

mango



Management Accounting for
Non Governmental Organisations

Annual Review 2002



The Year in Review

During 2002 Mango made a real contribution to the life saving and long term development work of non-governmental organisations (NGOs) around the world.

Hundreds of millions of pounds are spent through NGOs. But the human demands of poverty and suffering that NGOs target outstrip the funds available.

The scale of humanitarian need is staggering. Current acute crises include Iraq, where it is estimated that 16m people were dependent on food aid *before* hostilities were launched; in Southern Africa and the Horn of Africa food shortages affect over 20m people; there is war in Côte d'Ivoire and continued displacement in Afghanistan. And there are many other crises.

Long term development continues globally. The Millennium Development Goals set ambitious targets for 2015, including halving the number of people living on less than one dollar a day (currently one *billion people*) and achieving universal primary education (currently over a *hundred million* primary school-age children are not in school).

NGOs have a vital role to play in achieving these targets, working with poor and vulnerable people to help them exercise their basic rights – such as their rights to life with dignity, to education and their rights of association and political representation.

But NGOs can only achieve their goals by making effective use of the funds they have available. And that is why Mango exists.

Mango's mission is to help NGOs to strengthen their financial management – and so make sure that every pound donated is used to provide the maximum possible assistance to poor and vulnerable people.

As this review shows, we achieved a great deal in 2002. Mango's training, staff placements and accounting guidelines helped NGOs from around the world to get to grips with practical financial management.

Mango also played an important role in sector-wide initiatives. When the UK Charity Commission was looking for organisations to play a central role in developing new guidelines for charities working internationally, they turned to Mango.

We are extremely grateful to the many donors and supporters who make Mango's work possible. We enjoy the active support of many in the accounting profession and of Peter Wyman, President of the Institute of Chartered Accountants of England and Wales in particular; institutional donors including the Gatsby Charitable Foundation, Zurich Financial Services and the European Commission Humanitarian Office; and individual donors including the intrepid climbers who scaled Mount Toubkal in Morocco, raising £20,000 of sponsorship. Finally, we are grateful for the dedication and careful oversight of the Board of Trustees.

With a highly skilled and committed staff team, sound planning and a robust financial position, Mango is well placed to continue to help NGOs make the best possible use of their money in 2003 and beyond.

Joel Joffe
Chair

Alex Jacobs
Director

Supporters

Mango depends on the generosity and interest of all the donors who make our work possible.

The Accountancy Profession

All our work is based on applying the skills and standards of the accountancy profession to NGOs. We are delighted to have strengthened our links with the UK profession in 2002.

In particular we would like to thank the President of the ICAEW for his continuing support. Peter Wyman announced an Appeal in his name in January 2003, aimed at the largest accounting firms in the UK. (As we go to print, this Appeal has had pledges of over £100,000, many of them donations over a three year period.) We would like to thank the following firms for their generous response to the Appeal:

- ◆ PricewaterhouseCoopers
- ◆ Ernst & Young
- ◆ KPMG
- ◆ Moore Stephens
- ◆ BDO Stoy Hayward
- ◆ AJ Bennewith & Co
- ◆ Morris & Co
- ◆ Grant Thornton
- ◆ Smith & Williamson



“The ICAEW recognises that Mango plays an invaluable part helping to ensure that the maximum value is derived from NGO spending. I believe that the accountancy profession should offer Mango every possible assistance in this vital area.”

Peter Wyman
ICAEW President

Mango has always enjoyed support across the industry and would like to thank the Association of Accounting Technicians (AAT) who generously contributed over £13,000 to our training programme. The Chartered Accountants Livery Company gave us support of £10,000 in 2002. The Staffs, Salop & Wolverhampton and South Wales Societies of Chartered Accountants also made generous donations to Mango. We look forward to continuing to work with these supporters in the future.

“The AAT supports and sponsors Mango's efforts to improve financial management in NGOs in developing countries.”

Jane Scott Paul
AAT Chief Executive



Mango was honoured to receive a special award from the Chartered Institute of Management Accountants in November 2002, recognising our unique contribution to management accountancy.



“Mango is providing valuable financial management skills required in the international aid sector. We were delighted to award Mango with a Special Contribution to Management Accounting award at this year's CIMA/Financial Management Awards.”

Harry Byrne
CIMA President, 2002

Institutional grants

In addition, Mango could not survive without the backing of our institutional donors. In particular the Gatsby Charitable Trust has contributed £75,000 of crucial development funding over three years; Zurich Financial Services made a grant of £50,000 to Mango and the European Community Humanitarian Office (ECHO) has contributed £73,000 over three years and remains a key partner of Mango.

