Research, was asked to register the questionnaire responses, and to analyse and write up the findings. The questionnaire included both quantitative and qualitative/open-ended questions.

### **Analysis**

This chapter follows the structure of the questionnaire in reporting the findings – as far as possible the findings from each section are presented initially as factual data, followed by comments where appropriate on the implications.

Regional breakdowns are given for key information such as staffing. (More detailed information on the findings can be found in tables listed in Appendix B and narrative answers in Appendix D.)

Following the questionnaire, the analysis uses the same sections:

1. *Mapping Community Accountancy Service* (from page 18)
2. *Services currently offered by Community Accountancy Services* (page 22)

- These first two sections seek to answer the question *what is happening at present* in terms of community accountancy provision.
3. *Sustainability and quality of existing Community Accountancy Services* (page 23).
  4. *Particular difficulties for Community Accountancy Services working across rural areas* (page 24)
  5. *Analysis of risks faced by Community Accountancy Services* (page 26)
    - Sections 3 – 5 give considerable further details on issues faced and how existings CASs are seeking to address these issues, illustrated by a wide range of narrative comments made by respondents.
  6. *Delivery of advice and support with obtaining finance* (page 27)
    - This sections seeks the views of existing CASs regarding the boundaries between the work of CASs and the provision of funding advice to VCOs – including exploring how far CASs feel able to advice on financial issues related to particular kinds of funding or investment.
  7. *Areas without Community Accountancy Services* (page 28)
  8. *Needs from the Community Accountancy National Network* (page 32)
    - The final two sections – which sought views from all 178 respondents: not just those providing CASs – explore the issues where no CAS is currently available and consider what *national support* was needed for community accountancy. (Appendix B - table B29 - lists all areas which respondents believed to have no CAS provision at present.)

## **1. Mapping Community Accountancy Services**

### Location and Structure

Nearly one third of the respondents (n=53) provided a community accountancy service, while two-thirds of them (n=125) did not provide such service (see Table B1.0 in Appendix B). Details regarding regions where the CASs are based can be found in Table B1.1.

Respondents that did *not* provide a community accountancy service were asked about who provided community accountancy advice in their area. Of these respondents, 22 percent stated that this was not provided by anybody in their area,

18 percent that this was provided by private accountants and 62 percent that this was provided by another charity or community organisation (Table B1.2).

The majority of the 53 respondents (n=43, 83%) that provided a community accountancy service did this as part of another organisation, such as a CVS (Table B2), although in some cases (n=8), the community accountancy service was an independent service (Table B3).

### Staffing

Nearly half of the Community Accountancy Services employed just one member of staff, although total staff numbers of up to 5 persons were common – the average is around 2.5 staff. Only five CASs had more than 5 members of staff in absolute (head count) numbers (Table B4.0a).

Many of these staff are not employed full-time (Table B4.0b) and expressed as full-time equivalents (FTE), the staffing is considerably lower. Twenty of the 53 CASs were staffed at 0.5FTE or less. The two largest CASs giving figures each have 9 FTE staff, but more than 5 FTE staff is rare<sup>11</sup>. Across the entire 53 CASs only 82 FTE staff were reported, which averages 1.5 FTE staff per CAS.

A few of these staff were not directly involved in providing community accountancy services – e.g. managers or administrators (Table B4.1a and Table B4.1b). A few organisations used freelance staff for community accountancy work (Tables B4.2a and B4.2b).

Breakdowns of staff by regions can be found in Table B4.3. Drawing both on the survey and the additional data from non-respondents (table C1), the total estimated figures for FTE CAS staff in each region are estimated as follows (to nearest 0.5FTE)<sup>12</sup>.

This gives a figure of 105 FTE CAS staff in total across England as a whole (see table on next page).

---

<sup>11</sup> One organisation reported 37 FTE staff, but this has been discounted here as being a figure for the entire host organisation, not just the CAS.

<sup>12</sup> Where a CAS was identified only at the telephone follow up stage, those which said the service was totally unfunded are assumed to have 0.1 FTE staff on CAS work; those which said it was part of someone's job have been treated as 0.5FTE.

<i>Region</i>	<i>Total Estimated Numbers of CAS Staff (FTEs)</i>
North East	7.0
North West	11.0
Yorkshire and the Humber	22.0
East Midlands <sup>13</sup>	13.5
West Midlands	6.0
South West	5.0
South East	3.0
East of England	11.0
London	26.5
<b>England – Total</b>	<b>105.0</b>

### Size and Focus of Client Groups

The nature of the groups supported by CASs is central to understanding their role.

Table B6 – which is repeated here because of the key information it provides – shows that the 53 CASs responding worked with some 5634 groups (more than 100 groups supported on average by each CAS). Moreover, respondents probably only included their “regular clients” in this question – for those CASs which provide training events, there could be many other groups which benefited. In some cases, an individual CAS is working with 250 or more groups (see Table B5.0 – regional breakdowns on the numbers of groups are given in Tables B5.1 and B5.2).

<i>Group size – CAS Clients</i>	<i>n</i>	<i>%</i>
Under £10k	1652	29.3
£10k to £100k	2925	51.9
£100k to £250k	792	14.1
Over £250k	265	4.7
<b>Total</b>	<b>5634</b>	<b>100</b>

The groups supported are split into income bands as indicated. This confirms, as expected from the stakeholder interviews, that the vast majority of CAS support is with groups under £250,000 income (less than 5% of the groups were above this) and the focus is on the range £10,000 to £100,000 income – accounting to 52% of all groups served.

<sup>13</sup> A major CAS in the East Midlands appears to have misunderstood the staffing questions in the survey and reported all its staff as being involved in non-community accountancy work – this distorts the figures in Table B4.3. To compensate for this, 11 FTE staff have been added to the East Midlands figures shown here.

This is an important band in terms of accounting requirements: most organisations with income above £10,000 are likely to have at least a part-time member of staff, and at this level charity accounting requires annual accounts to be independently examined and sent to the Charity Commission (in the case of registered charities). However, provided the income remains below £100,000, the accounts can be prepared on the receipts and payments basis<sup>14</sup> which can usually be handled by someone with good accounting experience but not necessarily having had a formal accountancy training.

However, a significant amount of work – nearly 800 groups or 14% of total cases – is in support of organisations with incomes in the £100,000 to £250,000 band: in this case the final accounts must be prepared on an accruals basis and in accordance with the Charities SORP (although an independent examination is still permitted provided the examiner is suitably experienced). The work provided by the CAS may not necessarily be in terms of preparing and examining the accounts, but work even on general issues of financial management with organisations of this size demands a thorough knowledge of accruals accounting principles such as depreciation, and a knowledge of the SORP principles in terms of their impact on the how the organisation's books are maintained.

The fact that CASs are undertaking significant work at this level, suggests that the CAS is seen to be offering a professional service.

A further 30% of the groups supported by CASs are very small organisations with under £10,000 income – but getting such groups into good financial practice is, of course, crucial if they are to achieve long term continuity in their work or grow in future.

### Support to BME Groups

Many CASs provide a considerable level of support to VCOs drawn from the black and minority ethnic (BME) communities. Not all respondents answered this question, but those who did so reported providing services to 1342 such organisations<sup>15</sup> – this represents 24% of the total number of groups supported by CASs across England (27% for those who specifically referred to this area of work) – compared with a figure of just 8% for the proportion of the UK population drawn from minority ethnic groups<sup>16</sup>.

---

<sup>14</sup> This applies to groups constituted as associations – slightly different requirements apply to charitable companies.

<sup>15</sup> The question – 5.1 – allowed people to answer on the basis of the group ethnicity or the person presenting.

<sup>16</sup> National Statistics – 2001 Census

This indicates a very considerable level of CAS work focussed on the needs of BME communities.

### Total Expenditure

Analysis of the answers to question 7 regarding the total expenditure of CASs (see Tables B7.0, B7.1, B7.2) suggests that many respondents gave a total figure for the host organisation, rather than just for the CAS, so it is not meaningful to undertake any detailed analysis.

### Earned Income

A key issue for sustainability of CASs is considered to lie, at least partly, in the ability to charge fees for at least some parts of their work. Question 7.1 asked where earned income exceeded 5% of total income – but even with this very low threshold, fewer than half of the organisations (43%) earned income amounting to more than 5% of their total income (Table B8).

The most common earned income derived from independent examinations, followed by payroll and then course fees (Tables B9 and B9.1). A number listed other sources of earned income, including support to business projects and consultancy.

### Longevity of the Community Accountancy Service

Although there were a number of very new CASs responding which had only been going a few months, many were well established, and four organisations claimed to have been operating for more than 20 years. The average age was approximately 7 years.

## **2. Services currently offered by Community Accountancy Services**

Respondents providing community accountancy services were asked which specific services they currently provided. Their answers are presented in Table B11, which shows that nearly all of the organisations (92%) offered one-to-one support. Other common services provided by more than half the respondents included:

- Courses (run by the CAS organisation) – 74%
- Independent examinations – 68%
- Websites – 68%
- Newsletters – 66%
- Fact sheets – 60%
- Payroll services – 59%
- Book-keeping – 55%

With regard to book-keeping, it is not entirely clear how many of the 55% referred to *a book-keeping service provided directly by the CAS*, and how many were referring to *support and training on book-keeping* (including assistance with computerised accounting systems).

Organisations offering courses, one-to-one support and/or publications, were asked what topics they covered. As shown in Table B12, the topics that were most often covered included budgets, preparing for audit or independent examinations, manual book-keeping, Charities Act Regulations, legal structures for charities, and management committee accounts.

### Charging

The vast majority of respondents (91%) charged for at least some services (Table B13.1) – although the charges are often low compared to other income, as indicated by the answers (Table B8) which showed that less than half the CASs gained more than 5% of their income through charges.

Services that were often charged for included payroll, tutors, independent examinations, book-keeping, and courses (Table B13.2). Only 10 organisations charged for one-to-one support. One organisation charged for newsletters (as part of an annual subscription which included free access to a certain amount of individual advice). None of them charged for factsheets and websites.

## **3. Sustainability and quality of existing Community Accountancy Services**

Respondents providing community accountancy services were asked what factors were important for sustainability of their services (Table B14). Good service for clients was rated as most important followed by accountancy skills for staff. Other important factors included having several funding streams, selling services like independent examinations, and having a good relationships with other voluntary sector infrastructure organisations.

The respondents were asked to describe any other issues that they believed were critical to survival of a Community Accountancy Service. Seventeen of the respondents replied to this, and several of them highlighted the importance of staff and volunteers. For example, two respondents mentioned “professionally qualified staff” and “retention of key experienced staff”, while one respondent mentioned “goodwill of the volunteer to continue to offer services”. Another respondent said:

“Low staff turnover, staff who are self starters. All community accountants do training for trainers courses so [need to be] good communicators.”

Also, the importance of good networks and links with other community accountancy services were mentioned. Linked to the issue of staff, one respondent said:

“Good team working and ability to adapt to the changing needs of the customers.”

The respondent quoted here mentioned the needs of customers. Similarly, other respondents mentioned the issues of marketing and demand/need for the service. For example, one respondent reported a great demand for their service, with no need for marketing promotion. Another respondent said that they were targeted their services to refugee communities. One respondent said:

“I believe we need to be more proactive as organisations to make people aware of the existence of Community Accountants and work closely with other organisations to promote good financial practice.”

Finally, several respondents mentioned the importance of sustainable funding. One argued for “central funding” (but did not explain precisely what was meant). Another respondent pointed out the need for “several funding streams, several means of generating income”. One respondent referred to the importance of “getting the balance right between funding and charges”.

#### **4. Particular difficulties for Community Accountancy Services working in rural areas**

Four respondents stated that their services just covered rural areas, while 28 respondents stated that they covered both rural and urban areas (Tables B15 and B16). More than 70% of the organisations thought that travel time created a particular difficulty when working in rural areas. Other factors that created difficulties included getting people interested, arranging training, identifying groups, marketing and arranging meetings (Table B17). Two respondents thought that groups were better funded in rural areas (Table B18.1), while 17 respondents thought that they were less well funded in rural areas (Table B18.2).

The questionnaire included a question on what was needed for Community Accountancy Services to survive in rural areas. Twenty-one respondents replied to this question. Two of them said:

“Support to travel, get message over and reach the hard to reach groups, expenses and salary where appropriate, effective marketing.”

“Decent IT skills and support; dedicated staff doing outreach work; substantial travel costs; good partnership working with CVS/VC/CC and other groups [such as] CAB UK.”

These quotes sum up the main points made regarding what they thought were needed for the survival of Community Accountancy Services in rural areas, that is, marketing, finance, communication and partnership.

What we have here labelled as “marketing” had to do with identifying and reaching groups in need of community accountancy services and to make them more aware of these services – or as one respondent said: “Being accessible to rural groups.”

In terms of organisational survival for rural services, funding was (understandably) seen as critical by a wide range of respondents. One respondent highlighted the specific needs of certain client groups in rural areas, and noted as critical:

“Support of the funders in identifying and covering the additional costs of providing services to this group of clients.”

It was also argued that the cost had to be reasonable for the clients. One respondent said, though, that in order to make Community Accountancy Services survive (particularly in rural areas) there has to be “an acceptance of lower output and higher costs”.

Various comments were made on communication, especially in relation to IT. For example, one respondent said: “IT provision and connectivity to rural areas” was vital. The comments also covered the need for “good communication and transport”.

One respondent thought that community accountancy services in rural areas should be provided via CVSs, while another respondent thought that these services should be linked to Rural Community Councils (RCCs).

Finally, one of the respondents pointed out that it is essential that there is a demand for these services. One respondent had the following idea on how to set up Community Accountancy Services in rural areas:

“The capacity to do free advice and support work like one-to-one training [is essential]. From that comes much of the relationship that leads to groups paying for accounts preparation, and IE work ....”

The respondents were given the opportunity to make other points on community accountancy services in rural areas: six did so (see Appendix D). Two of them pointed out that it was difficult to say whether groups in rural areas or urban areas were better funded.

Again it was mentioned that Community Accountancy Services in rural areas need more funding and the work is time-consuming. One respondent argued that management and supervision of staff and isolation is an additional complication.

Finally, one respondent said:

“We will not have the density of population to create high outputs, but very much needed nonetheless; smarter, grassroots groups will need more hands on, one to one work around budget, bids, financial protocols etc rather than payroll, audits etc. Needs to be a recognition that small groups providing social and leisure opportunities in isolated rural communities are "key", sometimes not recognised as such, to quality of life in isolated communities.”

## **5. Analysis of risks faced by Community Accountancy Services**

### Critical survival factors

Respondents providing community accountancy services were asked what factors they regarded as most critical to the survival of their organisation (Tables B19 and 19.1).

Having a good reputation amongst user groups (customers) was regarded as most critical. Other critical factors were loss of one key funder and ability to recruit good staff and maintaining effective relationships with CVSs and other voluntary sector partners.

### Quality Assurance and Staff Development

Three out of four organisations claimed to operate some kind of quality assurance system (Table B20; for details on which systems they use, see Table B21). Many of these respondents thought that this improved their quality (Table B22). Two out three organisations had a system for analysing the training needs of their community accountancy staff (Table B23).

CASs responding were also asked how they met the training needs of their staff. Thirty one respondents (out of 53) stated that they had internal coaching, mentoring or training (Table B24.1), and 30 stated that they had external coaching, mentoring or training (Table B24.2). Table B24.3 lists some of the external training providers used.

Twelve respondents made additional points on the matter of achieving quality. For example, several emphasised the importance of well motivated staff along with staff training, development and supervision. Also, two mentioned the need for a system for analysing the training needs of community accountancy staff. One of the

respondents admitted, though, that although she/he thought that staff training and development were very important, they had “nothing in place at present – it’s ad-hoc”.

Respondents also mentioned review procedures. One respondent mentioned “file review procedures”, while two other respondents said:

“Internal review of all accounts prepared/examined is crucial”

and

“A good data base/customer management system would help but they tend to cost £15,000.”

Two of the respondents mentioned accreditation and professional standards:

“Currently going through NACVS quality accreditation.”

“We work to professional (ICAEW & ACCA) standards wherever possible.”

One respondent answering this question pointed out the difference between quality of systems, policies and procedures on one hand and quality of the content of the work on the other:

“Most quality training is about the systems you use for doing things, i.e. policies and procedures, and not necessarily about the quality of the content, which is surely what is important about our work, and therefore PQASSO, ISO9000 etc are not always very relevant.”

Finally, financial conditions were mentioned:

“Proper resources to do the job properly. The will is always there but hard to provide a quality service on a shoe string.”

## **6. Delivery of advice and support with obtaining finance**

The possible overlaps between community accountancy services and services providing funding advice to the sector is important in understanding the precise contribution which CASs make in relation to the overall support needs of the VCS.

Organisations providing community accountancy services were asked whether they gave advice on a number of issues concerned with gaining funds. These findings are presented in Table B25. Most often, advice was given on grants, gift aid, financial management of contracts, fund raising events, and donations. It was also common

that organisations gave advice on bidding for contracts, payroll giving, and trading and pricing.

Eighty-eight percent of the respondents said that other local organisations gave advice to local charities on raising finance (Table 26). Most often, this kind of advice was given by CVSs, although it was not uncommon that such advice was given by local authorities, and sometimes also by small business advisory organisations, refugee/BME umbrella organisations and others (Table B27; for details on which other organisations that provide advice on raising finance, see Table B27.1).

