

mango

Helping NGOs do more with their money

We want to see a world where everyone can be confident that NGOs are making the most of their money.





Helping NGOs do more with their money

Why NGOs need a standard for good financial grant practice

**Tim Boyes-Watson,
Executive Director, Mango**

Agenda

- context for our work
- about Mango and our goals
- ambition for standards
- the need for standards
- from distrust and disharmony

....to confidence and assurance



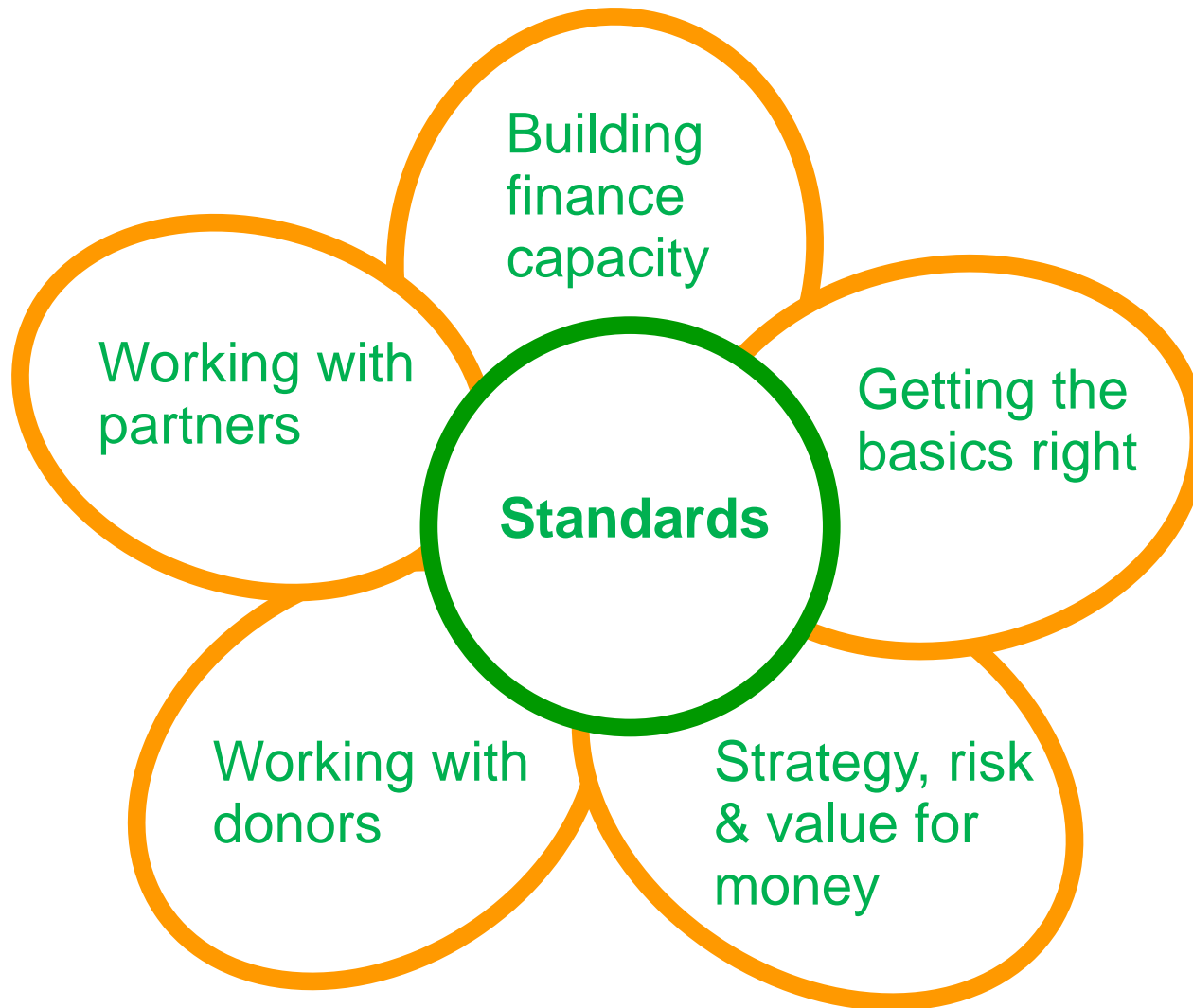
- Can NGOs meet rising public expectations?
- Professionalisation and the drive for accountability and quality
- Downward accountability still not properly addressed
- Increasing aid spend available to NGOs
- New technology offers opportunities