Mango has also benefited from substantial grants from the J G Joffe Trust and The Baring Foundation.

Individual donors

Mango is indebted to the generous support we receive from individuals. In response to the President's Appeal the following made donations: Martin Hagen, Eric Hudson, Phillip Hunkin, Geoffrey Norman and Roger Stephenson. We would also like to thank all our other individual committed donors.

We would particularly like to thank Brian Bannister for all his enthusiasm in making the President's Appeal succeed.

During September 2002, the following eight supporters climbed Mount Toubkal in Morocco, raising £20,000 in sponsorship. One even windsurfed across the Straits of Gibraltar to get there.

- ◆ Danielle Bolton
- ◆ Gordon Dunfield-Prayero
- ◆ Andrew Ferguson
- ◆ Sue Hill
- ◆ Cameron Hodgson
- ◆ Sara Hooper
- ◆ Alex Jacobs
- ◆ Alex Pritchard



Other donors

- ◆ Andersens
- ◆ Arete Research
- ◆ Barclays plc
- ◆ JBL Business & Office Equipment Centre
- ◆ Microsoft
- ◆ Nuffield College
- ◆ St Michael's Church
- ◆ ShareGift
- ◆ The HOUSE Magazine
- ◆ Unilever

Review of Activities

Mango's Mission is to strengthen the financial management of NGOs. Our services are:

- ◆ Training for NGO staff;
- ◆ Placing finance staff with NGOs;
- ◆ Publishing tools and guides to financial management for NGOs;
- ◆ Networking opportunities for NGO finance staff;
- ◆ Contributing to the debate on professional standards for NGOs.

Training

Mango provides practical financial management training for NGO staff.

Mango's core courses are two to five days long and are delivered in the UK and other regional centres around the world. Mango also delivers in-house training for a wide range of NGOs.

Performance over the year

During 2002, Mango ran 25 training events for 309 participants from over 70 different organisations, including:

- ◆ International NGOs (such as Oxfam, International Federation of the Red Cross, Christian Aid);
- ◆ Southern NGOs (such as Nuba Relief and Development Organisation – South Sudan, Reproductive Health Association - Cambodia, Rural Foundation for Agroforestry - Malawi);
- ◆ Universities (such as Oxford Brookes University and Manchester University).

Course evaluations

Course evaluations by participants show that Mango consistently delivers excellent training. The overall assessment of Mango's courses run in 2002 by all 309 participants was:

Excellent	69%
Good	31%
Fair	0%
Poor	0%

Participants also rated key aspects of our courses as follows:

	Average rating
Relevance of training to participants' work	90%
Presentation skills of facilitator	94%
Teaching methods used	92%
Value of course handbook and other handouts	90%

“Excellent! It was real not just theory.”

“I had little knowledge on financial management but now my mind has been opened. I have learnt a lot which I'll take back to my organisation.”

“Very impressed by all of the Mango materials.”

Looking ahead

During 2003, we will increase the scale of our training activities. We will deliver more training courses ourselves and also support others to deliver similar training. In particular, we plan to train more trainers, and so build capacity across the sector (in both Northern and Southern NGOs).

We will continue to work with the Liverpool School of Tropical Medicine and Bioforce to develop a Master's course in Humanitarian Programme Management, to run from September 2004.

Case Study: Building Skills and Confidence in Zambia

Innocent Nkata from CAFOD attended our 3-day course “Working with Partner Organisations” in Lusaka, Zambia in August 2002. All of the participants rated this course as “excellent”. Innocent found the course so useful that he wrote to Terry Lewis (Mango’s Training Director) shortly afterwards:

“The course has been a very big revelation for me. I am reviewing a partner's 2001 audited accounts and all those skills are coming in handy almost effortlessly! And guess what I read on the auditor's opinion?

“Regrettably, I am not able to give an unqualified audit report. There was (sic) a number of payments for which no expenditure vouchers were available. There were no vouchers available for petty cash payments.”

I am taking this as a serious case for further follow up. My challenge is to recommend to my Manager what action to take. What makes it more important is that we have been holding a grant since January pending a satisfactory audit report.”



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Staff Placements

Mango runs a register of carefully selected finance professionals who can work with NGOs around the world. Our register provides easy access to the finance staff that NGOs need.

Performance over the year

During 2002, 73 members of Mango's register worked with NGOs around the world. Of these, 33 were placed through Mango. The register grew from 130 to 176 members.