Whilst recognising that funding advice might well be provided by others, it was surprising how many CASs reported a definite “no” to many forms of support which might be requested: these included advice on bank overdrafts (65% saying no), private sector loans (78% saying no), trading and pricing (49% saying no) – these respondents even declined the option to say they would provide advice on these areas if asked. These are all areas where advice on a financial management is needed – not just advice on where to seek funds. There was no specific question on VAT, but for VCOs involved in any kind of trading activities, VAT considerations can be very important, but it would appear from the responses above that CASs are challenged to advise on topics such as this.

Seven respondents took the opportunity to make additional points about Community Accountancy Services helping voluntary organisations to raise finance. Two of them pointed out that voluntary organisations need support in raising finance:

“We tend to it when the local CVS is not doing it, the groups need the cashflow so we do it to stop them going bust. It’s not a core service of ours.”

and

“A lot of organisations need help with budgeting when applying for grant. Community Accountancy was set as a reference to the organisation in raising finance.”

One respondent felt that such advice should only be offered by qualified people, while another respondent said that this tended to be covered by other staff within the CVS.

## **7. Areas without Community Accountancy Services**

This section was potentially answered by all respondents – not just those providing CAS. Over 40% of the respondents said that they were aware of areas in their region that did not have a community accountancy service (Table B28; for details

regarding areas, see Table B29). It is clear that very large parts of the country are without any kind of access to a CAS.

Regarding what happens where there is no CAS, 65% of those answering this question said that groups phoned them as an alternative way of obtaining community advice and 16% percent said that groups obtained such advice in other ways, whereas 24% said that they did not know if there were other ways in which groups obtained such advice (Table B30.0; for details on other ways of obtaining community advice, see Table B30.1).

Thirteen percent of all respondents were aware of places where unsuccessful attempts had been made to set up community accountancy services (Table B31). Failing attempts were felt most often to be due to lack of funding and/or lack of start-up funding, but also due to insufficient staff skills or staff not being strategically focussed on the organisation's survival (Table B32).

More than half of all respondents stated that their organisation would be willing to earn fees from groups outside their area if there were no community accountancy service to support these groups (Table B33.0). In such case, about half of these organisations would have to amend their constitutional area of benefit (Table B33.1).

Forty-six organisations responded to the question saying: "Is there anything you would like to add to this section about what happens in areas that do not have a community accountancy service (CAS)?" These comments can be summarised into the following themes: *Need for community accountancy services; Lack of skills; Services and advice; Involvement; and Barriers to offering services.*

#### Need for Community Accountancy Services

A number of organisation representatives argued that there was a need for a Community Accountancy Service. For example, one respondent said: "Community Accountancy is a very useful service. There needs to be more CASs". Other respondents said: "a CAS is needed and would be welcomed" and "Setting up a CAS is well worth doing". One respondent was somewhat more specific about this need:

"Groups need to be able to access a service for the independent examination of year end accounts as well as other financial management support areas."

However, groups in one area had been asked if they believed a CAS was a priority for their umbrella organisations, but they were not interested in such a service – an opinion that was not shared by the umbrella organisation answering the questionnaire. Similarly, another respondent pointed out that community accountancy schemes had "not been identified as a large need by the sector here during the ChangeUp or other research".

### Lack of skills

Partly, the need for CASs seems to be based on the fact that many organisations lack skills, knowledge and experience to run their accountancy in an efficient and professional way – or as stated by one of the respondents: “Organisations are subject to failure due to lack of expert financial knowledge and support”.

One respondent argued that small groups have difficulty with setting up their accounts and that there are “high fees charged by private accountants”. Two other respondents pointed out that this lack of skills means that it is difficult for these organisations to cope and that this has financial consequences. The issue of lack of skills was reflected in the following comments:

“Groups are unclear about financial policies and procedures, either having to muddle through (often making costly mistakes) or pay large amounts for private sector companies. Missed opportunities for groups and individuals to learn valuable skills.”

“Like the old marketing slogan says it: “nothing” happens. By that I mean groups just carry on muddling through with non-compliant accounts and shoddy independent examinations (because the Charity Commission do not check and tell them), doing the best that they can within the limits of their experience and knowledge.”

A related comment had to do with the importance of “prevention”, that is, to use accountancy services before things start to go wrong:

“I think there is evidence from [name of local CAS] that groups do not regard financial support as a priority until something goes wrong. And then when it does they need a CAS! Prevention would be much better.”

In areas where there is no community accountancy service, voluntary organisations are “wholly dependent on trustees and volunteers with financial skills/background or with a large enough budget to hire a finance officer”, one respondent argued, although another respondent pointed out that it might be difficult to retain volunteers with appropriate skills.

### Services and advice

A few respondents argued that although some areas did not have a Community Accountancy Service, such a service was available nearby, and one organisation said that they had the capacity to work in the surrounding areas, at least within their county.

Furthermore, in areas that did not have a Community Accountancy Service, some organisations and/or Councils for Voluntary Service offered at least some level of support and advice. For example, one respondent said that, although they did not offer full accountancy service, they offered some help and they also offered a payroll service. Another respondent said that they provided limited advice to community and voluntary groups in financial management. Furthermore, they provided these groups with links to websites offering advice on finance. One respondent said:

“Some of the services described as being provided by a CAS are provided in this area by the CVS (us), e.g. training on funding and managing finances. In addition, we offer a payroll service and one-to-one advice on funding.”

Two respondents explained that they referred groups to accountants or somebody else that may be able to help. They also had a payroll service and offered business planning advice. Another respondent said:

“Our organisation tries to assist groups with financial management advice on an ad hoc basis. It is also in partnership with the local volunteer bureau under a Local Area Agreement and together they are looking to attract accountants as volunteers to assist groups. Our organisation also keeps a database of what groups they have been able to help and what groups they have not been able to help.”

In order to enable a provision of high quality services, the need for training and support was emphasised:

“Rural areas such as ours have very large numbers of small groups who we support with a wide range of advice, information, direct services etc. We have relatively few larger groups with many services from the VCS being provided by organisations based in the urban areas and served by their CVS. However, we would always wish to provide the best service possible to our constituency and to that end training and support for ourselves would be seen as highly valuable.

### Involvement

Several respondents stated an interest in being involved in a Community Accountancy Service. Two respondents said:

“Organisation would welcome a CAS and would like to be involved with either directly or associated with.”

“We would want to be well represented on any community accountancy initiative in the county.

One organisation said that there was a possibility that other large infrastructure bodies would consider running community accountancy services in their area. In such case, her/his organisation would be happy to support the establishment of such services and refer groups to it. The respondent saw this as a something that “can only add to the range of support VCS groups would benefit from”.

Some organisations have had more concrete discussions about the potential to set up a CAS, and some had developed plans to do so. For example, one organisation had applied for funding to improve voluntary sector infrastructure in the area, and this would include financial management support for community and voluntary sector groups. Another organisation representative said:

“The [name of a local consortium] are currently conducting an independent survey to assess level of need for CA services in the area. If a need is identified we are planning to make a BASIS [a Big Lottery Fund programme] bid to establish CA services in the area.”

### Barriers to offering services

Several respondents mentioned that they were unable to provide community accountancy services due to lack of funding or, alternatively, that they were looking to develop services but that these plans were dependent upon them securing appropriate funding. Two respondents said:

“Our organisation used to run a full Community Accountancy Service for groups in our area, but the funding for [the work] expired.”

“It is an area of work that we have looked at frequently in the past, but due to lack of funding we have not been able to set up such a service.”

The comment from another respondent shows how vulnerable organisations can be to the loss of key individuals. His/her organisation had plans to start providing community accountancy services as a response to an expressed need about a year and a half ago. However, this organisation failed to do so, since their financial officer, who was a key to the possible plans, died unexpectedly.

## **8. Community Accountancy National Network**

The final section of the questionnaire included items on the Community Accountancy National Network (CANN). As explained in chapter 1, CANN currently exists as an

informal network, and it organises an annual conference, but CANN has no staff at present, and no resources to provide detailed assistance to individual CASs.

The question of what forms of support are needed from CANN (or from any other national support arrangements for community accountancy) are critical both for the development of existing CASs, and for those seeking to establish new CASs.

Firstly, respondents were asked what they would want from this network and, secondly, they were asked how they thought that CANN should be funded.

As presented in Table B34, the respondents prioritised the following three services highest:

- how to set up a community accountancy service kit for areas that do not have a Community Accountancy Service
- training materials for their courses and groups; and
- help-line for their community accountants.

Thereafter, the service that received the highest score was an annual conference for staff training and networking.

Of all the respondents, 111 answered the question on how they thought that CANN should be funded. Their responses are summarised in Table B35, which shows that the most common answer was central government funding. This answer was given by 61 percent of the respondents. It should be noted, though, that 9 of the respondents included in this category said “national” or “central” funding rather than “governmental” funding, and that one respondent said “central or regional government”. Several respondents mentioned specific governmental funding sources, such as ChangeUp and Capacity Builders.

Nearly 30% of the respondents argued for funding via membership fees/subscriptions, although one respondent emphasised that although she/he wanted CANN to be “supported by those who want it”, she/he did not like it to be funded via subscriptions. Another kind of self financing – mentioned by 13% of the respondents – was income generation through charges for services, material, courses and training. This category also includes two respondents mentioning “self funding” without specifying this further and one respondent that suggested “a cooperative between the CVSs with them contributing towards the costs”.

In addition to these answers, the respondents suggested various forms of grants, local funding and funding via Councils for Voluntary Sector as detailed in Table B35. Several of the respondents pointed out the importance of sustainable funding.

## **Overall**

This chapter has summarised the findings from a substantial survey with four main aims:

- mapping existing CAS provision
- identifying the issues and risks faced by existing CASs in terms of service quality
- analysing the implications where no CAS exists, and
- identifying national support needs for the field community accountancy.

A wide range of data has been reported, from a study with high response rates, allowing informed decisions on future provision to be made.

### **3. Operational Requirements and Standards for Community Accountancy Services**

The survey information reported in the last chapter gives, for the first time, a detailed picture of the provision of Community Accountancy Services across England, including regional breakdowns on certain questions.

This chapter seeks to build on the findings of the survey, and the stakeholder interviews (see Appendix E) to consider a way forward. The initial findings were reflected on by participants in the three workshops held (London, Bristol, Sheffield) in order to consider what was needed in terms of CAS provision for the future – not just in terms of geography but in terms of the extent and quality of services. In particular, the first half of the workshop discussions focused on the operational requirements and standards for CASs (see Appendix G for details).

#### **Levels of Service Provided**

Most of the key figures reported in chapter 2 on CAS operations are considered to be reasonably accurate (given the high final response rate including the final follow up), so we can realistically conclude that:

- there are approximately 80 different Community Accountancy Services in England (in the sense of services where at least some staff time is formally allocated to CAS work)
- in total there are around 105 FTE staff providing community accountancy services
- these CASs provide support of some kind to around 6500 VCOs (including an allowance for the additional CASs identified in Appendix C beyond the main survey).

However, it is clear that this is in many ways a “drop in the ocean” in terms of the potential needs for such services. There are currently 167,000 registered charities in England & Wales<sup>17</sup> and many estimates put the total number of voluntary groups (including those not registered as charities) as at least 500,000. Based on the Charity Commission register, 95% have income below £250,000 and might, therefore be considered as key potential clients for CASs<sup>18</sup>. If we exclude Welsh organisations and the upper 5% of large organisations, this still leaves at least 140,000 registered charities, and perhaps 400,000 VCOs in total – as potential clients of CASs in England.

---

<sup>17</sup> Facts and figures – March 2006 – [www.charitycommission.gov.uk](http://www.charitycommission.gov.uk)

<sup>18</sup> Based on the income bands of CAS users reported in Chapter 2.

Admittedly some of these (such as the smaller charitable grant-making trusts) might not be seen as a priority for support from a CAS and others may sufficiently well resourced to pay from professional support from firms of accounts. Others may have individuals as staff or trustees who are fully competent in financial management and do not need outside help – although even these will, of course, need to look externally for IE of their accounts. Still others may receive sufficient financial support from specialist infrastructure organisations related to their own field of work – e.g. national bodies serving particular federations of VCOs such as Citizens Advice, Samaritans, Age Concern, etc<sup>19</sup>.

But even if we assume optimistically that 75% of organisations can get the support they need on financial issues from sources *other* than a CAS – and this seems a very optimistic figure – this still leaves around 100,000 organisations (including around 35,000 registered charities) who would wish to receive support from a CAS if it were available: if only 6500 groups are supported at present, this suggests the current level of CAS provision is meeting well under 10% of the potential need.

Moreover, this calculation assumes that where a VCO is a client of a CAS, the CAS is able to provide *all* the support the organisation needs on financial issues. In fact, many CASs only provide certain services (Table B11) and many feel completely unable to offer certain areas of advice (Table B25). This is especially the case with recently established CASs, but even some of the larger and more established CASs have taken a strategic decision to focus on certain forms of support only. So, even where a CAS exists, groups may still need to go elsewhere for certain assistance.

### **Size and Range of Services**

In order to consider a way forward in terms of CAS provision, one of the key issues of explored in the workshops was to form a consensus on the *minimum* requirements for an effective CAS, in terms of size, range of services, geography, and similar issues. This would be extremely valuable when considering the establishment of new CASs in areas not currently served, and in creating a possible “target” for less well established CASs to work towards.

In the workshops, a huge range of views were expressed on this (see summary in Appendix G) and it is not possible to identify a single view. For example some people felt that a CAS comprising one person working just 1 day a week providing *ad hoc* support to groups on issues of financial management and funded only for a short period of time could still be classed as a worthwhile community accountancy service. Others felt that an absolute minimum of 2-3 staff was needed, offering a wide range

---

<sup>19</sup> This is not to suggest that national bodies of federations can always provide financial support: such provision is very varied. Some national bodies take a deliberate policy that financial management must be addressed as a local issue.

of services managed to professional standards of accountancy, and able to offer the commitment of a longer term client relationship.

However, despite this broad range of perspectives, there was a strong acceptance of the difficulties faced by very small CASs. Whilst many felt that any provision was better than nothing, there was a broad measure of support (we estimate from at least 70% of workshop participants) for the following as a minimum model for a new CAS to offer an effective service.

### ***POSSIBLE MINIMUM REQUIREMENTS FOR A NEW CAS***

#### **Services Provided:**

The CAS should be able to support groups by enabling them to access provision for at least the following three “core services” of:

- One-to-one assistance to individuals in voluntary organisations on issues of financial management (including help to groups on establishing bookkeeping systems, both manual and computerised)
- A payroll service offering monthly PAYE calculations and year end returns to the Inland Revenue
- A service to groups to have annual accounts prepared and independently examined.

It was stressed that *the CAS does not necessarily have to provide all these services itself* – but where any of these services are not provided by the CAS (typically payroll or IE) the CAS should have a proper system of referring groups to other providers, whose standards the CAS has verified in some way and who are known to be able to relate sympathetically to the needs of VCOs.

#### **Communications:**

It was also felt that each CAS should normally also have a website to give it an identity and to enable VCOs to find out about the CAS and should normally provide some kind of regular newsletters to its clients.

#### **Staffing – Levels:**

The minimum effective staffing for a new CAS was considered to be *at least two persons* with knowledge and experience to work as community accountants, whose joint availability for CAS work was at least 1 FTE. However, more staff than this (e.g. three persons amounting to 2 FTE) is highly desirable.

In exceptional circumstances – for example where a huge geographical area would be needed to justify this level of staffing – a single person CAS could be considered sufficient but *only* if there were reciprocal formal cover arrangements with another CAS in the event of the person being unavailable (similar to the requirements of some professional accountancy bodies for authorisation of sole practitioner firms).

**Staffing – Experience and Qualifications:**

All community accountants must be firmly rooted in the sector and have good experience of both the technical aspects of charity accounting and the practicalities of financial management in smaller VCOs.

The senior member of staff should be “appropriately qualified” for the technical content of services being provided – many saw a professional qualification as desirable, but it was also recognised that there are many good community accountants who are qualified by experience. However, where an IE service is provided, particular if groups over £100,000 income are to be served, a relevant qualification was regarded as virtually essential (MAAT or LCIE<sup>20</sup> were seen as the minimum). A number also saw a need for a more general qualification for community accountants (see next chapter for further discussion).

**Geographical Area:**

There is no single view of the “right” geographical area to be served by a CAS, but the consensus was that a CAS must remain “close to its roots” with local VCOs, and huge CASs serving – for example – a whole region were not seen as an effective way forward. However, it was also agreed that the CAS must cover a sufficient area to justify the staffing indicated above. Several commented that “the area of a CAS needs to include at least one large town” (population 100,000+) – if only to provide at least some larger organisations as clients.

**Resourcing:**

There was clear agreement that a CAS must be seen in terms of long-term support to the VCS in a particular area: short-term time-limited CASs were felt to offer very limited benefits. VCOs must be able to rely on the CAS. Accordingly, any funding plan for a new CAS needed to address sustainability from the outset.

A CAS will always need external funding – it is almost impossible to provide effective community accountancy services without subsidy. However, the majority (though not unanimous) view across the three workshops was that, with the possible exception of CASs established purely to serve very disadvantaged communities, *a new CAS should look to provide income-generating services from day one* and should charge for such services at a realistic level (rather than setting nil fees or hugely subsidised fees which have to be vastly increased in subsequent years). However, most considered that all CASs should offer a non-chargeable core service of individual one-to-one help in financial management – at least up to a certain number of hours/days per group.

**Engaged Governance:**

A CAS should be governed by trustees who are engaged with the work and understand the aims – this applies whether the CAS is an independent organisation or part of a larger body.