About Mango

- **Award-winning training** for non-finance and finance staff
- **Consultancy and advice** on risk, financing strategy, value for money and grant/contract management
- **Recruitment** of NGO finance staff
- **Raising standards** with thought leadership, collaboration & advocacy



Mango's Goals



Standards – our ambition

- Mango strategic goal:
- “Support the design and implementation of generally accepted standards for excellent financial management practice in NGOs”
- ...in order to provide confidence to stakeholders that NGO are making the most of their money

How to achieve this ambition?

- Raising awareness about the needs for standards
- Developing an organisational competency framework for NGO financial management
- Developing finance competency frameworks for all NGO staff and board members
- Support accreditation of individual and organisational competencies

Awareness Raising

2011

Mango “Stand up for Standards” article in Charities Finance Group Yearbook



2014

CCAB study on international financial reporting for the not-for-profit sector



2014-15

IFGC and Mango collaborate on work towards developing a standard in good financial grant practice (GFGP)

Stand up for Standards

- Over 50,000 international NGOs and several million national NGOs.
- In 2010, NGOs accounted for over \$30 billion of transfers to developing countries.
- Yet no real recognition of need for an international financial reporting standard for not-for-profits by the International Accounting Standards Board (IASB)



- 72% of 605 respondents involved in not-for-profit reporting agreed that:
“It would be useful to have international standards for NPO accounting”
- This increased to 82% for African respondents
- The strongest concerns about regulation and relevance of national accounting requirements came from African respondents as well as the strongest support for converging on a mandatory international standard.

Funders accept need for standards

Jan Pieter Lingen, European Court of Auditors, Chair of the International Organisation of Supreme Audit Institutions (INTOSAI) working group on Accountability for and the Audit of Disaster-Related Aid:

“ INTOSAI is convinced that the use of appropriate international standards will substantially improve transparency and accountability while at the same time making life for NGOs much easier.”

NGOs need donor harmonisation

- One INGO reports having to undertake over 150 donor project audits in one country office in a single year.
- Different donors require different accounting code structures, exchange rate rules, treatment of capital assets, which massively complicate budgeting and record keeping.
- The direct costs of this lack of harmonisation must be \$millions and the opportunity cost of time wasted is even higher.