Mango placed finance professionals with NGOs from Mongolia to Malawi to Peru, but most were in Africa.

Examples include:

- ◆ Field Accountant for Concern in Bangladesh
- ◆ Financial Controller for Merlin in Democratic Republic of Congo
- ◆ Financial Manager for Oxfam in Peru
- ◆ Regional Financial Advisor for Save the Children UK in Southern Africa.

Other key statistics for the year:

- ◆ 92 people were interviewed for the register.
- ◆ 62 were invited to join the register and 16 previous members left the register.
- ◆ 32 of the people who joined the register were new to the NGO sector.

Mango's register provides NGOs with a reliable source of high quality finance staff. It also helps accountants to find a way into the NGO sector. Many of these highly skilled people progress to senior positions in NGOs. We believe that this makes an important contribution to NGO management in the future.

Looking ahead

We are in a strong position to increase the number of placements – each one helping an NGO to get to grips with the financial management of one of their programmes. To achieve this, we will carefully increase the size of the register. We will also work in partnership with International NGOs based in the North and with Southern NGOs.

Case Study: Supporting International and National NGOs in India

In 2002 Mango placed Frank Dixon ACA on two assignments in India.

In July, Frank worked with the LV Prasad Eye Institute in Hyderabad. The Institute provides eye-care services to underprivileged populations in the developing world. Their vision is “to bring the world into focus for those whose days are clouded by shades of darkness”.

Frank helped hospital managers set up systems to budget for surgical procedures and to monitor their expenditure. As a result of his work, the Institute could provide more life-changing eye surgery to people - many of whom could not afford to pay for their operations.

Later in the year Frank returned to India to work with Save the Children in Gujarat. He helped review financial systems for their rehabilitation programme, working with the victims of the devastating 2001 earthquake. While providing immediate assistance to managers in Gujarat, this will also help Save the Children in their future emergency relief programmes, ensuring that the full benefits of donors' funds are delivered to the beneficiary population.



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Financial Management Tools

Mango publishes easy to use guides to NGO financial management on its website. The guides are two to ten pages long. They offer accessible advice in plain English to NGO staff who are getting to grips with financial management. They are freely available to view on-line or to download.

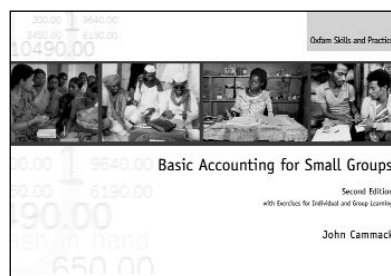
Mango's website:
www.mango.org.uk

Performance over the year

During 2002, 10,255 copies of our guides were viewed on-line and 4,446 copies were downloaded.

“I just retrieved all the wonderful information. They will really help me with my work and also provide support to my colleagues.”
World Vision, Ghana.

We also collaborated with Oxfam in the publication of “Basic Accounting for Small Groups”, written by John Cammack. This second edition of a best-selling book first published in 1992 provides a step-by-step guide to basic accounting techniques for NGOs.



Looking ahead

In 2003 we will review and update the accounting packs available on the website. We also expect to publish new complementary materials, including a Financial Management Training Manual.

During 2002 we worked in partnership with Fahamu (a UK based not-for-profit organisation) to develop an interactive CD Rom 'Finance for the Non Finance Manager', which will be published in 2003.

Case Study: Developing new systems in Cambodia

Michael Donnelly, a member of Mango's register, has been working in North West Cambodia for the last two years. His role is to provide financial management support to an NGO based in Battambang province. Michael recently wrote to Mango about how he has been using our tools.

"I returned to Cambodia a few weeks ago just in time to receive the reports from our external financial auditors. I am now involved in rewriting the organisation's financial policy and overhauling their accounting systems. Not an easy task: the NGO has 10 different active donors, who between them provide about \$500,000 for various projects spread around 4 other provinces."

"I have visited Mango's website and found some extremely useful materials there that will be a big big help in developing the new accounting systems. Thank you very much."



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Professional Networking

Mango provides networking opportunities for NGO finance staff. We encourage finance staff from different organisations to share their experiences and identify good practice.

Performance over the year

Mango chairs a UK based networking group, called the Overseas Special Interest Group (OSSIG), which we run with the Charity Finance Directors Group. 30-50 UK-based NGO finance staff participate in our meetings, coming from organisations like Action Aid, Save the Children, Farm Africa, Children in Crisis and Sight Savers.