---

<sup>20</sup> It was noted by several people that the ACIE Full Membership qualifications are awarded on the basis of experience and hence most community accountants - even those not having had a formal accountancy training - would be eligible to apply if they undertook IEs.

## Summary

Although CANN has to date provided a great deal of networking and informal advice on what makes for an effective CAS, this study is the first formal attempt to bring together a very wide range of CASs – and other organisations hoping to establish CASs of interested in their work – with the aim of establishing a consensus on minimum quality and service levels.

It has not been possible to generate a firm consensus on many of these issue (one which would be supported, for example, by 95% of those involved). Also CASs vary considerably in how much they are concerned about service provision outside their own area: some made clear that they were *only* interested in their own local provision, and had relatively little interest in what was done elsewhere – others (the majority) felt that the notion of a “Community Accountancy Service” had at least *some* sense of being a brand, and that certain minimum standards should be met by any project or organisation claiming to be a CAS. But even amongst this latter group, there was a wide range of views on what those minimum standards should be.

It is suggested that the basic model suggested in the box above of *Possible Minimum Requirements for a new CAS* may be a useful *starting point* for considering the strategic development of support for CAS, which is the subject of the next chapter. However, if any kind of formal standard for a CAS is felt to be needed, considerable further consultation will be required before any standard can be finalised.

## 4. Strategic Support Needs For Community Accountancy

The last chapter identified, at least provisionally, an outline of possible minimum levels which CASs might seek to meet (especially new CASs being formed). This leads into one of the further key aims of this study: *to identify the principal support resources needed by a CAS to achieve these standards.*

More directly the Finance Hub brief for the project said that as well as examining the existing provision, the study should *report on the development of the infrastructure required to support a community accountancy service, and to advise on risks and on areas, with full costs, of optimum investment in year two (2006/07).* This chapter addresses these further aims.

### Forms of Support

Questions about the forms of support needed by Community Accountancy Services were raised in the survey (see results in Table B34 in Appendix B); in the stakeholder interviews (Appendix E) and as the main focus of the second half of the workshops (Appendix G).

In addition, in order to avoid producing recommendations for support which is already available, an extensive desk-based study was done of existing resources potentially relevant to CASs, the findings of which are summarised in Appendix F.

A wide range of views and opinions were expressed in the interviews and workshops on what sorts of support are needed. Some existing CASs are relatively experienced – both on technical issues and on the practical and resourcing issues of offering a community accountancy service – and are not seeking much additional support beyond opportunities for networking.

### Support for Establishment of new CASs

At the other end, many CVSs, for example, *looking to establish a CAS* in their area, are struggling to piece together information from a wide range of sources, and would desperately value a comprehensive toolkit or resource pack on “how to establish a new CAS”. It was clear that such a toolkit would need to cover not just procedural issues on setting up a CAS but would also provide:

- outline business plans/funding models
- model constitution (where the CAS was to be a newly constituted body)
- job descriptions/person specifications and indicative salary scales
- model policies and procedures
- indicative fee rates to set for chargeable services

- actual resource materials for the CAS to use once operational such as templates for preparation of accounts, standardised factsheets and training materials
- possible IT resources such as specialist software for client records, working papers, staff scheduling etc (capable of being used over the internet from multiple locations in the case of a CAS where staff would be working from home or based in different locations).

It is undoubtedly the case that a great deal of “re-inventing the wheel” is taking place with regard to the development of these kind of materials. In some cases a new CAS has been able to secure consultancy help on such issues from an existing CAS, but such arrangements are very ad hoc and there is a limit to how much time any CAS director can give to assist the establishment of new CASs (even on a paid consultancy basis) if s/he is not to neglect her/his primary obligations to the organisation where s/he is based.

It was also commented by some participants that where a new CAS is established following closely the patterns of an existing CAS, it is in danger of repeating the weaknesses as well as the strengths of the CAS it is following: by contrast a carefully prepared toolkit mapping out best practice drawn from a wide range of existing CASs – plus some individual help from a central CAS support body – could offer a stronger base.

#### Support for Existing CASs

Many of these materials would also be valued by *existing* CASs *looking to enhance their services or develop the quality of their work*. There was also a feeling that many individual CASs are wasting time and energy writing newsletters and factsheets and webpages about good practice in voluntary sector accounting, which might well be provided centrally and made available to the entire CAS sector with provision for some degree of local personalisation.

A number of existing CASs are also seeking a *central point of assistance* on problems and technical issues: whilst most are used to accessing some of the generic and official bodies listed in Appendix F, community accountants would value access to “specialists” with direct experience of the community accountancy sector. Sometimes the advice needed is not just technical, but how in practical terms to handle a difficult client situation. Those CASs which have good relationships with other CASs may seek such advice informally, but participants acknowledged that there is a limit to how frequently one can contact another CAS asking for free help and not all CASs have such a relationship. There is also a service offered by CANN allowing members to post questions on a CANN web-based message board, but it is dependent on someone looking at the message board and offering an answer.

There were also requests for *central provision of training for community accountants* themselves on issues of technical updating (the recent introduction of the SORP 2005 requirements for charity accounting were given as an example). Community accountants are normally involved in providing training themselves on the basics of charity accounting and financial management, but do not find it easy to find the higher level training they need for professional updating: there is often little choice between “reading the books and trying to work it out from first principles” or “very expensive London-based seminars offered by professional organisations”. Some of the larger CASs have sufficient staff to justify bringing in an outside specialist and organising an in house course, but this is very much the exception.

In terms of annual updating on key issues, the annual CANN conference was valued by almost all those who had experienced it, but many felt the need for more in depth training and at other times of the year, and it was stressed strongly that such training needed to be offered in sensible locations which participants could reach at modest cost without needing overnight accommodation.

In some areas (notably Yorkshire and the Humber, and London) regional networks for CASs have been established (supported in the Y&H case on a short term basis with some regional ChangeUp funds) – and in some cases these networks have organised seminars specifically for community accountants.

Finally, one area of support which many felt was lacking at present was the role of a national body to speak formally for the community accountancy sector (for example, in liaison with Government on priorities for the voluntary and community sector and on key developments such as changes in charity law).

## **Mechanisms of Support**

### National

The vast majority of participants agreed (often quite passionately) that community accountancy had now moved beyond its early very informal days and needed a clear national support body if the work of CASs was to move forward.

There was a unanimous view that if a strategic infrastructure support function was to be established for community accountancy at national level, that it should be handled by an extension of the role of CANN. No one felt it would be better hosted within another national organisation, and many felt strongly that the national body should remain democratically accountable to local CASs – which the constitution of CANN ensures.

There was some debate about what this would imply – with CANN moving from being simply a network to a formal organisation – and there were some participants who

felt that an informal network was all that was needed. However this was not the majority view – most agreed that CANN needed to move from being a purely voluntary-run entity, managed from within an existing CAS, into an clearly defined infrastructure body for the sector, with its own staff and preferably based at a neutral location well placed for travel from most parts of England.

It is suggested, therefore, that the way forward is a completely new approach, but within the existing constitutional arrangements of CANN. In this report we therefore use the term *New CANN* to describe what is proposed.

Appendix H sets out the Project Steering Committee's outline recommendations for the functions of New CANN, including details of proposed optimum staffing and costings for the initial years of its operation.

### Regional, Sub-Regional and Local

There was also a clear view that not all support should be provided nationally, and regional networks – such as those described above – should be encouraged and supported – to provide opportunities from professional updating and networking between nearby CASs.

There was some uncertainty as to whether there was sufficient level of CAS provision at present to justify a regional CAS network in each of the nine English regions: one suggestion was:

- that the existing CANAL network in London be expanded to take in the South East and East of England regions
- that the existing Yorkshire & Humber network consider expanding to include CASs from the North East and possibly the North West and/or East Midlands
- that a new network be established for the South West and West Midlands (and possibly also the East Midlands or North West).

These ideas were very tentative and will need further exploration – but there was a sense that three or four such networks was more realistic than nine – at least initially. However, there was no need for these networks to be formally constituted bodies in their own right: they would simply operate as locally-based activities under the auspices of New CANN.

In terms of local and sub-regional liaison, no strong need was identified for creating formal mechanisms. A number of the larger CASs already cover an entire sub-region, and the CAS itself thus provides the mechanism for liaison between community accountants at this level. Where CASs cover smaller areas, informal liaison with nearby CASs is to be encouraged, but in most cases this is happening anyway and does not need formal structures.

## **Quality and Standards – Staff and CASs**

The importance of quality in CAS provision was agreed by all, but many participants were anxious about New CANN becoming a regulatory body rather than a support body for the sector.

### Standards for CASs

It would appear, certainly in its initial years, that New CANN should focus on enhancing standards through provision of advice and support, both to new CASs and existings CASs.

However, a number of participants felt (in some cases quite strongly) that at some point New CANN should move towards setting minimum standards for a CAS across a wide range of criteria, and that there should be some kind of “CANN kitemark” for CASs which met these criteria (although CANN should still continue to work with other CASs, e.g. as associate members). But there is certainly no unanimity on this issue at present, and further consultation would be needed before any formal moves in this direction.

### Qualifications for Community Accountants

Equally sensitive was the issue of how to set standards for the work of individual community accountants. Many felt quite strongly that any body providing “accountancy services” should at least be led by an individual holding some kind of accountancy qualification; some felt that *all* staff being presented as community accountants should have to meet a qualification requirement.

On the other hand, most were willing to recognise the significant contribution made by community accountants, sometimes managing CASs, who are qualified entirely through many years of experience with charity and voluntary sector accounts.

However, there was a general agreement that formal qualifications were *desirable* even if not essential. Nevertheless many people commented that the training routes offered by the chartered accounting bodies, and by the Association of Accounting Technicians (AAT) contained virtually nothing on charity accounts. Many felt that the MAAT qualification was at the right *level* as minimum requirements for provision of community accountancy type services – but there was widespread frustration that even when someone had acquired such qualifications it was no evidence that the person would have any ability to work with smaller VCOs, and in any case considerable further technical training would be needed on the Charities SORP, duties of IE, etc, before even someone would be in a position to prepare and examine charity accounts.

The ACIE qualifications (mentioned in the last chapter) were seen as valuable in terms of being charity-specific, but many people felt that because ACIE membership was so closely linked to the duties of an independent examiner, other qualifications were needed to address other functions of a community accountant.

Several participants raised the idea of New CANN itself developing a qualification for community accountants – possibly validated by the Open College Network (probably at OCN Level 3). It was felt that this could seek to assess ability to provide *training* in financial management for smaller charities – not just the technical accounting issues. Some CASs (notably CASH, London) already have quite elaborate templates for assessing staff experience in relation to criteria of this kind and it was felt this could be a possible model. On the other hand, those who had achieved professional qualifications through CCAB bodies or the AAT were not generally keen on being expected to take an OCN qualification as well.

It is not possible therefore to make any specific recommendation on this issue except to comment that:

- New CANN should regard the idea of qualifications for community accountants as an important issue, and should consult widely on such issues – but without imposing any specific requirement in the short term.
- The qualifications of the CCAB bodies and the AAT are, however, greatly valued, and community accountants with formal accountancy qualifications are much needed – especially when the person also has the required charity-specific knowledge and skills.
- Where community accountants are undertaking independent examinations, the full membership of ACIE (at a level according to the size of groups being supported) is seen as valuable – whether or not the person holds other qualifications (and this, or another qualification covered by the new Charities Bill will be essential for the person to act as independent examiner to any group above £250,000 or even above £100,000 if Charity Commission recommendations are followed).
- However, new CANN should also explore the possibilities of a broader qualification covering the full range of skills needed by a community accountant.

## 5. Conclusions

This study has – within an extremely short space of time – provided:

- A comprehensive mapping of the existing provision of Community Accountancy Services in England
- An identification of a wide range of problems and issues for the CAS sector – which grew from informal roots some 20 years or more ago, but which is now – in many places – felt by interviewees to be absolutely crucial to the effectiveness of local voluntary and community organisations
- An indication of the operational requirements and standards for CASs to deliver an effective service: including tentative proposals for minimum CAS standards which should, at the very least, inform the decisions when new CASs are being established
- An analysis of the strategic infrastructure support requirements for the CAS sector – leading to the specific proposals for a national body – *New CANN* – and further support through regional networks providing training and updating.

Although some of the conclusions are tentative and may require further consultation, the findings that are drawn here come from a combination of:

- Interviews with key individuals
- Desk-based research on existing support
- An extremely comprehensive survey of the CAS sector – with responses not just from CASs but also from CVSs covering the whole of England (360 organisations in total) – conclusions drawn from data on no less than 89% of the population surveyed.
- In-depth workshops held in three locations, with a total of 59 participants providing detailed qualitative comments on the needs for effective development of community accountancy
- Written comments from a number of individuals who could not attend the workshops
- Written resources provided by a number of individual CASs
- Reviewing the findings of several previous studies of needs for CAS in specific areas or sub-regions.

Community accountancy comprises a diverse range of activity, but all focused on effective financial management by small to medium voluntary organisations. In many cases the support from a CAS is believed to be vital to the survival of these VCOs, and critical to their ability to win funding, provide services, employ staff (where

applicable) and serve their communities – including many working specifically with BME communities or rural areas. This study has demonstrated the huge range of work done by CASs often with very limited resources – but work which is critical (even at existing levels) that at least 6500<sup>21</sup> VCOs across the country. The potential for the future is considerably greater.

A possible strategic way forward had been identified – centred on the proposals for a New CANN – and proposals and initial costings for this have been provided. If the Finance Hub is able to implement this proposal, CASs will be able to take a major leap forward in increasingly high standards of service delivery and professionalism, and it will be possible to develop new CASs effectively where they do not currently exist. The outcome will be greatly enhanced support on accounting issues provided to local VCOs – with a huge benefit to the work done by these groups, especially in areas of disadvantage.

---

<sup>21</sup> This figure includes a provision for additional CASs identified at the follow up stage – see Appendix C. Also, as noted in chapter 2, it is likely that many CASs only included “regular client groups” in the figures reported – for those which offer training events, it is likely that other groups benefited from CAS-organised seminars and updates. Beyond these users, many CASs have a newsletter circulation providing general guidance on issues of financial management and charity accounting, which goes to many more groups still.



# APPENDICES

## Appendix A: The Survey Form

The following survey was circulated to 360 organisations – as explained in chapter 2. This included:

- all known CVSs or similar local development agencies known to NACVS, and
- all CASs known either to CANN or from an earliest list of of CAS provision created by NCVO – these lists included independent CASs and CASs provided as part of the work of other organisations.

The circulation was by a combination of e-mail and post, and responses were obtained by a combination of e-mail, post, and telephone interviews. This process was co-ordinated was led by CASH in London and implemented by nine regional CASs:

- East Midlands - CA Plus (Nottingham)
- East of England - Colchester CAS
- London – ACE (Accounting for Community Enterprise)
- North West - Manchester CAS
- North East – Gateshead CAS
- South East – Hastings CAS
- South West – Bristol CAS
- West Midlands – North Warwickshire CAS
- Yorkshire & the Humber – WYCAS (West Yorkshire)

The responses are tabulated in Appendices B and D and discussed in detail in the body of this report.

A high response rate was achieved (see Appendix B) but where no response was received to the main survey, even despite reminders, CASH commissioned a small marketing agency to undertake a telephone follow up survey in order to determine whether, in fact, there were any other organisations in the sample who were providing community accounting services but had not been able to respond to the survey. These further responses are summarised in Appendix C.

## Survey of Community Accountancy Services in England

Name of organisation:

Address:

e-mail:

Web site:

Telephone:

Mobile:

Charity Number:

Company Number:

Name of person completing form:

Completed by post,  phone,  e-mail

This survey is being undertaken by CASH (Community Accountancy Self Help) for the CAN<sup>n</sup> (Community Accountancy National Network) and the Finance Hub. We hope, that when the research is completed, additional resources will become available for community accountancy and hence for your clients. We are very grateful for your assistance in completing this important survey.

### Section 1: Mapping Community Accountancy Services.

1.0 Does your organisation provide a community accountancy service.

Yes  No  If Yes go to question 2

1.1 If no who does provide community accountancy advice in your area:

No one Yes  No

Private accountants Yes  No

Another charity / community organisation Yes  No

Please give contact details of charity / community organisation

Name of organisation:

Address:

e-mail:

Telephone:

Now go to question 34

2. Is the community accountancy service provided as part of another organisation, for instance as part of a CVS?

Yes  No  If Yes go to Q4

3. Is the community accountancy service an independent service? Yes  No

4.0 How many staff does the community accountancy service employ directly?

(a) Total number:

(b) Full Time Equivalents:

If one post does CVS book-keeping/finance work and community accountancy for groups then put the community accountancy time in the Full Time Equivalent box above i.e. 17 hrs = 0.5 then tick this box  and go to question 4.2

4.1 How many of these are not directly providing community accountancy services (e.g. admin staff, general management):

(a) Total number:

(b) Full Time Equivalents:

4.2. Do you use any freelance staff for community accountancy work?

(a) Total number:

(b) Full Time Equivalents:

5.0 Please estimate the total number of groups using your service in a year:

5.1 What % of users of your service are from black and minority ethnic communities. (use which ever is easiest for you i.e. ethnicity of group or person presenting themselves to you or users' clients):

6.0 In terms of size please estimate the number of groups in the following bands.

Under £10k	
£10k to £100k	
£101k to £250k	
Over £250k	

7.0 What was your total expenditure in 2005/06? £

7.1 Did earned income exceed 5% of total income? Yes  No

7.2 **If yes** please estimate the three largest sources of earned income:

1 = smallest 3 = largest

Independent Examinations	
Pay roll	
Book keeping	
Course fees	
Tutors for other organisations courses	
Other please state.	