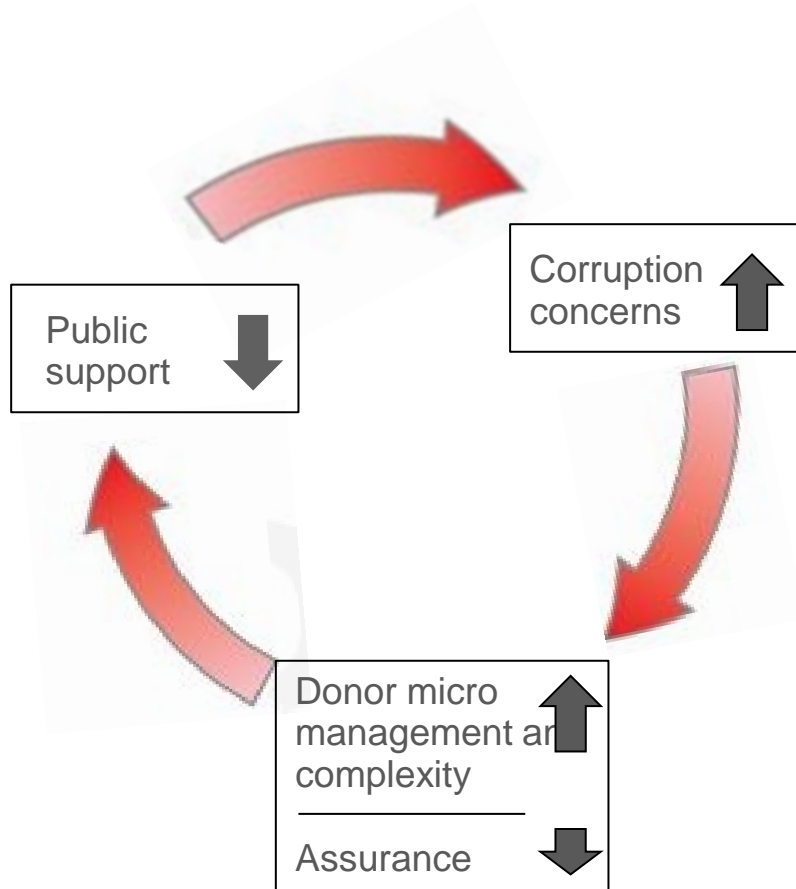
Vicious circle of distrust

- Public support for NGOs is under pressure in both the developed and developing world.
- Concerns over lack of transparency and fear of fraud and corruption are spreading globally.
- Funders demand ever more project–level accountability, which fragments the recipient’s ability to manage their money well and reduces rather than improves assurance.

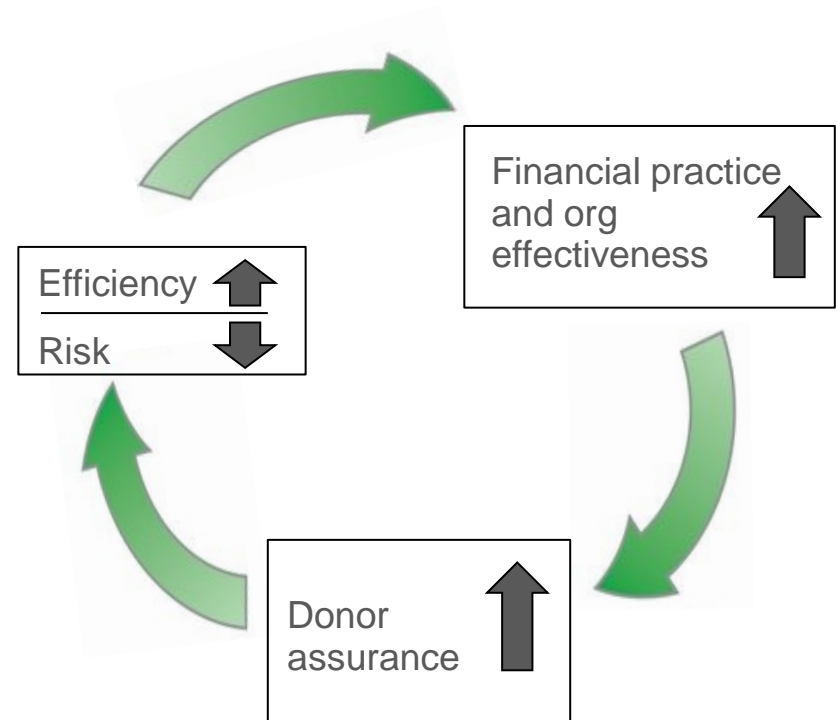
Virtuous cycle of confidence

- International standards promote better financial management practice, which also improves organisational effectiveness.
- Donors increasingly rely on recipient's accredited internal controls and a single audit including their project.
- Simpler, standardised requirements for recipients make financial management easier and more efficient, and reduce the risk of fraud or misuse of funds.

From distrust to confidence



From Projects



to Standards

Contact details

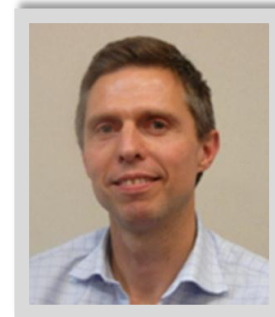


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