Subjects discussed in 2002 included:

- ◆ Financial Training
- ◆ Internal and External Audit
- ◆ Reporting to Donors

Members also use an email network to ask questions and find answers between meetings, using it for example, to benchmark salary levels and identify auditors.

Looking ahead

Mango plans to look at ways of encouraging organisations to share their experience both in the North and in the South. Over 2003, we will continue running regular networking meetings and supporting web-based initiatives.

Professional Standards

Mango contributes to initiatives which aim to raise professional standards in the NGO sector.

Performance over the year

During 2002:

- ◆ Mango took a leading role in helping the UK Charity Commission to

develop new guidance for UK charities working internationally. The guidance is available from www.charitycommission.gov.uk/supportingcharities/cwi.asp

- ◆ The Disasters Emergency Committee (DEC) evaluation of UK NGOs' response to the earthquake in Gujarat (in 2001) was published. Mango carried out the evaluation of their financial management practice in late 2001. The report is available from the DEC at info@dec.org.uk

Looking ahead

During 2003, Mango will build on our work on professional standards. We aim to develop:

- ◆ practical tools to help NGO managers to gauge the quality of their organisations' financial management;
- ◆ awareness raising workshops for NGO managers and trustees.

We expect to work with Southern NGOs and standards setting bodies to support their work in developing similar standards and tools.

Overseas Programmes

During 2002, Mango was invited by the NGO Council of Kenya to provide financial management training to Kenyan NGOs. We were also asked to take a central role in a project run by Caritas Switzerland to provide financial management support to NGOs working in Southern Sudan.

In 2003, we plan to run a pilot programme to start responding to these needs. In particular, we look forward to working closely with the NGO Council of Kenya to disseminate and implement the financial reporting standards recently developed for the NGO sector.

Mango Staff and Trustees



**Alex Jacobs
MA ACMA,
Director**

Alex originally trained as a management consultant with PwC. He taught in

Zimbabwe and worked with a grass roots NGO in South Africa before joining Oxfam GB as field accountant and project manager, working particularly in Central Africa.

**Lucy Markby
MA Grad
IPD, Field
Placements
Manager**

Lucy taught in the Middle East, before joining Merlin's HR team and becoming their Recruitment Manager. She subsequently worked with Arthur Andersen for two years as a member of their International HR team.



**Jo Peel, Field
Placements
Administrator**

Jo has worked most recently in Centrica's HR team. She has varied professional experience, including customer services and general management in the textile industry. Jo has also lived and worked in Israel.



**Terry Lewis
BA MSc,
Training
Director**

Terry has twenty years experience as a manager and trainer in the NGO

sector. Her responsibilities have ranged from training and internal audit for a UK Housing Association to providing financial management advice to NGOs in Swaziland.

**Alan Murray
ACA,
Financial
Management
Trainer/
Consultant**

Alan was a partner in a general accountancy practice until 1991. Since then, he has worked with NGOs around the world (including Tearfund) to strengthen their financial management.



Trustees

Lord Joffe, Chair
Ex-Chair of Oxfam GB
and Deputy Chair of
Allied Dunbar Insurance

Colin Havill, Treasurer
Partner KPMG

Sir John Burgh, Trustee
Ex-Director General
of the British Council

John Nickson, Trustee
Director of Development
of the Royal Academy

Ros Avery, Trustee
Ex-Finance Director
of the Depaul Trust



**Simon
Taylor-Young
MA,
Fundraising
Director**

Simon has a background as a lawyer and corporate financier. He left the City in 1994 and has since worked in fundraising for NGOs including CARE and AMREF.