8. What geographical area do you cover, if appropriate state local authority areas:

9. How long have you been providing a community accountancy service?

**Section 2: What services are currently offered by CAS:**

10. Please indicate if you provide the following services.

	Yes
Courses run by your organisation	<input type="checkbox"/>
Your tutors provided for courses run by other organisations	<input type="checkbox"/>
One to one support	<input type="checkbox"/>
Fact sheets	<input type="checkbox"/>
Newsletter	<input type="checkbox"/>
Web site	<input type="checkbox"/>
Lists of freelance workers: book keepers pay roll service Independent examiners etc.	<input type="checkbox"/>
Independent examinations	<input type="checkbox"/>
Pay roll service	<input type="checkbox"/>
Book-keeping	<input type="checkbox"/>

11. Please describe any other services not listed above:

12. With regard to courses, one to one work and publications, do you cover any of the following topics? Please tick as appropriate:

	No	Yes, at a general level	Yes, at a specialist level
Budgets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cash flows	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Full cost recovery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Business plans,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fund raising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Manual book-keeping	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Excel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quick books	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Management committee accounts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Preparing for audit or independent examinations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Charities Act Regulations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PAYE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Corporation tax	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
VAT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fund raising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Community and commercial finance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Legal structures for charities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Legal structures community enterprises	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Business plans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Employment Law	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Risk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Trustee finance reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Other: please describe	
------------------------	--

13. Do you charge for some of your services? Yes  No

If yes, please explain the prices for:

	N/A	Free	Charge (describe)
Courses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tutors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
One to one	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fact sheets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Web site	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Newsletter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Independent Examinations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pay roll	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Book-keeping	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please add more detail about charges if appropriate:

**Section 3: How do existing Community Accountancy Services make sure they are sustainable and doing a good job.**

14. The following table indicates points that might be important for the sustainability of your community accountancy services.  
Please score the 5 most important: 5 highest 1 lowest

	Score
Large geographical area covering several local authorities	
Several funding streams	
Selling services like independent examinations	
Good relationship with other voluntary sector infrastructure	
Skills of trustee group	
Good marketing to clients	
Good service for clients	
Accountancy skills of staff	
Strategic thinking of staff / trustees	

15. Please describe any other issues that you believe are critical to survival of a community accountancy service:

**Section 4: Particular difficulties for Community Accountancy Services working across rural areas:**

16. Does your service just cover rural areas?

Yes  No

If Yes go to question 18

17. Does your service cover both rural and urban areas?

Yes  No

If No go to question 22

18. Does any of the following create particular difficulties when working in rural areas?

	Yes
Travel time	<input type="checkbox"/>
Identifying groups	<input type="checkbox"/>
Marketing	<input type="checkbox"/>
Arranging meetings	<input type="checkbox"/>
Arranging training	<input type="checkbox"/>
Getting people interested	<input type="checkbox"/>

19. How do you think funding of groups in rural areas compares to urban areas?

a. Groups are better funded in rural areas: Yes  No

b. Groups are less well funded in rural areas: Yes  No

20. What do you believe is needed for Community Accountancy Services to survive in rural areas?

21. Any other points you would like to mention about Community Accountancy in rural areas:

**Section 5: Analysis of risks faced by Community Accountancy Services, and how they can be supported in the management of those risks:**

21. Would you number 1 to 5 which you think are the most critical to the survival of your organisation. Please read question 23 as well. Number 5 being most critical, 1 least critical

	Score
Loss of one key funder	
Relationships with CVS's or other voluntary sector partners	
Ability to recruit good staff	
Staff retention	
Ability to recruit trustees	
Trustee skills	
Loss of a senior manager	
Good reputation amongst user groups	

23. Please add and score as part of question 22 any other points you think are critical to survival:

24. Do you operate a quality assurance system

Yes  No

If No go to question 27

25. If yes please state which one (e.g. PQASSO, Investors in People, ISO 9000):

26. Do you feel the quality assurance system improves your quality? Yes  No

27. Do you have a system for analysing the training needs of your  
Community accountancy staff? Yes  No

If No go to question 29

28. How do you meet the training needs of your staff?

a. Internal coaching / mentoring / training? Yes  No

b. External coaching / mentoring / training? Yes  No

c. If external training who do you use?

29. Please write any other points you would like to make on achieving quality:

**Section 6: Who delivers advice and support with obtaining finance?**

30. Does your Community Accountancy Service give advice on any of the following:

	No	Yes a little	Yes a lot	Not at present but we would, if asked by a charity or community organisation.	We would, if staff were trained in this area.
Grants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Public sector or trust loans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bank overdrafts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Private sector loans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Private sector equity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Community equity (i.e. community interest company shares)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Trading & Pricing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bidding for contracts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial management of contracts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Purchasing policies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Donations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pay roll giving	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gift aid	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fund raising events	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Street collections	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Legacies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

31. Are there other local organisations that give advice on raising finance to local charities?

Yes  No  If No go to question 34

32. If Yes are they

	Tick if Yes
CVS	<input type="checkbox"/>
Refugee or BME umbrella organisations	<input type="checkbox"/>
Small business advisory organisations	<input type="checkbox"/>
Local authorities	<input type="checkbox"/>
Other please explain below	<input type="checkbox"/>

33. Please add any other points you have about Community Accountancy Services helping voluntary organisations to raise finance:

**Section 7: What happens in areas where there is no Community Accountancy Service?**

34. Are you aware of areas in your region that do not have a community accountancy service?

Yes  No

If No go to question 37

35. Please describe the areas:

36. Are there other ways groups in those areas are obtaining community advice?

	Tick
They phone us	<input type="checkbox"/>
Don't know	<input type="checkbox"/>
Yes other, please describe:	<input type="checkbox"/>

37. Are you aware of any places where attempts have been made to set up Community Accountancy Services but they have failed.

Yes  No

If No go to question 39

38. If yes were any of the following applicable?  
Please score 5 most important, 1 least important.

	Score
Lack of start up funding	
Loss of funding	
Weak management committee	
Staff skills	
Staff not strategically focused on the organisations' survival.	
Lack of demand	
Poor marketing	
Others, please state below:	

39. Would your organisation be willing to earn fees from groups outside of your area if there were no Community Accountancy Service to support a group? Yes  No

If Yes, would you have to amend your constitutional area of benefit? Yes  No

40. Is there anything you would like to add to this section about what happens in areas that do not have a Community Accountancy Service?

**Section 8: Community Accountancy National Network (CAN<sup>n</sup>):**

41. What would you want from the Community Accountancy National Network (CAN<sup>n</sup>)? Please score priority 1 to 8. 8 = highest, 1 = lowest:

	Score
Annual conference for staff training and networking	
How to set up a Community Accountancy Service kit for areas that do not have a Community Accountancy Service.	
Training materials for your courses and groups	
Help line for your community accountants	
Help line and e-mail service for your groups i.e. discuss and write a budget by phone and e-mail	
Accreditation of community accountancy courses for your groups	
National website expanded	
Quality assurance system for community accountancy	
Distance learning materials for community accountants	
Distance learning materials for groups	
Any other suggestions please detail below	

42. How do you think CAN<sup>n</sup> (Community Accountancy National Network) should be funded?

**Finally:**

**Literature**

Would you please send us any recent publicity material relating to community accountancy, newsletters, annual reports and accounts that you have available:

**Thank you for your help.**

## Appendix B: Tables of Survey Results for Individual Questions

This appendix provides a statistical breakdown of the answers to the survey – for an interpretation of these findings, please refer to the main chapters of the report. It is divided into sections related to the individual survey questions.

### Response Levels

The analysis is based on 178 responses received by the final deadline for analysis (out of 360 circulated) giving a response rate of 49.4%.

However, 53 responses were received from organisations which answered “yes” to the question “Does your organisation provide a community accountancy service (CAS)?” which – based on the knowledge of the Steering Committee – was considered to represent a virtually 100% response from those who do provide such services *at a substantive level*. A few further services were subsequently identified by telephone follow up with non-respondents: these are listed in Appendix C.

### Section 1: Mapping Community Accountancy Services

**Table B1.0 Does your organisation provide a community accountancy service (CAS)?**

	<i>All</i>	<i>North East</i>	<i>North West</i>	<i>Yorks &amp; Hum</i>	<i>East Mid</i>	<i>West Mid</i>	<i>South West</i>	<i>South East</i>	<i>London</i>	<i>East of England</i>
Yes %	29.8	60.0	50.0	30.8	12.9	50.0	16.7	17.4	52.6	29.7
No %	70.2	40.0	50.0	69.2	87.1	50.0	83.3	82.6	47.4	70.3
<b>Total n=</b>	<b>178</b>	<b>10</b>	<b>8</b>	<b>26</b>	<b>31</b>	<b>6</b>	<b>18</b>	<b>23</b>	<b>19</b>	<b>37</b>

**Table 1.1 Organisations providing CAS by area**

#### **North East**

2D

Community Accounting, Tyne & Wear and The North East

Derwentside CVS & Vb

Gateshead Voluntary Organisations Council

South Tyneside CVS

Wansbeck Council for Voluntary Service

#### **North West**

Community Accountancy Service

Oldham Community Accounting Services

St Helens CVS

Warrington Community Accountancy Service

#### **Yorkshire and Humberside**

East Riding Voluntary Action Services

Thirsk Sowerby & District Community Care Association

Voluntary Action North East Lincolnshire

Voluntary Action North Lincs  
Voluntary Action Rotherham  
Voluntary Action Sheffield  
West Yorkshire Community Accountancy Service  
York Council for Voluntary Service

***East Midlands***

Community Accounting Plus  
Erewash CVS  
Hinkley and Bosworth VA  
NW Leicestershire CVS

***West Midlands***

Lichfield and District CVS  
Newcastle CVS  
North Warwickshire CVS

***South West***

Bristol Community Accountancy Project  
INVOLVE  
Torrige Voluntary Services

***South East***

Basingstoke Voluntary Service  
Hastings Voluntary Action  
Southampton Voluntary Services  
Surrey Community Action

***London***

Accountability  
Accountancy Support South East Thames (ASSET)  
Accounting for Community Enterprises (ACE)  
Barnet VSC  
CASH  
Enfield VA  
Islington VAC  
Newham Community Accounting Service (NCAS)  
Refugee Council  
Voluntary Action Waltham Forest

***East of England***

Basildon, Billericay & Wickford CVS  
Cambridge CVS  
Cambridgeshire ACRE  
Colchester CVS  
Norwich & Norfolk VS  
Peterborough CVS  
Stevenage CVS  
Suffolk ACRE  
Tendring CVS  
Voluntary Action Luton  
West Norfolk Voluntary & Community Action

See Appendix C for a few further cases of organisations identified as providing CAS services who did not respond to the main survey but were identified by telephone follow up.

**Table B1.2 If organisation does not provide CAS, who does provide advice\***

	<i>Col %</i>
No one	22.2
Private accountants	17.9
Another charity / community organisation	62.4
<b>Total n=</b>	<b>117</b>

\*respondents could tick as many as applied

**Table 2 CAS provided as part of another organisation**

Yes %	82.7
No %	17.3
<b>Total n=</b>	<b>52</b>

**Table B3 Is the CAS an independent service**

Yes %	100.0
No %	0.0
<b>Total n=</b>	<b>8</b>

**Table B4.0a Number of staff directly employed by CAS**

<i>Number employed</i>	<i>n</i>	<i>%</i>
1	22	44.9
2	11	22.4
3-5	11	22.4
6+	5	10.2
<b>Total</b>	<b>49</b>	<b>100.0</b>

**Table B4.0b Number of staff directly employed by CAS (Full Time Equivalent)**

<i>Number employed FTE</i>	<i>n</i>	<i>%</i>
0 > 0.5	14	28.6
0.5 > 1	15	30.6
1 > 2	9	18.4
2 > 5	9	18.4
> 5	2	4.1
<b>Total</b>	<b>49</b>	<b>100.0</b>

In 13 cases one person did both CVS book-keeping/finance work and community accountancy.

**Table B4.1a Staff not directly providing CAS**

<i>Number employed</i>	<i>n</i>	<i>%</i>
None	20	58.8
1	8	23.5
2 – 9	4	11.8
10+	2	5.9
<b>Total</b>	<b>34</b>	<b>100.0</b>

**Table B4.1b Staff not directly providing CAS (Full time equivalent)**

<i>Number employed FTE</i>	<i>n</i>	<i>%</i>
None	19	61.3
0 > 1	6	19.4
1 > 9	4	12.9
> 9	2	6.5
<b>Total</b>	<b>31</b>	<b>100.0</b>

**Table B4.2a Use freelance staff for community accountancy work**

<i>Number employed FTE</i>	<i>n</i>	<i>%</i>
None	30	83.3
1	5	13.9
2 – 9	1	2.8
10+	0	0.0
<b>Total</b>	<b>36</b>	<b>100.0</b>

**Table B4.2b Use freelance staff for community accountancy work**

<i>Number employed FTE</i>	<i>n</i>	<i>%</i>
None	24	82.8
0 > 1	5	17.2
1 > 9	0	0.0
> 9	0	0.0
<b>Total</b>	<b>29</b>	<b>100.0</b>

**Table B4.3 Staff employed for each group by region**

<i>Region</i>	<i>Staff</i>	<i>(FTE)</i>	<i>One post</i>	<i>Not providing CAS</i>	<i>(FTE)</i>
<b>North East</b>	1	0.4	Yes		
	1	0.5	No		
	1	1	No	0	0
	1	Volunteer as and when	No		
	2	1	Yes		
	4	4	No	0	0
<b>North West</b>	1	0.5	No		
	1	0.8	No	0	
	4	2 full, 2x0.5 posts=3 posts	No	1	0.5
	6	5	No	0	0
<b>Yorkshire and Humberside</b>	2	1	No	Done by CVS Staff	
	2	2	No	2	2
	2	37	No	1	16
	4	2	No	1	0.81
	6	4	No		
	12	9	No	4	2

**Table B4.3 (continued)**

<i>Region</i>	<i>Staff</i>	<i>(FTE)</i>	<i>One post</i>	<i>Not providing CAS</i>	<i>(FTE)</i>
<b>East Midlands</b>	1	0.5	No	0	0
	1	1	No		
	3	1.5	No	3	
				14	11
<b>West Midlands</b>	1	0.5	Yes		
	1	0.5	No	0	0
	2	1.5	No		
<b>South West</b>	.		Yes		
	.	8 hours per week	Yes		
	6	4.6	No	1	0.6
<b>South East</b>	1	0.5	No	0	0
	1	0.8	Yes	1	
	1	0.5	No		
	2	0.1	Yes		
<b>London</b>	1	0.5	No	0	0
	1	0.5	Yes	0	0
	1	1	No	10	7.5
	1	1	Yes		
	2	2	No	0	0
	3	1.8	No	1	0.6
	3	3	No	0.75	0.75
	5	4	No	0	0
	5	4	No	0	0
9	9	No	1.9	1.9	
<b>East of England</b>	1	0.15	Yes		
	1	0.5	Yes		
	1	0.5	Yes	0	0
	1	0.6	Yes		
	2	1.75	No	0	0
	2	1	No	0	0
	2	1	No	0	0
	2	2	No	0	0
	3	0.85	No	1	0.14
	3	1.5	No	0	0
	4	0.5	No	0	0

**Table B5.0 Use of services**

<i>Group size</i>	<i>n</i>	<i>%</i>
Under 10	4	8.0
10 to 100	29	58.0
100 to 250	10	20.0
over 250	7	14.0
<b>Total</b>	<b>50</b>	<b>100</b>

**Table B5.1 Use of services by area**

<i>Group size</i>	<i>Number of groups</i>								
	<i>NE</i>	<i>NW</i>	<i>YH</i>	<i>EM</i>	<i>WM</i>	<i>SW</i>	<i>SE</i>	<i>LDN</i>	<i>EE</i>
Under 10	0	0	0	0	0	0	2	0	2
10 to 100	5	2	3	3	3	1	2	3	7
100 to 250	1	1	0	0	0	1	0	4	1
over 250	0	1	3	1	0	0	0	3	1
<b>Total</b>	<b>6</b>	<b>4</b>	<b>6</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>4</b>	<b>10</b>	<b>11</b>

**Table B5.2 Numbers of groups using each service by area**

<i>Group</i>	<i>NE</i>	<i>NW</i>	<i>YH</i>	<i>EM</i>	<i>WM</i>	<i>SW</i>	<i>SE</i>	<i>LDN</i>	<i>EE</i>
1	10	15	40	12	12	10	3	10	2
2	25	40	50	20	22	160	8	40	5
3	35	200	75	45	40		50	50	21
4	40	258	350	500			70	100	22
5	50		400					150	30
6	250		466					200	30
7								200	30
8								250	40
9								348	50
10								550	150
11									250

**Table B5.3 Use of service by BME groups**

<i>Group size</i>	<i>Total n=</i>	<i>Total %</i>
Proportion that are BME groups/users	1342	27.1*

\*figure is proportion only of those that have indicated BME groups/users

**Table B6 Size of groups using service**

<i>Group size</i>	<i>n</i>	<i>%</i>
Under 10k	1652	29.3
£10k to £100k	2925	51.9
£100k to £250k	792	14.1
over £250k	265	4.7
<b>Total</b>	<b>5634</b>	<b>100</b>

**Table B7.0 Total expenditure in 2005/6 (Banded)**

<i>Group size</i>	<i>n</i>	<i>%</i>
Under 10k	2	5.6
£10k to £100k	11	30.6
£100k to £250k	5	13.9
over £250k	18	50.0
<b>Total</b>	<b>36</b>	<b>100</b>

**Table B7.1 Total expenditure in 2005/6 by area**

<i>Group size</i>	<i>NE</i>	<i>NW</i>	<i>YH</i>	<i>EM</i>	<i>WM</i>	<i>SW</i>	<i>SE</i>	<i>LDN</i>	<i>EE</i>
Under 10k	0	0	0	0	2	0	0	0	0
£10k to £100k	1	1	2	2	0	1	0	2	2
£100k to £250k	1	2	1	0	0	0	0	1	0
over £250k	1	0	1	1	1	0	2	4	8
<b>Total</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>7</b>	<b>10</b>

**Table B7.2 Details of total expenditure in 2005/6 (000's) by area**

<i>Group</i>	<i>NE</i>	<i>NW</i>	<i>YH</i>	<i>EM</i>	<i>WM</i>	<i>SW</i>	<i>SE</i>	<i>LDN</i>	<i>EE</i>
1	38	35	33	15	2	87	554	34	10
2	100	113	53	70	7		1800	41	57
3	365	200	180	345	425			173	250
4			316					350	380
5								650	450
6								785	450
7								1098	500
8									1800
9									1900
10									3500

**Table B8 Did earned income exceed 5% of total income**

<i>Group size</i>	<i>Total %</i>
Yes	42.6
<b>Total n=</b>	<b>47</b>

**Table B9 Three largest sources of earned income**

<i>Three largest sources of earned income:</i>	<i>Mean score</i>
Independent Examinations	1.7
Pay roll	1.4
Course fees	0.8
Organisations courses	0.55
Book keeping	0.35
Other	2.125

**Table B9.1 Three largest sources of earned income - other**

Business projects  
 Consultancy  
 Contracts  
 Local Foundation  
 Negotiated service fees e.g. for entire financial management package

**Table B10 Time organisation community accountancy service been provided**

<i>Number employed FTE</i>	<i>%</i>
0 > 1 year	14.3
1 > 5 years	34.7
5 > 10 years	20.4
10 > 15 years	14.3
> 15 years	16.3
<b>Total n=</b>	<b>49</b>

**Section 2: Services currently offered by CAS****Table B11 Services provided by organisation\***

<i>Provide the following services:</i>	<i>Yes %</i>	<i>Yes n</i>
One to one support	92.5	49
Courses run by your organisation	73.6	39
Independent examinations	67.9	36
Web site	67.9	36
Newsletter	66.0	35
Fact sheets	60.4	32
Pay roll service	58.5	31
Book-keeping	54.7	29
Your tutors provided for courses run by other organisations	47.2	25
Lists of freelance workers	30.2	16

\*respondents could tick as many as applied

**Table B12 Please indicate if you provide the following services**

<i>Course topics:</i>		Col %	Count
Budgets	No	6.1	3
	Yes at a general level	55.1	27
	Yes at a specialist level	38.8	19
Cash flows	No	18.4	9
	Yes at a general level	51.0	25
	Yes at a specialist level	30.6	15
Full cost recovery	No	27.1	13
	Yes at a general level	52.1	25
	Yes at a specialist level	20.8	10
Financial strategy	No	28.6	14
	Yes at a general level	59.2	29
	Yes at a specialist level	12.2	6
Business plans	No	30.6	15
	Yes at a general level	53.1	26
	Yes at a specialist level	16.3	8
Fund raising	No	49.0	24
	Yes at a general level	38.8	19
	Yes at a specialist level	12.2	6
Manual book-keeping	No	10.2	5
	Yes at a general level	44.9	22
	Yes at a specialist level	44.9	22
Excel	No	16.3	8
	Yes at a general level	55.1	27
	Yes at a specialist level	28.6	14
Sage	No	42.9	21
	Yes at a general level	34.7	17
	Yes at a specialist level	22.4	11
Quick books	No	45.8	22
	Yes at a general level	22.9	11
	Yes at a specialist level	31.3	15
Management committee accounts	No	12.5	6
	Yes at a general level	50.0	24
	Yes at a specialist level	37.5	18
Preparing for audit or independent examinations	No	8.2	4
	Yes at a general level	51.0	25
	Yes at a specialist level	40.8	20
Charities Act Regulations	No	10.2	5
	Yes at a general level	69.4	34
	Yes at a specialist level	20.4	10

**Table B12 (continued)**

<i>Course topics:</i>		<i>Col %</i>	<i>Count</i>
PAYE	No	18.4	9
	Yes at a general level	63.3	31
	Yes at a specialist level	18.4	9
Corporation tax	No	72.9	35
	Yes at a general level	20.8	10
	Yes at a specialist level	6.3	3
VAT	No	45.8	22
	Yes at a general level	43.8	21
	Yes at a specialist level	10.4	5
Fund raising	No	53.1	26
	Yes at a general level	38.8	19
	Yes at a specialist level	8.2	4
Community and commercial finance	No	72.3	34
	Yes at a general level	23.4	11
	Yes at a specialist level	4.3	2
Legal structures for charities	No	12.2	6
	Yes at a general level	71.4	35
	Yes at a specialist level	16.3	8
Legal structures for community enterprises	No	45.8	22
	Yes at a general level	47.9	23
	Yes at a specialist level	6.3	3
Business plans	No	38.8	19
	Yes at a general level	49.0	24
	Yes at a specialist level	12.2	6
Employment law	No	32.7	16
	Yes at a general level	63.3	31
	Yes at a specialist level	4.1	2
Insurance	No	53.1	26
	Yes at a general level	46.9	23
Risk	No	30.6	15
	Yes at a general level	57.1	28
	Yes at a specialist level	12.2	6
Trustee finance reports	No	14.3	7
	Yes at a general level	59.2	29
	Yes at a specialist level	26.5	13

**Table B13.1 CAS charges for services**

Yes %	90.9
No %	9.1
<b>Total n=</b>	<b>44</b>

**Table B13.2 Details of services charged for**

<i>Service charges:</i>		<i>Col %</i>	<i>Count</i>
<i>Pay roll</i>	Free	3.4	1
	Charge	96.6	28
<i>Tutors</i>	Free	9.5	2
	Charge	90.5	19
<i>Independent Examinations</i>	Free	10.8	4
	Charge	89.2	33
<i>Book-keeping</i>	Free	26.9	7
	Charge	73.1	19
<i>Courses</i>	Free	30.3	10
	Charge	69.7	23
<i>One to one</i>	Free	74.4	29
	Charge	25.6	10
<i>Newsletter</i>	Free	96.8	30
	Charge	3.2	1
<i>Fact sheets</i>	Free	100.0	30
<i>Website</i>	Free	100.0	34

### **Section 3: Sustainability and quality of existing Community Accountancy Services**

**Table B14 Community Accountancy Services**

<i>Sustainability:</i>	<i>Mean score</i>
Good service for clients	4.1
Accountancy skills of staff	3.4
Several funding streams	2.9
Selling services like independent examinations	2.8
Good relationship with other voluntary sector infrastructure	2.6
Good marketing to clients	1.9
Strategic thinking of staff / trustees	1.8
Large geographical area covering several local authorities	1.3
Skills of trustee group	1.3

See Appendix D for additional narrative comments on this question.

#### Section 4: Particular difficulties for Community Accounting Services working across rural areas

**Table B15 Does your service just cover rural areas**

Yes %	8.0
No %	92.0
<b>Total n=</b>	<b>50</b>

**Table B16 Does your service cover both rural and urban areas**

Yes %	59.6
No %	40.4
<b>Total n=</b>	<b>47</b>

**Table B17 Create particular difficulties when working in rural areas\***

	<i>Col %</i>	<i>Count</i>
Travel time	71.4	20
Getting people interested	51.9	14
Arranging training	50.0	14
Identifying groups	46.4	13
Marketing	40.7	11
Arranging meetings	40.7	11

\*respondents could tick as many as applied

See Appendix D for additional narrative comments on this question.

**Table B18.1 Groups are better funded in rural areas**

Yes %	10.5
No %	89.5
<b>Total n=</b>	<b>19</b>

**Table B18.2 Groups are less well funded in rural areas**

Yes %	69.6
No %	30.4
<b>Total n=</b>	<b>23</b>

## Section 5: Analysis of risks faced by Community Accounting Services

**Table B19 Most critical to the survival of organisation**

<i>Critical to survival:</i>	<i>Mean score</i>
Good reputation amongst user groups	4.0
Loss of one key funder	3.4
Ability to recruit good staff	2.9
Relationships with CVS's or other voluntary sector partners	2.4
Staff retention	2.4
Ability to recruit trustees	1.5
Trustee skills	1.3

**Table B19.1 Most critical to the survival of organisation – other**

Obtaining funding to expand project to meet demand

One Funder fund whole project on a full cost recovery basis (i.e. no co-financing)

Quality of service is key

That CA is provided as part of a broader range of services (infrastructure) which support the development of the sector rather than stand alone.

Willingness by groups to realise what help is available to them

**Table B20 Does organisation use a quality assurance system**

Yes %	76
No %	24
<b>Total n =</b>	<b>50</b>

**Table B21 Which quality assurance system**

<i>QAS</i>	<i>n</i>
PQASSO	20
Both PQASSO & Investors in people	5
Investors In People	3
PQASSO Level 2, Working towards IIP, Working towards the Green Mark	1
PQASSO Level 3, Volunteering England Quality Mark, Quality Legal Mark	1
Investors in People, PQASSO just starting, Investors in Volunteers - recently started	1
Iip, RCCS Peer review	1
Customer First	1

**Table B22 Do you feel the quality assurance system improves your quality**

Yes %	76.3
No %	23.7
<b>Total n =</b>	<b>38</b>

**Table B23 Organisation has system for analysing training needs of Community accountancy staff**

Yes %	66.7
No %	33.3
<b>Total n =</b>	<b>48</b>

**Table B24.1 Organisation carries out internal coaching / mentoring / training**

Yes %	100.0
No %	0.0
<b>Total n =</b>	<b>31</b>

**Table B24.2 Organisation carries out external coaching /mentoring / training**

Yes %	100.0
No %	0
<b>Total n =</b>	<b>30</b>

**Table B24.3 External training used**

AAT & CFDG (Charity Finance Directors Group) meetings in London

ACIE - NCVO - Kingston Smith (Auditors)

CANN conference, Centre for Strategic Studies. Community Accountancy Network Across London. Web sites like Inland Revenue, Charity commission, cash-online.org.uk

CCH/BPP

City of Bristol College and Inland Revenue, VOSCUR, BACEN

Community Accountancy Network, Jordan's, ACIE in the main.

Courses that are relevant

D.S.C., LVSC

Dependant on need of staff/course/location/cost

Ensure Finance staff attend training at national level and have access to training programmes run for the VCS by the CVS drawing in national trainers

Formal accountancy courses AAT or ACCA

Learning Skills Consortium

Local professional accountancy profession course providers - Mercia

Other CVS's

Various [*10 respondents gave this answer*]

## Section 6: Delivery of advice and support with obtaining finance

**Table B25 Advice Community Accountancy Service delivers**

<i>Advice given:</i>		<i>Col %</i>	<i>Count</i>
<i>Grants</i>	No	22.4	11
	Yes a little	34.7	17
	Yes a lot	40.8	20
	Would if staff trained	2.0	1
<i>Public sector or trust loans</i>	No	58.3	28
	Yes a little	14.6	7
	Yes a lot	8.3	4
	Would if asked	6.3	3
	Would if staff trained	12.5	6
<i>Bank overdrafts</i>	No	65.3	32
	Yes a little	20.4	10
	Would if asked	10.2	5
	Would if staff trained	4.1	2
<i>Private sector loans</i>	No	77.6	38
	Yes a little	4.1	2
	Would if asked	6.1	3
	Would if staff trained	12.2	6
<i>Private sector equity</i>	No	75.5	37
	Yes a little	2.0	1
	Would if asked	6.1	3
	Would if staff trained	16.3	8
<i>Community equity</i>	No	61.2	30
	Yes a little	10.2	5
	Yes a lot	2.0	1
	Would if asked	8.2	4
	Would if staff trained	18.4	9
<i>Trading &amp; Pricing</i>	No	49.0	24
	Yes a little	36.7	18
	Yes a lot	8.2	4
	Would if asked	2.0	1
	Would if staff trained	4.1	2
<i>Bidding for contracts</i>	No	45.8	22
	Yes a little	43.8	21
	Yes a lot	4.2	2
	Would if asked	6.3	3

**Table B25 (continued)**

<i>Advice given:</i>		<i>Col %</i>	<i>Count</i>
<i>Financial management of contracts</i>	No	28.6	14
	Yes a little	42.9	21
	Yes a lot	22.4	11
	Would if asked	6.1	3
<i>Purchasing policies</i>	No	52.1	25
	Yes a little	35.4	17
	Yes a lot	2.1	1
	Would if asked	10.4	5
<i>Donations</i>	No	38.8	19
	Yes a little	40.8	20
	Yes a lot	18.4	9
	Would if asked	2.0	1
<i>Pay roll giving</i>	No	38.8	19
	Yes a little	38.8	19
	Yes a lot	8.2	4
	Would if asked	12.2	6
	Would if staff trained	2.0	1
<i>Gift aid</i>	No	30.6	15
	Yes a little	61.2	30
	Yes a lot	6.1	3
	Would if asked	2.0	1
<i>Fund raising events</i>	No	34.7	17
	Yes a little	40.8	20
	Yes a lot	20.4	10
	Would if asked	4.1	2
<i>Street collections</i>	No	50.0	24
	Yes a little	31.3	15
	Yes a lot	6.3	3
	Would if asked	8.3	4
	Would if staff trained	4.2	2
<i>Legacies</i>	No	65.3	32
	Yes a little	18.4	9
	Would if asked	10.2	5
	Would if staff trained	6.1	3

**Table B26 Are there other local organisation that give advice on raising finance to local charities**

Yes	88.2
No	11.8
<b>Total n =</b>	<b>51</b>

**Table B27 Types of other local organisations that give advice\***

Type of organisation	Yes %	Yes n
CVS	69.8	30
Local authorities	40.5	17
Small business advisory organisations	27.9	12
Refugee or BME umbrella organisations	14.3	6
Other	30.2	13

\*respondents could tick as many as applied

**Table B27.1 Types of other local organisations that give advice – other**

Aston Mansfield

Business link Wessex : Social enterprise

Free lance consultants.

O-Regen

Scarman Trust

Social Economy Support Unit

South Yorkshire Funding Advice Bureau

SYFAB

There definitely are other organisations in Cambridgeshire that give advice on raising finance to local charities but organisation is not certain of further details

Various

Various in the London area

Voluntary Sector Consultants

## **Section 7: Areas without Community Accountancy Service**

**Table B28 Areas in the region that do not have CAS by area**

	All	NE	NW	YH	EM	WM	SW	SE	LDN	EE
Yes %	57.4	60.0	100.0	37.5	13.8	50.0	80.0	91.3	42.1	74.3
No %	42.6	40.0	0.0	62.5	86.2	50.0	20.0	8.7	57.9	25.7
Total n=	169	10	8	24	29	6	15	23	19	35

**Table B29 Areas in the region that do not have CAS – detailed by area**

(The following is a compilation of comments by various respondents, though duplicate comments on the same locality have been omitted as far as possible.)

**North East**

Blyth Valley

I am aware it is patchy but I don't know who has and who has not

Northumberland, parts of Co Durham, and funding about to run out here in Gateshead.

Other districts: Redcar, Hartlepool

**North West**

All of Stockport

Rochdale

Rural Cheshire

Some areas do not necessarily need a separate CAS but existing CAS's need more resources to offer greater coverage.

The areas surrounding our borough such as West Lancs

Trafford

Warrington

Whole region around Wigan

**Yorkshire and Humberside**

Hambleton

Most of the rest of North Yorkshire - some Community Accountancy provided by other CVS in the county, but patchy.

Outer reaches of area with smaller communities

Some districts of South Yorkshire and North Yorkshire

South Yorkshire apart from Sheffield, Areas of Derbyshire e.g. High Peak.

**East Midlands**

All the Mid Bedfordshire area that covers from Woburn (West) to Sandy and Potton (East)

Leicestershire and parts of Northamptonshire

Neighbouring Borough

Oadby & Wigston

**West Midlands**

N.W.Derbyshire, nothing up there in local districts

Worcestershire

## **South West**

All Local Authority districts in Devon

As far as I am aware there is no community accountancy service in Cornwall.

There is no dedicated community accountancy service in the Forest of Dean area - but we do, as part of our general CVS support and development work, offer much support in many of the areas detailed above such as business planning, budgets etc.

Too many to quantify

No demand - we previously surveyed groups and no one expressed an interest

## **South East**

All areas of the New Forest

All of the borough council areas of Sevenoaks, Tunbridge Wells and Tonbridge & Malling

All of the Test Valley area covering from Andover in the North to Romsey in the South (a fairly geographically narrow stretch i.e. a valley)

All of the Borough of Farnborough and Aldershot

All of the Boroughs of Reigate & Banstead

All of the District Council of Rother area

All of the Epping Forest District covering Loughton, Epping, Buckhurst Hill, Chigwell, Ongar, Waltham Abbey and the surrounding areas

All of the Reading area but also for many groups in all of Berks

All of the Wealden area, except that South Downs CVS is able to offer some support

All of the Winchester area

All of the Wycombe district served by the organisation and all of Bucks that is served between three organisations

Areas just outside Southampton - New Forest, Eastleigh, Portsmouth

As far as I am aware Hastings has the only Community Accountancy worker in the South East. If there are any others, we are not in contact with them.