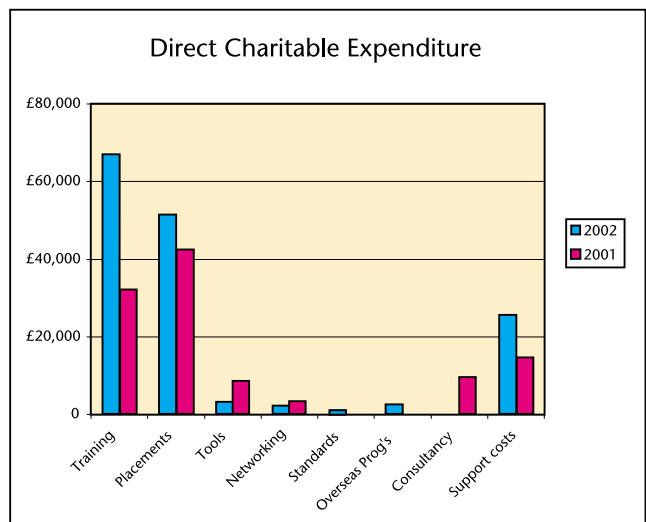
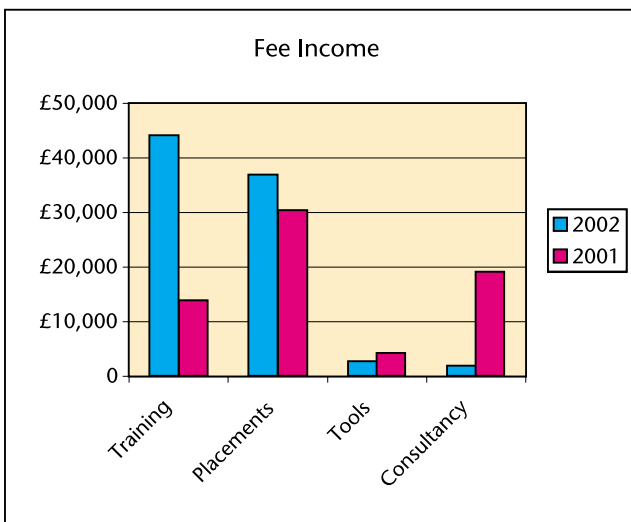
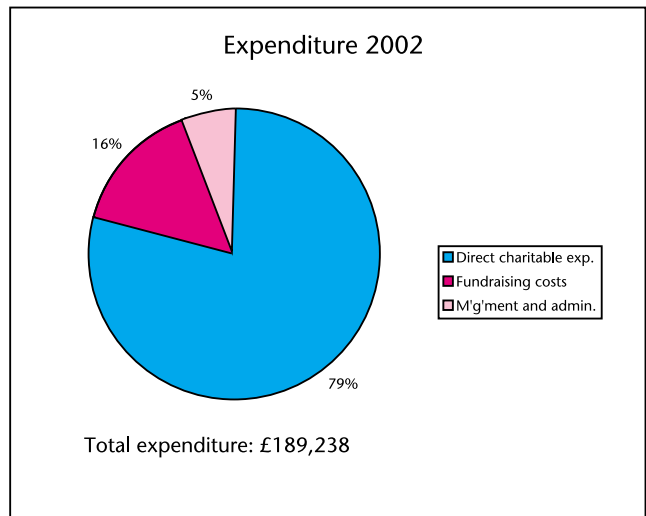
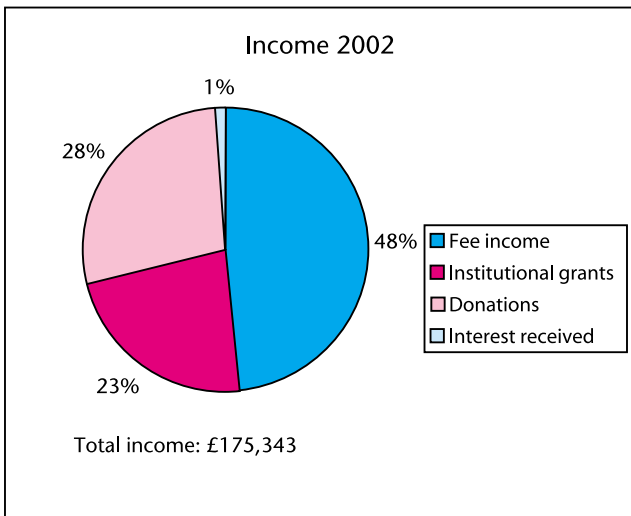
**Barbara
Johnstone,
Administrator**

Barbara has a wide experience of project and administrative work, joining Mango from the UK Atomic Energy Authority where she worked in HR.



We are very grateful to Jane Kirkpatrick, Sara Hooper and Richard Drake who provided invaluable support to Mango over the year. We would also like to thank Gavin Smith, Alastair Smith, Matt Todd, Joss Saunders, Richard Bull, Critchleys and the Zacharias Trust. We were sorry to lose Graham MacKay from the staff team, who made an enormous contribution to Mango's early years.

Financial Summary 2002



Reserves

	2002	2001
Designated funds		£47,222
General reserves	£59,002	£25,675

Note: These tables show a summary of the audited accounts, which are available on request.

Mango is very grateful to Valerie Mondesir, Phil Gray and Victor Calleja at the ICAEW for designing and producing this Annual Review.

Mango, 97A St Aldates, Oxford, OX1 1BT
Website: www.mango.org.uk, **Email:** enquiries@mango.org.uk
Phone:+44 (0) 1865 423818, **Fax:**+44 (0) 1865 423560

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