Camberley and an 8 mile radius around Camberley (Surrey Heath VS's area of coverage is difficult to describe but this would be an approximate description)

District of Three Rivers that covers South West Hertfordshire. There is some overlap between the CVSs in Hertfordshire.

The area covered by the Hertsmere CVS (mainly Elstree & Borehamwood, approx. 90,000 residents) has no CAS. Watford had a CAS previously.

Havant borough

I do not think a service is offered anywhere in Bucks apart from in Milton Keynes

Most of Herefordshire, only aware of a specific service in Stevenage

St Albans, Hatfield & Welwyn and areas into the east of Hertfordshire

Sittingbourne, Isle of Sheppey, Faversham and the surrounding areas

The City of Portsmouth

There is nothing of this nature in all of Oxfordshire

West Sussex

## London

All of London is covered, but just outside London tends not to be.

All of the Borough of Runnymede

All of the London Borough of Camden area

Haringey

Tower Hamlets

## East of England

All of Brentwood

All of Ipswich and the surrounding district (12 - 14 miles radius outside of Ipswich)

All of Maldon & District

All of the Benfleet, Canvey and Hadleigh area

All of the Braintree area

All of the Broxbourne district

All of the District Council coverage that extends to touch parts of Potters Bar

All of the region covering the market towns of March, Wisbech, Chatteris and Whittlesey

All of the South Bedfordshire area outside of Luton

All of the Southend area

All of the Suffolk area

All of the Thurrock area

All of the Uttlesford area

All of the Waveney area

Canvey - Brentwood - Rayleigh & Rochford & Southend

No CASs in the Huntingdon area. The closest is Cambridgeshire ACRE that is 30 miles away and would support Huntingdon based groups but would charge them.

No formalised CAS for the whole area of North Bedfordshire

None in Cambridgeshire County

Probably Bedfordshire and Suffolk (Essex, Cambridgeshire, Hertfordshire, and Norfolk definitely have some cover)

Rayleigh, Rochford & District

**Table B30.0 Other ways of obtaining community advice\***

	Yes %	Yes n
They phone us	64.9	61
Don't know	24.5	23
Yes other	16.0	15

\*respondents could tick as many as applied

**Table B30.1 Other ways of obtaining community advice - other**

A few phone us what the rest do I am not sure.

Contact [name of a nearby CAS] & use private accountants

CVS / Local CVS [*Four respondents*]

I have offered [name of CVS] services to adjacent areas

Refer to [name of a large CAS]

They either phone us or the local CVS. The local CVS's cover more the urban areas, we cover more the rural areas.

They use [name of a large CAS] for some courses. May get trainers in, refer to auditors.

Use accountants and banks

Use commercial accountants

Use community friendly firms

We do some Independent Examinations and some help given by local CVS

**Table B31 Know of places where attempts been made to set up CAS but have failed**

Yes %	12.6
No %	87.4
Total n =	167

**Table B32 Factors applicable to the failure of attempts to set up CAS**

<i>Factor:</i>	<i>Mean score</i>
Loss of funding	2.4
Lack of start up funding	1.9
Staff skills	1.4
Staff not strategically focused on the organisations' survival.	1.2
Weak management committee	0.8
Poor marketing	0.7
Lack of demand	0.6

**Table B33.0 Organisation willing to earn fees from groups outside of your area**

Yes %	57.0
No %	43.0
Total n=	157

**Table B33.1 Would group have to amend constitutional area of benefit**

Yes %	47.6
No %	52.4
Total n=	82

## Section 8: Community Accountancy National Network

**Table B34 Would do groups want from CANN**

<i>Want from CANN:</i>	<i>Mean Score</i>
How to set up a CAS kit for areas that do not have a CAS	5.6
Training materials for your courses and groups	5.6
Help line for your community accountants	5.4
Annual conference for staff training and networking	4.6
Help line and e-mail service for your groups i.e. discuss and write a budget by phone and e-mail	3.9
Quality assurance system for community accountancy	3.7
National website expanded	3.5
Accreditation of community accountancy courses for your groups	3.4
Distance learning materials for community accountants	3.2
Distance learning materials for groups	2.5

**Table B35 Opinions on how CANN should be funded\***

	<i>n</i>	<i>%</i>
Central government funding, national funding	68	61.3
Membership fees, subscriptions, self funding	33	29.7
Charges for services, material, courses, training	14	12.6
Grants	14	12.6
The Big Lottery Fund	9	8.1
Local funding	7	6.3
ChangeUp	4	3.6
Capacity Builders	5	4.5
The Finance Hub	2	1.8
Charity Commission	2	1.8
Councils for Voluntary Sector	2	1.8
Accountancy firms	2	1.8
Investors in community	1	0.9
Local Area Agreement stretch targets	1	0.9
Councils	1	0.9
Core funding	1	0.9
Don't know	9	8.1

\*respondents could tick as many as applied

## Appendix C: Additional Information on Provision of Community Accountancy Beyond Survey Respondents

In order to explore the extent to which some sort of community accountancy services might be being provided even in areas where, despite reminders, there had been no response to the main survey, a telephone follow up (telemarketing study) was arranged to the non-respondents (LDAs of various kinds) from the main survey.

A further 143 organisations were contacted on this basis, bringing the total response from the main survey and the telemarketing to 321 (89% of the sample), leaving only 39 unreachable.

Of these 143 organisations, 111 (78%) confirmed that they did not provide any kind of community accountancy support.

32 organisations reported that they did provide some kind of community accounting services (albeit normally on a very small scale basis) and they were asked to categorise the type of community accounting support they offered as being primarily:

- (a) support provided as part of someone's job – 21 cases;
- (b) done as an unfunded service – 11 cases, or
- (c) done by a volunteer – no cases.

The list of these additional organisations providing some kind of CAS type work is shown on the next page.

Adding these 32 organisations to the 53 CASs in the main survey indicates that a total of 85 CASs appear to be operating at some level in England – or 74 if we restrict the definition to cases where it is part of someone's job (all of the CASs in the main study reported at least some staff – see Table B4.0a).

If the same proportions apply to the further 39 organisations who could not be reached even on the telemarketing follow up, then extrapolating the data would give an estimated total 94 CASs in all – of which 80 would be formal services in which at least part of someone's time assigned to the CAS work.

If this is the case, the responses from existing CASs in the main survey represents a 66% response rate (53 responses where CAS is provided out of an estimated population of 80 formal services).

**Table C1: Organisations providing some level of CAS activity who did not respond to the main survey**

Birmingham VSC	a
Black Development Agency Ltd	a
Carlisle CVS	b
Durham City District CVS	b
Fareham Community Action	a
Gosport VA	a
Hull CVS	a
Hyndburn & Ribble Valley CVS	b
Kennet VA	b
North Bank Forum	a
North Lincolnshire VA	a
North West Kent CVS	a
Northamptonshire CVS	a
Penwith CDT	a
Preston CVS	a
Rugby CVS	a
Scarborough Community Accounting Project	b
Sefton CVS	b
Shipley CVS	a
Shropshire CC	b
Stafford District VS	a
Stoke on Trent VA	a
Stratford on Avon District CVS	a
Sunderland Centre for Voluntary Service	b
Tamworth CVS	b
Voluntary Action Barnsley	a
Volunteer Centre North Somerset	a
Walsall VA	a
Warwick District CVS	b
Wirral CVS	a
Woking AVS	a
Yeovil & District CVS	b

## Appendix D: Additional Narrative Comments Included in the Survey Responses

Two questions in the survey promoted considerable narrative comments – which are only discussed briefly in the main report - these additional responses are summarised here. However, the majority of narrative questions are fully analysed in the discussion in chapter 2.

### Question 15

*Please describe any other issues that you believe are critical to survival of a Community Accountancy Service*

In the questionnaire, the respondents were asked to describe any other issues that they believed were critical to survival of a Community Accountancy Service. Seventeen of the respondents replied to this, and several of them highlighted the importance of staff and volunteers. For example, two respondents mentioned “professionally qualified staff” and “retention of key experienced staff”, while one respondent mentioned “goodwill of the volunteer to continue to offer services”. Another respondent said:

“Low staff turnover, staff who are self starters. All community accountants do training for trainers courses so are good communicators.”

Also, the importance of good networks and links with other Community Accountancy Services were mentioned. Linked to the issue of staff, one respondent said:

“Good team working and ability to adapt to the changing needs of the customers.”

The respondent quoted here mentioned the needs of customers. Similarly, other respondents mentioned the issues of marketing and demand/need for the service. For example, one respondent said “demand; lack of marketing”, while another respondent said:

“I believe we need to be more proactive as organisations to make people aware of the existence of Community Accountants and work closely with other organisations to promote good financial practice.”

Finally, several respondents mentioned the importance of sustainable funding. One of them argued for central funding. Another respondent pointed out the need for “several funding streams, several means of generating income”. One respondent pointed out the importance of “getting balance right between funding and charges”.

## Question 20

*What do you think is needed for Community Accountancy Services to survive in rural areas?*

The questionnaire included a question on what the respondents thought was needed for Community Accountancy Services to survive in rural areas. Twenty-one respondents replied to this question. Two of them said:

“Support to travel, get message over and reach the hard to reach groups, expenses and salary where appropriate, effective marketing.”

“Decent IT skills and support; dedicated staff doing outreach work; substantial travel costs; good partnership working with CVS/VC/CC and other groups CAB UK.”

These quotes sum up the main points made regarding what they thought were needed for the survival of Community Accountancy Services in rural areas, that is, marketing, finance, communication and partnership.

What we have here labelled as “marketing” had to do with identifying and reaching groups in need of a Community Accountancy Services and to make them more aware of these services – or as one respondent said: “Being accessible to rural groups.”

Funding was mentioned by a number of respondents. One respondent said that a “good level of funding” was needed, while one respondent mentioned central funding. Another respondent said:

“Support of the funders in identifying and covering the additional costs of providing services to this group of clients.”

It was also argued that the cost has to be reasonable for the clients. One respondent said, though, that in order to make Community Accountancy Services survive in rural areas, there has to be “an acceptance of lower output and higher costs”.

Various comments were made on communication. Many of these covered IT: for example, one respondent said: “IT provision and connectivity to rural areas”. The comments also covered the need for “good communication and transport”.

One respondent thought that Community Accountancy Services in rural areas should be provided via CVSs (Councils for Voluntary Sector), while another respondent thought that these services should be linked to RCCs (Rural Community Councils).

Finally, one of the respondents pointed out that there needs to be a demand for services. One respondent had the following idea on how to set up Community Accountancy Services in rural areas:

“The capacity to do free advice and support work like 1 to 1 training. From that comes much of the relationship that leads to groups paying for accounts preparation, and IE work might fall foul of their regulations and stop us working in the field.”

## Appendix E: Summary of Issues from the Stakeholder Interviews

During phase 1 of the study (April/May) detailed interviews were conducted with representatives of the seven<sup>22</sup> organisations represented on the Project Steering Committee as a means of gaining a broad understanding of the issues facing community accountancy services. In certain cases, these interviews led to additional discussions with other parties.

On average these interviews lasted slightly over an hour, and included a mixture of face-to-face and telephone discussions (in several cases supplemented by further liaison by e-mail).

It should be noted that only half the members of the Project Steering Committee were directly involved in provision of community accountancy services. The other members of the Committee had some knowledge of CASs, but not being directly involved, were able to offer an external perspective.

### Questions Raised

The interviews were conducted on a semi-structured basis, using the following questions as a basis – however, as normal with semi-structured interviewing, this framework was used purely as a starting point, with supplementary questions raised as appropriate, and not all interviewees chose to comment on every question.

0. *Details of person speaking to and history of their involvement in or knowledge of CAS.*
1. *What do you feel defines what a CAS is about?*
2. *Which groups are CASs there to support?*
  - (a) *Size?*
  - (b) *Types of structures/status?*
  - (c) *Fields of activity?*
  - (d) *Is there a specific role for CASs in relation to certain public sector programmes?*
  - (e) *Services to individuals?*
3. *What types of services do you feel all CASs should provide – i.e. services which should be available from a CAS to a group anywhere in England –*

---

<sup>22</sup> The seven organisations include the six organisations directly represented by the Steering Committee members (see page 2), together with CANN in which three of the Steering Committee members served on the Committee.



8. *Other than direct funding, what external help do you feel is needed to establish a new CAS?*
9. *Other than funding, what external help is needed by existing CASs to operate effectively?*
10. *What sort of external help (in relation to Q8 & Q9) do you feel will in future be best provided to CASs or prospective CASs by:*
  - (a) *National generic VCS infrastructure bodies? (E.g. NCVO, NACVS)*
  - (b) *Regional or sub-regional generic VCS infrastructure bodies?*
  - (c) *Local generic VCS infrastructure bodies (CVS etc)*
  - (d) *National specialist bodies concerned with voluntary sector accounting (e.g. CFDG, Finance Hub, CANN).*
  - (e) *Professional bodies (e.g. ACIE, AAT, ICAEW, ACCA, CIMA)?*
  - (f) *Specific firms of accountants specialising in charities etc*
  - (g) *Any other specialist help?*

## **Findings**

Interviewees were advised that their comments would be used to provide a context for the study, but would not be quoted directly (thus enabling them to speak freely about particular situations).

An analysis of the main issues raised – particularly points raised by more than one interviewee – identified the following points. (The lettering below is a summary of issues – it does not refer back to question numbers.)

(a) There is a huge problem of financial management amongst smaller voluntary and community organisations. The problems are greatest in areas of social and economic disadvantage, but even in less disadvantaged areas there is a huge shortage of people with the relevant expertise to act as treasurers or admin/finance workers in smaller organisations.

(b) The training and support offered by CASs can make a major impact on these issues, and can equip smaller voluntary organisation to take proper control of their finances. This enables them to access other funding, develop their work, take on employees, etc and – in many cases – to make a substantial contribution to social and economic regeneration. However, the demand is almost infinite – very few CASs advertise; most are challenged to respond to existing needs. Also, very few VCOs are willing to pay for this kind of support which makes grant-funding essential. This is especially the case in terms of supporting the smallest organisations and those in the most disadvantaged communities.

(c) As well as the day-to-day training on financial management, many (but not all) CASs offer a service of year end accounts preparation and independent examination under the Charities Act 1993. Where such services are offered they tend to mean a more professional style of service from the CAS, and as groups are usually more willing to pay for year-end accounts than for individual financial training, this can be a sustainable source of income. However, except when a CAS is working for larger organisations it is rarely possible to charge a full cost for the time involved, and year end work with small organisations whose accounting records are highly disorganised or non-existent can be very expensive in terms. These services, too, therefore require subsidy.

(d) Payroll administration services are also extremely important for effective financial management for VCOs employing staff, but in many cases these are provided by existing LDAs – where this is the case, payroll is not necessarily a priority for all CASs. Where payroll services are provided, this can usually be done on a full cost basis, provided the service supports a sufficient number of groups.

(e) However, the cost of CAS support appears to be relatively modest and the impact on the sustainability and effectiveness of VCOs increases disproportionately as its financial management expertise grows. This means investment in community accountancy support appears to offer a very good return.

(f) Nevertheless even the best-run existing CASs face frequent funding crises, and there have been several cases of CAS which were established with (for example) short term Community Fund grants, or other short-term funding, which have now expired, leading to the closure of the CAS. This is counter-productive. Financial management is a long term issue and organisations need long term support.

(g) At present there are no uniform quality standards for CASs. The better-run CASs have staff who are qualified accountants or accounting technicians, and well-planned systems for review of work between different members of staff. Some have developed very impressive client databases – sometimes allowing remote working – for this purpose. But the demands of bringing staff up to standard for work specifically with the voluntary sector are substantial in terms of understanding the charities SORP, the legal framework in which charities operate, and specific sources in income affecting the VCOs, and the specific duties of a charity independent examiner. Most qualified accountants or accounting technicians are unlikely to have encountered charity accounts. A number of CAS are starting to explore the full membership qualification of the Association of Charity Independent Examiners as a specific qualification relevant to the sector.

(h) A great deal of resources already exist to support financial management in VCOs and, in some cases, to support the types of services provided by CASs. Extensive informal liaison and support is already taking place between nearby CAS, and

through the support provided by the Community Accountancy National Network (CANN) – especially through its annual conference which is seen as very valuable. However, there is wide agreement that at present CANN (which has no staff) is greatly limited in the support it can offer: its role to date has been largely about promoting liaison rather than setting standards or directly providing resources.

(i) The contribution which CASs can make to financial management in the VCS, and the implications this has for the sector, are almost universally accepted, and in many areas where no CAS exists, LDAs are keen to promote the development of such services which are seen as critical to the general development of the voluntary and community sector in each locality and region.

## Appendix F: Analysis of Existing Forms of Support for Community Accountancy Services

The purpose of this appendix is to identify the existing support available to Community Accounting Services. It is not intended to list in detail all the services available, but seeks to list a range of *existing* services or resources which may be useful to Community Accounting Services – in order to identify gaps where further provision is likely to be needed.

### Methodology Used

Due to time constraints this part of the study was conducted purely as desk-based research. The approach used to collect the data was to search the Internet starting (a) from the existing CANN website<sup>23</sup> as a basis to trawl the individual CAS websites and (b) from a wide range of existing organisations which were known to the research team or steering committee as providing resources in the field of charity accounting or voluntary sector finance. These in turn led the author to other organisations that offer help to CAS and other users.

The data was analysed to judge its relevance to CASs – in particular the focus is on resources which are likely to be useful to a CAS itself, or the staff of a CAS, or to people seeking to establish a new CAS. Resources which would be mainly of relevance only to the *clients of a CAS* (i.e. the local VCOs in the area concerned) are not listed here.

There is no claim that the information given here is complete: it is simply provided as an indication of the types existing support available.

This section is divided into three distinct areas:

1. Support and resources potentially available to CASs from outside organisations, government bodies, etc
2. Support and resources available from CANN (as it exists at present)
3. Support and resources available from individual CASs, which may be useful to other CAS groups.

Under each organisation, the possible range of resources are simply given in the form of a bulleted list.

---

<sup>23</sup> [www.communityaccountancynetwork.org.uk](http://www.communityaccountancynetwork.org.uk)

## **Section 1: Support and resources available to CAS from other organisations**

### Association of Charity Independent Examiners

- Annual Handbook and Directory
- Regular Newsletter – ‘The Independent Examiner’
- Annual conference
- Variety of training courses

### Association of Chartered Certified Accountants (ACCA)

- Diploma in Financial Management – aimed at non specialists

### Charity Commission

- Guidance on accounts and reports
- Promoting effective performance
- Consultation
- Statements of recommended practice
- Independent examination guidance

### Charity Finance Directors Group

- Membership organisation for charity finance managers
- Full Cost Recovery
- Mainly aimed at larger organisations

### Chartered Institute of Management Accountants

- General technical advice

### Chartered Institute for Public Finance and Accountancy

- Charities panel
- Events for charities
- Newsletter
- Money laundering
- Certificate in Charity Finance and Accounting
- Links

### Finance Hub (ChangeUp)

- Networking and links

### H.M. Revenue and Customs

- Gift aid payments to charities
- V.A.T. and Charities
- Tax relief for donors
- Payroll giving
- Community Amateur Sports Clubs
- Trading by Charities
- VAT Relief for disabled people
- Charitable status

### The Home Office (most relevant activities now transferred to Cabinet Office)

- Communities section - supporting the voluntary sector

### Institute of Chartered Accountants in England & Wales

- Charities group (primarily for chartered accounts specialising in charities)
- Technical fact sheet on Charities Act 1993 Unincorporated Charities

### National Association of Councils for Voluntary Service

- Advice on ChangeUp and Capacitybuilders
- Consultations
- Good practice
- Government reviews of the voluntary sector
- Guidance for CVS becoming companies from charities
- Links to other sites
- Model policies and procedures
- NACVS networks
- Procurement
- Publications
- Reference documents
- Research reports
- Toolkits
- Trainers and Consultants Direct
- Working with Local Authorities

### National Council for Voluntary Organisations

Information and links available on the following:

- Trustees and Governance
- Human Resources

- Sustainable funding
- Funding
- Finance
- Collaborative work
- Consultation
- Briefing
- Hub links to 51 Community accounting projects (not fully up to date)

## **Section 2: Support and resources available from CANN**

### Community Accountancy National Network

- Annual Conference
- Links to other sites
- Message Board
- Membership scheme open to CAS members

## **Section 3: Support and resources available from individual CASs, which may be useful to other CAS groups**

This is not intended to be a complete list of services offered by CAS groups but simply an indication of services as resources that may be of interest to other CAS groups.

### ACE (Accounting for Community Enterprises)

- Newsletter
- Training courses
- Consultancy

### AccountAbility Croydon

- Newsletter
- Fact sheets
- Financial forum

### Community Accounting Plus, Nottingham

Note: Some services provided through CAPlus Trading Ltd – their trading subsidiary.

- Consultancy
- Quarterly newsletter- 'Every Penny Counts'

### The Community Accounting Project Gateshead

- Fact sheets
- Regular newsletter – ‘Sum Total’

### The Community Accountancy Project – Southampton

- Information sheets

### Community Accounting Service – Manchester

- Fact sheets

### Hillingdon Community Accountancy Project

- Newsletter
- Fact sheets

### Local Accountancy Project –London

- Open Courses

### Luton Community Accountancy and I.T Unit

- Newsletter

### Newcastle CVS

- Publication pending on Basic Finance for Community Groups

### Newham Community Accounting Service

- Newsletter
- Fact sheets
- Financial forum

### Oldham Community Accounting Service

- Fact sheets

### Sheffield Community Accountancy (part of Voluntary Action Sheffield)

- Website

### Voluntary Action Swindon

- Information sheets

### Vale of York Community Accounting Service

- Newsletter
- Consultancy

### West Yorkshire Community Accounting Service

- Newsletter – ‘The Balanced Sheet’
- Good practice guides
- Fact sheets

## **Conclusions**

In conclusion, there is no doubt that a wide range of resources are available to support Community Accounting Services, but the author feels that the current provision of resources is inconsistent. Many of the outside organisations do not offer specific advice to Community Accounting Services, but are more geared to larger charitable organisations – or are providing generic advice to VCOs as a whole.

The major limitation of this study was that it was conducted in a limited time scale and therefore the author could only research the major sources available, with more time available the appendix would be more comprehensive.

## Appendix G: Summary of Issues Raised in the Workshops

This appendix provides an analysis of the issues raised in the three consultation workshops on the Future of Community Accounting Services, which were held in London, Bristol, and Sheffield on 31st May, 1st June, and 5th June 2006.

The workshops were convened as part of Phase 2 of the project. In all 59 people were involved in this consultation, which covered all the different regions of England. A further six people who were unable to attend workshops submitted written comments (in some cases quite detailed) and these are considered in findings.

### Format

The format of the workshops was as follows:-

- 12.30 Buffet lunch
- 1.00 Introduction by a member of the Community Accountancy Steering Group
- 1.10 Presentation by Dr Gareth Morgan on the findings so far and the key issues ahead
- 1.40 Discussions in two groups on key questions for support of CASs, in terms of *Operational requirements and quality management*
- 3.00 Break
- 3.15 Plenary discussion on *Strategic support needs of CASs*
- 4.00 Close

The specific discussed questions posed in each session are as listed below.

The discussion groups were each chaired by a member of the steering group or by another CAS member. The division into two groups for the first set of discussions meant that across the three workshops there were six separate discussions (and hence six sets of opinions) on the questions raised at this stage – plus three sets of discussions for their late questions on strategic support. John Stringer and Gareth Morgan recorded the main comments from the groups on flipcharts (so that participants could verify what was being noted) and the former also scribed for the plenary sessions. The commentary below is based on these records.

The following is an analysis of participants' responses to questions posed at the above workshops and is split into two parts corresponding to the two parts of the workshops:

- Section A - Operational requirements and quality management for CASs
- Section B - Strategic support needs of CASs.

## **Section A – Operational requirements and quality management for CASs**

### Question 1

*How important is it for CASs to be available?  
Are CASs needed where they don't currently exist?*

There was broad agreement that CASs should be available and should exist where they are not currently available.

*Why are CASs needed?* The answers to this question were very similar at all the workshops. One of the key reasons for needing CASs was that there were increasing demands from clients, funders and local and central government for their services. In particular the following comments were noted:

- Auditors were increasingly referring clients for specialist help in order to prepare for audit.
- Without CASs the continuity of service which community groups require would disappear.
- Commercial accountancy firms were seen as not being able to provide the specialist knowledge required by community groups

There was also a perceived lack of knowledge in community groups about financial matters. This led to a need for a number of services for updating, training, education of funders, governance education, managing resources, skills development and an understanding of full cost recovery.

These views were encapsulated in the following phrases:

"You don't know what you don't know"  
"Why didn't they learn this at school?"

Early involvement with community groups was seen as essential:

"Groups don't often realise the importance of financial systems until something goes wrong"

With new CASs there was a split in terms of opinion as to whether they should charge for their services. Some felt strongly that they should charge from day one or charge a membership fee. Others felt this would not be sustainable and there should be a subsidised service. The latter view was expressed especially where there is a small or rural CASs.

## Question 2

What do you feel are the minimum requirements, which every CAS should meet, in terms of:

- (a) Services provided?
- (b) Size (numbers of staff and geographical area covered)?

On the issue (a) of *services provided* there was diverse range of opinion expressed as to the minimum requirements to be provided by individual CASs in terms of a minimum service. This ranged from a full provision of all of the following services (as detailed below) to a limited range of activities. It was suggested that this difference could be explained by the size of a CAS, the nature of the area served and also the size of the area served.

The following were suggested as services to be provided and there appeared to be a consensus that if individual CASs did not offer a service then it should provide a signpost to direct groups to the service:

- One to one support for training and advice. This could be offered either at the client's premises or on the telephone, dependent on the complexity of the problem.
- Fact sheets
- Telephone help-line
- Tailored training by using a client led approach
- Book-keeping support
- Accounts preparation (one person commented: "Preparing accounts is control")
- Independent examinations
- Auditing (in the informal sense of reviewing systems and procedures – a CAS could only carry out audits of final accounts if it were a registered auditor)
- Payroll Service
- Financial management support
- Health check
- Discussion forum either on a website or through regular meeting
- Newsletter
- Links to local networks and other organisations
- Governance education (though some felt this was *not* the role of a CAS)
- Website.

On the issue of book-keeping support, there was a difference of views as to whether a CAS should actually offer a *bookkeeping service*: some felt this was important but the majority felt the focus should be on support to clients to do their own

bookkeeping). Many participants commented that it was not the role of a CAS to offer a book-keeping service for groups (except perhaps in a very short term emergency) as it did little to help the group achieve a sense of financial management – the role of the CAS, most felt, was to support the relevant person in the group (whether a voluntary treasurer or a member of staff) to keep proper accounting records. Also where CASs offered independent examinations, most agreed that it would be a conflict of interest to undertake IE if the CAS had maintained the books which were being examined.

On issue (b) concerning the *size of CAS* needed to be effective, there seemed to be a general consensus that no size fits all. Size was dependent on a number of factors.

The size and nature of the area covered would be of paramount together with level of service provided. The greater the size of the area and the more comprehensive the services required the greater the size of the CAS. A limiting factor on the size of a CAS would also be as to whether or not the staffing levels are sustainable from grant aid or self funding from the sale of services.

However, in terms of staffing, there was a widely expressed view (if not unanimous) that a CAS needs at least two to three staff: the staff need not be full time but the key principle is that staff should not work in isolation and should be able to cover for each other in terms of holidays, sickness, and mutual support/checking of work. Several participants felt that it was impossible to offer a reliable service to client groups if the service was dependent solely on one member of staff – although if the CAS was only providing general financial support this was seen as less of an issue. One person commented that the ideal staff size for a CAS would be “a minimum of 2 and a maximum of 7 – above this quality of service may suffer, because of lack of organisational cohesion”. Several people suggested that the minimum would be two staff, amounting in total to at least one full-time equivalent.

Other suggestions were that volunteers could be used in areas of shortfall, or staff could be employed from commercial firms for these specialist areas.

### Question 3

- (a) *How can we assess the quality of a CAS?*
- (b) *Are there certain standards, which all CASs should meet?*

On (a) It was thought that it was very difficult to assess the quality of a CAS. Two quotes seemed to be apt:

“CASs live and die by what they do”

“Word soon gets round if you are doing a bad job”

A number of suggestions were made as to how quality could be assessed. Many CASs would undertake a client satisfaction survey either after a service had been provided or as a general study with clients usually by questionnaire.

Practical Quality Assurance System for Small Organisation (PQASSO) or a similar systems was already in use in some CASs, and a number of participants thought this could be used as a model for a CANN standard – however, there was also a strong view that a means was needed to assess quality in relation to the very specific services provided by CAS e.g. in terms of financial training for voluntary and community organisations or preparing and independently examining accounts under charity law.

Peer review with other local CASs together with CVS review and also line manager review were also suggested. Another suggestion was that recommendation by clients was also a guide to quality.

A majority of the participants suggested that a CANN standard may be useful as a benchmark, but there was some dissent voiced by a significant minority.

On (b) it was generally agreed that all CASs should meet certain standards. At the least all CASs services should meet the legal requirements, all advice given should be checked with source documents, they should be up to date with current legislation and if offering independent examination the member of staff must have ACIE qualification (or another relevant qualification) – see further below.

#### Question 4

*What are the requirements in terms of training and qualifications for staff?*

The views on the need for a formal qualification were diverse. Some suggested that everyone should have a formal qualification others said experience was just as important. Comments included:

"Qualification without empathy for the sector is no good."

"Salaries do not always reflect the need for a qualification: "You don't just do it for the money"

The following were qualifications and training needs that were suggested as useful:

- ACCA
- AAT
- ACIE (where independent examination is offered)
- NVQ Level 3

It was also recommended by some participants that an OCN level 3 qualification be devised specifically for Charity Accounting.

CANN were also recommended for the usefulness of their message board on the website and attendance at the annual conference was highly recommended as a means of staff development.

A criticism of national bodies was voiced, in that the training courses offered by the national bodies, only seemed to be available in London and a plea was made for the training courses to be offered regionally.

A suggestion was made that all CASs with an income of over £250,000 or employing 5 or more people should have at least one qualified member of staff – although a number of participants felt that the senior person should be qualified whatever the size of the CAS. More generally it was also suggested that qualifications and experience might depend on the level of service offered.

#### Question 5

*Does a CAS work best as an independent organisation or as a service within other infrastructure bodies such as CVS? Does it matter?*

There appeared to be a consensus that CASs should have links with the CVS, but not necessarily part of CVS. Being part of a larger organisation can be restrictive, as the larger organisation often dictates what the services that can be offered.

How far a CAS can become independent of the CVS is dependent on a number of factors. The relative strength of a CAS compared to its CVS was thought as important, strength of local networks, how dispersed was the geographic area, was the area sustainable by self funding and could the independent CAS satisfy client needs without the support of the CVS.

It was suggested that a CANN standard might give confidence to both CASs and CVSs to allow more independence, if the standard was achieved. One person commented:

"A CVS should give birth to a CAS, nurture it and then give it independence when it is sustainable."

## **Section B - The strategic support needs of CASs**

### Question 1

*How can more be done to share expertise and resources between CASs (e.g. training materials, accounts templates) while ensuring a proper return for those who develop them?*

It was agreed that whilst much information sharing of resources takes place, this could benefit from clearer national co-ordination. There was a debate as to whether a return was needed when information was being shared. The majority felt that once the material had been generated it should be shared to members of CANN without charge. However, a significant minority expressed the view that some CASs may want a return on their investment.

### Question 2

*Is there a need for a national body or programme to support CASs? If so, can this best be done by an enhancement of the Community Accounting National Network or is a different approach needed?*

The vast majority of participants thought that national body is required and that CANN should be used to enhance the support. There was no support for the idea of a national support service for CAS run by a generic voluntary sector infrastructure agency. Although it was recognised that at present CANN is very limited by its voluntary format without any staffing, there was a clear view that CANN should be the vehicle for national support "because structures were already there" and "there was no point in reinventing the wheel".

It was also thought that an ad hoc approach would be of no benefit and CANN would be in a good position to obtain funding for an expansion of its role

### Question 3

*What specifically do you want a national support body for community accountancy to offer which is not currently provided?*

There was a diverse opinion as to the structure of a national network. Some participants suggested that CANN should be a regulatory body which sets standards while others suggested that CANN should be a loose association. There was clear feeling that CANN should *not* become an agency competing in any way for resources with the CASs themselves, and that individual CASs must not lose their local identity and their ability to respond to clients' diverse needs. However, there was considerable (though not universal) support for CANN to take on a role as a

regulatory agency with clear standards for community accountancy, provided the standards were agreed democratically, not imposed, and allowing realistic timescales for locals CASs to reach any standards agreed.

The groups suggested that CANN's role could be expanded to offer coordination and support to CASs, provide signpost to other support services and act as an umbrella body. This still leaves the issue as to whether can should be an agency or a federation.

On the question of what specifically should CANN be offering, and how it should operate, the following points were raised:

- Resources (of all kinds) for community accountancy
- Membership fee dependent upon size
- Possibly pay for resources on a fee basis
- A database system
- Accredited qualification
- Minimum standards for membership
- Step by step guide on setting up community accounting services
- An expanded website
- Templates on structure
- Professional indemnity insurance
- National quality standards
- A CANN quality 'kite mark'
- Support for new CASs, i.e. secondments locally organised
- Starter packs and the possibility of franchising starter packs

If CANN were to become a national regulatory body it was suggested that they could charge differential membership fees dependent upon the size of the CAS and also if associate or full membership is appropriate. The associate membership would be for those CASs who had not met the CANN standard.

## Appendix H: Outline Proposals and Costings for *New CANN*

Arising from this study, the Project Steering Committee proposes the establishment of a much broader body to support Community Accountancy Services in England.

The study shows very strong support for basing the new body on the existing *Community Accountancy National Network* (CANN) – which already exists as a constituted association with charitable aims. As many participants commented there is no point in setting up a new organisation when CANN already exists. But given the much wider brief now proposed and the very different scale of operation, the term *New CANN* is used to describe this proposal.

### **Basis of the Proposal**

The proposal (which will take several years to implement fully, and which needs to be provided as an ongoing service) is as follows:

- To build and maintain a sustainable infrastructure for community accountancy able to support the diversity of needs within existing and developing Community Accountancy Services across the country
- At the same time we would see the need to develop common standards to be used as a basis for continuity of service provision
- In all identified areas of gaps there needs to be the provision of a support structure to enable the development of new and emerging community accountancy services.

By providing a better supported and more evenly spread structure of Community Accountancy Services across the country our commitment to providing a quality service to frontline organisations will be met.

There will be a number of key areas of work:

#### Support in setting up new Community Accounting Services

- Prioritisation of the identified gaps in the provision of Community Accountancy across the country to focus the programme of development of new community accountancy services (CAS's) to enable consistent delivery to frontline organisations.
- The development of an extensive tool kit for new CAS's, which would include:
  - Models for developing CAS's and constitutions
  - Recruitment pack – job descriptions, person specification and contracts of employment,

- Organisational policies and procedures.
  - Ways to market a CAS,
  - The different types of services existing CAS's provide
  - Where existing CAS' are funded from
  - Fee income and pricing
- There could also be a direct support element that would require the need for a development worker who would be available to visit groups of people and CVS's thinking about starting a CAS and offer them support through the process. Providing telephone support to the new CAS and its committee or CVS for a given period could be a follow on from this direct support.

#### Support to existing Community Accounting Services

- The provision of technical advice on Community Accountancy to community accountants via a telephone help line, website or email.
- Supporting the development of regional and sub-regional networks by initiating a programme of seminars, joint training for Community Accountants and workshops.
- Co-ordinate sharing of resources, produced information and training materials.
- Organisation of a national conference to facilitate the sharing of skills, knowledge and resources at a national level.
- Continue the development of the existing CANN web site to provide an online source for some of the above.

#### Common Standards for Community Accountancy Service

- The development of common standards to act as a Quality Assurance System (QAS) for both new and existing CASs which focuses on how community accountancy is delivered to groups ensuring a consistency of service provision. These common standards would complement other QAS that cover the broader QAS issues relevant to other service provision organisations. This will be helpful for CAS's based within other infrastructure organisations such as CVS's because the line manager is typically the CEO who may know very little about Community Accountancy, the QAS will provide them with a system for managing the CAS , but the CAS will then also fit into the CVS's overall QAS.
- The development of standards for individual Community Accountants are also needed, so that CASs – and their clients and trustees – can have confidence in

the professionalism of CAS staff. New CANN will need to consult further on the detail, and this may lead to a new qualification for community accountants and/or a means of recognising existing qualifications in terms of their application to work with small/medium VCOs. However, any standards will need to be carefully drafted, following wide consultation, to allow for the broad range of work undertaken by community accountants (for example the skills and experience needed by a community accountant whose main focus is one-to-one coaching on financial management differ considerably from those who work mainly in the preparation and independent examination of annual accounts, which differs again from someone working mainly in provision of payroll support).

### Strategic Development

- Promote Community Accountancy to Government and become involved in issues before Parliament that relate to Community Accountancy.
- Influencing the funding structures of existing and new CAS's.

### **Governance Issues**

We believe these steps can best be facilitated within the existing constitutional structure of CANN – but steps will be needed to strengthen these arrangements. In particular:

- The committee (trustees) of CANN should be strengthened by the addition of at least two persons who are not directly responsible for the operational management of a CAS, in order to give a wider perspective (the existing constitution already has a power of co-option which could be used for this purpose).
- The application for registration of CANN as a charity (which has been agreed in principle) need to be expedited, given that CANN will be taking on funds which will take its income well over the registration threshold even under the new Charities Bill – and an unambiguous charitable status is essential to ensure that any chargeable services provided as part of its primary purpose are free from liability to corporation tax
- The trustees will need to hold frequent regular face to face meetings to oversee these developments, and will probably need some administrative support and professional advice even before core staff are appointed.

### **Risk Assessment for New CANN**

Any proposal of this kind has certain risks, but it is believed that the following risk assessment indicates that these risks are manageable.

Risk	Mitigating Action	Prob-ability	Impact	Review
Inability to secure medium- to long-term funding	1) Establish sound case 2) Research and follow-up all applicable funding sources	3	5	Steering Group to keep under review
Inability to appoint quality staff	1) Extensive advertising to reach all possible candidates 2) Rigorous recruitment process	2	4	1) Recruitment is a one-off process 2) Once in post, regular staff supervision and appraisals
Inability to draw in CANN members (and other CASs)	1) Base work on research to date 2) Consult further on most issues, especially the contentious ones	1	4	Establish in/formal members' feedback systems
Inability to deliver due to other/ external influences	Network with all interested parties	1	3	CANN Committee to monitor

Scoring system: 1 = low; 5 = high

### **Delivery**

To implement the proposal above effectively, it is envisaged that new CANN would require two reasonably senior members of staff: a Chief Officer post (at a salary of £34980) supported by a senior Community Accountancy Development Worker (at a FTE salary of £26190). (The suggested salaries are based on appropriate NJC spinal points at 2006/07 rates.)

Ideally these posts would need to be sited at a location independent to any existing CAS to allow the formation of a true identity for this national infrastructure support. A central location in England with good transport links is recommended.

### **Costings**

The following is an indication of likely operating costs for New CANN for one year. The figures are at 2006/07 prices, although in terms of timescale, it is envisaged that 2006/07 would be the transitional year of implementing these plans and securing medium to long term funding, with New CANN to go fully live from 1 April 2007.

The total salary costs are calculated as follows:

Post	Gross Pay £	Employers' National Insurance £	Employers' Pension (5%) £	Total cost of post £
Chief Officer	34,980	3,833	1,749	40,562
Development Worker	26,190	2,708	1,309	30,207
<b>Total staff costs</b>				<b>70,769</b>

In addition to staff costs, provision needs to be made for:

- In house costs (office, insurance, stationery and printing, staff travel, resources purchased, affiliations, training, trustees expenses, annual accounts etc – estimated at £20,000 p.a.)
- External costs (venue hire and fees for trainers and freelance admin support where needed; plus research and consultancy for further consultations and development of key materials – estimated £20,000 p.a.)
- Website development and maintenance costs (£10,000 p.a.) – given that web facilities will be crucial.

In round numbers, this gives the following indicative total costings for New CANN once operational:

	£
Salaries	71,000
In house expenses	20,000
External costs: training, research, consultancy	20,000
Website	10,000
<b>Total New CANN annual costs</b>	<b>121,000</b>

The project costs shown would be the entire costs of operating New CANN as the project would be the entire organisation in this case.

### **Operationalisation**

These costs would be offset to a small extent by fees charged (subscription income from affiliated CASs, some income from training events, and possibly some consultancy work regarding establishment of new CASs) but in the initial years this will be quite low. In the medium term (after the initial three years) we envisage that New CANN would be moving towards a level of sustainability with an increasing proportion of its income from chargeable services.

But even in the longer term, for New CANN to be effective, its services will need to be within the reach of small CASs with limited resources, and areas seeking to establish a CAS for the first time. New CANN will therefore need some ongoing external funding to make this possible.

## Appendix I: List of Organisations Involved in the Study

The following is a list of 244 organisations which took part in the study in one or more of the following ways:

- Respondents to the survey (or to the telemarketing follow up)
- Interviewees at stage 1
- Participation in the workshops at stage 2

- the Project Steering Committee wishes to acknowledge the contribution of all these participants.

*Note: In a few cases, organisations may be duplicated where the organisation name was given differently at the survey stage and the workshop stage, although this is compensated by a few other participants who did not give an organisation name.*

2D	Cambridge CVS
Accountability	Cambridgeshire ACRE
Accountancy Support South East Thames (ASSET)	Camden VA
Accounting for Community Enterprises (ACE)	Carlisle CVS
ACE (Accounting for Community Enterprises)	Castle Point AVS
Association of Charity Independent Examiners (ACIE)	Charnwood CVS
Amber Valley CVS	Chase CVS
Apsley Paper Trail Project	Chester-le-Street & District CVS & Volunteer Bureau
Ashfield links forum	Colchester CVS
Aston-Mansfield, Community Involvement Unit	Colchester CVS
Barnet VSC	Community Accountancy Leeds
Basildon, Billericay & Wickford CVS	Community Accountancy Self Help, London (CASH)
Basingstoke Voluntary Service	Community Accountancy Service, Pendle
Basingstoke VS	Community Accountancy Tyne & Wear
Bassetlaw CVS	Community Accountancy Tyne & Wear
Birmingham VSC	Community Accounting Plus (CA Plus)
Blaby District CVS	Community Accounting, Tyne & Wear and The North East
Black Development Agency Ltd	Community Care Association Stokesley
Blyth Valley CVS	Community Council of Lincolnshire
Bolsover UA	Community First, New Forest
Boston District CVS	Council for Voluntary Service Uttlesford
Bradford CVS	COVER
Braintree DVSA	Craven Voluntary Action
Brentwood CVS	Croydon Voluntary Action
Bristol Community Accountancy Project	CVS Community Partnership
Bristol Community Accountancy Project	CVS South Gloucestershire
Broxbourne VSDA	Dacorum CVS
Broxtowe USF	Derby CAS
Charities Aid Foundation	Derby CVS
	Derbyshire Dales CVS
	Derwentside CVS & VB
	Dudley Council for Voluntary Service
	Durham City District CVS

East Cambridgeshire CVS  
 East Cornwall CVS  
 East Riding Voluntary Action Services  
 Enfield VA  
 Engate East Midlands  
 Erewash CVS  
 Exeter CVS

Fareham Community Action  
 Fenland CVS  
 Forest Voluntary Action Forum

Gateshead Voluntary Organisations  
 Council  
 Gedling CVS  
 Gosport VA  
 Greenwich Accountancy Project

Hackney CAP  
 Hackney VA  
 Haringey AVCO  
 Harlow CVS  
 Harrogate & Area Council for Voluntary  
 Service  
 Hastings VA  
 Hastings Voluntary Action  
 Havant CCS  
 Hemel Hempstead  
 Hertfordshire CDA  
 Hertsmere CVS  
 High Peak CVS  
 Hinkley and Bosworth VA  
 Hull CVS  
 Hunts FVO  
 Hyndburn & Ribble Valley CVS

INVOLVE  
 Ipswich & District CVS  
 Islington VAC  
 Islington Vol Action Council

Keighley Voluntary Services  
 Kennet VA  
 Kingston CVS

Lichfield and District CVS

Maldon and District CVS  
 Mansfield CVS  
 Mid Bedfordshire CVS  
 Middlesbrough Voluntary Development  
 Agency  
 Milton Keynes Council of Voluntary  
 Organisations

NACVS  
 NAVO  
 Newark and Sherwood CVS

Newcastle CVS  
 Newham Community Accounting Service  
 (NCAS)  
 Newham VSC  
 North Bank Forum  
 North Bedfordshire CVS  
 North Hertfordshire CVS  
 North Lincolnshire VA  
 North Warwickshire CVS  
 North Warwickshire CVS  
 North West Kent CVS  
 North Yorkshire Forum For Voluntary  
 Organisations  
 Northallerton District Voluntary Services  
 Association  
 Northampton Volunteering  
 Northamptonshire CVS  
 Norwich & Norfolk VS  
 Nottingham CVS  
 NW Leicestershire CVS

Oadby & Wigston VA  
 Okehampton and District CVS  
 Oldham Community Accounting Services  
 Oxfordshire CVA

Pendle Community Network  
 Penwith CDT  
 Peterborough CVS  
 Plymouth Community Partnership  
 Portsmouth CCS  
 Preston CVS  
 Priors Centre

RAISE  
 Rayleigh, Rochford & District Association  
 of Voluntary Services  
 Reading VA

Refugee Council  
 Reigate and Banstead CVS  
 Richmondshire CVS  
 Rother Voluntary Action  
 Rugby CVS  
 Runnymede AVS  
 Rushcliff CVS  
 Rushmoor Voluntary Services  
 Ryedale Voluntary Action

Scarborough Community Accounting  
 Project  
 Salisbury CVS  
 SAVO  
 Sayer Vincent Chartered Accountants  
 Sefton CVS  
 Selby AVS  
 Sheffield Hallam University  
 Shipley CVS

Shropshire CC  
 Silpa Business Training  
 Slough CVS  
 South Derbyshire CVS  
 South Leicestershire CVS  
 South Tyneside CVS  
 South West Forum  
 South Yorkshire Funding Advice Bureau  
 South Yorkshire Open Forum  
 Southampton Voluntary Services  
 Southend AVS  
 St Albans District CVS  
 St Helens CVS  
 Stafford District VS  
 Stevenage CVS  
 Stockport Council for Voluntary Service  
 Stoke on Trent VA  
 Stratford on Avon District CVS  
 Suffolk ACRE  
 Sunderland Centre for Voluntary Service  
 Surrey Community Action  
 Surrey Heath VS  
 Sussex VCS Learning Consortium  
 Sutton CVS  
 Swale CVS  
  
 Tamworth CVS  
 Tendring CVS  
 Test Valley CS  
 The Charities Information Bureau  
 Thirsk Sowerby & District Community Care  
 Association  
 Three Rivers CVS  
 Thurrock CVS  
 Torbay Voluntary Service  
 Torridge Voluntary Services  
 Trafford  
  
 URBAN Challenge Ltd  
  
 VA Epping Forest  
 VA Leicester  
 Vale Volunteers (Aylesbury & District)  
 VAWD  
 Voluntary & Community Action South  
 Bedfordshire  
 Voluntary Action - Leeds  
 Voluntary Action Barnsley  
 Voluntary Action Calderdale  
 Voluntary Action Camden  
  
 Voluntary Action in Spelthorne  
 Voluntary Action Kesteven  
 Voluntary Action Kirklees  
 Voluntary Action Luton  
 Voluntary Action North East Lincolnshire  
 Voluntary Action North Lincs  
 Voluntary Action Rotherham  
 Voluntary Action Rutland  
 Voluntary Action Sheffield  
 Voluntary Action Stoke on Trent  
 Voluntary Action Vale Royal  
 Voluntary Action Waltham Forest  
 Voluntary Action West Kent  
 Voluntary Action Westminster  
 Volunteer and Community Action (Stroud  
 district)  
 Volunteer Centre North Somerset  
 Voscur Limited  
  
 Walsall VA  
 Wansbeck Council for Voluntary Service  
 Warrington Community Accountancy  
 Service  
 Warwick District CVS  
 Wealden FVO  
 Welwyn & Hatfield CVS  
 West Lancs CVS  
 West Norfolk Voluntary & Community  
 Action  
 West Somerset C.V.S  
 West Somerset CVS  
 West Sussex VOLG  
 West Yorkshire CAS  
 West Yorkshire Community Accountancy  
 Service  
 Whitby and District Voluntary Action  
 Wigan and Leigh CVS  
 Winchester Area CA  
 Wirral CVS  
 Woking AVS  
 Wolverhampton Voluntary Sector Council  
 Worcester Volunteer Centre  
 Worthing CVS  
  
 Y&H Regional Forum  
 Yeovil & District CVS  
 York Community Accounting Scheme  
 York Council for Voluntary Service  
 York CVS  
 Yorkshire Rural Community Council

## Contact Information and Further Copies

- Finance Hub:** This project was undertaken on behalf of the *Finance Hub* as part of the *ChangeUp* programme (see chapter 1 for further details). The accountable body for the Finance Hub is the Charities Aid Foundation (CAF). All intellectual property arising from this study is assigned to CAF.  
Web: [www.financehub.org.uk](http://www.financehub.org.uk)
- Steering Committee:** This project was led and implemented by a *Community Accountancy Project Steering Committee* – see page 2.
- Network:** **Community Accountancy National Network (CANN)**  
CANN is the existing representative body for Community Accountancy Services (CASs) and was represented on the Steering Committee though the three CASs shown on page 2. For details of CANN, see [www.communityaccountancynetwork.org.uk](http://www.communityaccountancynetwork.org.uk) - although the current contact details may change if the proposals in this report are implemented.
- Project Management:** On behalf of the Steering Committee, the accountable body and project management was provided by:  
**Community Accountancy Self-Help (CASH)**  
1 Thorpe Close London W10 5XL  
web: [www.cash-online.org.uk](http://www.cash-online.org.uk)  
Contact: Tom Fitch  
Tel: 020 8969 0747 E-mail: [tom@cash-online.org.uk](mailto:tom@cash-online.org.uk)
- Analysis & Report:** **Sheffield Hallam University**  
*Centre for Voluntary Sector Research*  
Stoddart Building, City Campus Sheffield S1 1WB  
Web: [www.shu.ac.uk/cvsr](http://www.shu.ac.uk/cvsr)  
Contact: Dr Gareth G Morgan  
Tel: 0114 225 5231 E-mail: [gareth.morgan@shu.ac.uk](mailto:gareth.morgan@shu.ac.uk)
- Other Organisations involved in the Project Steering Committee:**
- Community Accounting Plus, Nottingham  
Web: [www.communityaccounting.co.uk](http://www.communityaccounting.co.uk)
  - West Yorkshire Community Accounting Service  
Web: [www.wycas.org.uk](http://www.wycas.org.uk)
  - Association of Charity Independent Examiners  
Web: [www.acie.org.uk](http://www.acie.org.uk)
  - National Association of Community and Voluntary Action (formerly NACVS)  
Web: [www.navca.org.uk](http://www.navca.org.uk)
  - Sayer Vincent Chartered Accountants  
Web: [www.sayervincent.co.uk](http://www.sayervincent.co.uk)

## Further Copies of this Report

This report is produced in two versions:

- The *MAIN REPORT* (which comprises chapters 1-5 and Appendices H & I – but omitting Appendices A-G)
- The *FULL REPORT* (which includes *all* appendices A-I – including the tabulations of fieldwork findings in Appendices A-G).

Further printed copies are available from Community Accountancy Self-Help (see previous page) at £5.00 for the main report or £10.00 for the full report, including postage.

The Full Report is also available to download free as a PDF from:

[www.financehub.org.uk](http://www.financehub.org.uk) or  
[www.communityaccountancynetwork.org.uk](http://www.communityaccountancynetwork.org.uk)