

mango



Management Accounting for
Non Governmental Organisations

Annual Review 2003



The Year in Review

Throughout 2003 Mango helped more Non Governmental Organisations (NGOs) strengthen their financial management than ever before. As this review describes, we trained more NGO staff in practical financial management techniques; we placed more finance professionals around the world and more NGOs accessed our tools and guides.

We were also involved in important sector-wide debates on professional standards and accountability, for instance through major pieces of work like the Disasters Emergency Committee evaluation of aid agencies' work in Southern Africa.

As the amount of money channelled through NGOs continues to grow, the issue of effective and efficient use of resources remains crucially important. NGOs recognise this and are working hard to develop ways of working to allow them consistently to operate to the highest professional standards.

At the same time, NGOs are under growing pressure to account for what they do. Bodies from institutional donors to US lobbying groups like the American Enterprise Initiative to governments around the world are taking a more active interest in what NGOs actually deliver. The challenge rests with the NGO community to demonstrate that they are legitimate and responsible actors.

Mango directly helps NGOs meet this challenge. We make the accountancy profession's recognised professional standards relevant and accessible to their work. As a result, we help NGOs put in place the building blocks of robust financial management - for instance, allowing them to track their funds and report on them accurately.

As NGOs around the world recognise, that is crucially important in meeting their responsibilities to beneficiaries and donors alike.

During 2003, Mango has increasingly been seen as a centre of expertise in NGO financial management. We have also developed as an organisation, growing while maintaining the quality of our services.

We are very grateful to all the donors who have supported our work. In particular, Peter Wyman and Brian Bannister at the Institute of Chartered Accountants of England and Wales played a leading role in launching an appeal on Mango's behalf, which the UK accountancy profession responded to generously.

We are also extremely grateful to our dedicated and highly capable staff team. At the beginning of 2004, they are the reason why Mango faces so many exciting and realistic possibilities.

With healthy financial reserves, diverse sources of income and rising demand for our services, we expect to continue to grow throughout 2004 and beyond. We believe that Mango is in a strong position to continue making an important contribution to the sector's practical operating standards.

Joel Joffe
Chair

Alex Jacobs
Director

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;
- ◆ Providing specialist consultancy services for NGOs.

Training

Mango provides practical financial management training for NGO staff.

Mango's core courses are one to ten 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

	2003	2002
Number of training courses run	38	25
Number of individuals trained	480	309
Number of organisations represented by participants	95	70

We trained people from different types of organisations including:

- ◆ International NGOs (such as CAFOD, CARE, Save the Children and Transparency International);
- ◆ National and local NGOs (such as the Coalition for Integrity and Accountability - Jordan, Rangpur Dinajpur Rural Service - Bangladesh, NGO Coordinating Council - Zambia);
- ◆ Universities (such as Liverpool School of Tropical Medicine, Oxford Brookes University and Manchester University).

Our courses build participants' confidence as well as their technical skills. They are highly participatory, run by experienced NGO finance staff.

“Smashing course yesterday, thanks! Feel much happier doing my job today, I'm writing the material up and have already made changes in how we do things around here.”

Course evaluations

Course evaluations by participants show that Mango continues to deliver excellent training.

The combined assessment of Mango's courses by course participants was:

	2003	2002
Poor	0%	0%
Fair	0%	0%
Good	35%	31%
Excellent	64%	69%

Participants also rated key aspects of our courses as follows:

	Average rating 2003	Average rating 2002
Relevance to participants' work	88%	90%
Facilitator's skills	94%	94%
Teaching methods	92%	92%
Course handbook and handouts	92%	90%

The Course Handbook for our introductory course - Practical Financial Management for NGOs - is now available free of charge from our website.

“Thank you for making finance less frightening!”

“Impressed with your professional and practical approach to the training.”

Case Study: Building Skills and Confidence in South East Asia

CIDSE (Coopération Internationale pour le Développement et la Solidarité) is an international NGO that has been supporting development programmes in rural Cambodia, Laos and Vietnam for over 20 years. They work in areas including agriculture, primary health care and providing access to credit for poor women.

CIDSE is currently in the process of transforming its offices in each of the three countries into independent local organisations. They turned to Mango for help in building staffs' financial management skills: a crucial step in achieving this change.

In October 2003, Terry Lewis, Mango's Training Director, delivered two in-house courses for senior managers and programme officers in Cambodia.

Pieter Stevens of CIDSE explained the impact of the courses: *"Our staff acquired new tools to improve their financial management systems and, most importantly, gained valuable insights into strategic financial management and its importance for their new status as independent organisations."*

Pieter has himself attended several of Mango's courses, including Training for Finance Trainers. He applied the techniques he learned on the course in a workshop to help programme staff make use of financial reports from their partners. Pieter commented, *"without having attended Mango's Training for Trainers course, this workshop ... would not have been as successful as it was!"*



Photograph courtesy of Panos

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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

	2003	2002
Number of placements made	40	33
Size of register	216	176

Examples of Mango's placements include:

- ◆ Financial Controller for GOAL in Malawi,
- ◆ Finance Trainer for Everychild in Guyana,
- ◆ Financial Consultant for the Ethiopian Red Cross Society in Ethiopia,
- ◆ Regional Finance Manager for CARE International in Jordan.

Other key statistics for the year:

- ◆ 71 people were interviewed for the register (92 in 2002).
- ◆ 27 of the people who joined the register were new to the NGO sector (32 in 2002).

Mango's register provides NGOs with a reliable source of high quality finance staff. We demand high standards of technical accounting skills and interpersonal skills from all of our register members. This means that we are confident that they can make a real contribution to complicated situations, helping NGO teams work better and achieve more.

Our register 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.

Mango placed Patrick Williams CA to work with the Mission Aviation Fellowship (MAF) in Tanzania. Ken Taylor, MAF's Finance Director said

“Patrick very quickly understood the issues of working in Tanzania, despite not having previous international experience. He fulfilled the finance manager role in such a way as to give very major and positive support to the programme manager and had to deal with difficult issues whilst in place.”

Case Study: Supporting Oxfam GB's Humanitarian Department in DRC

In March 2003, Oxfam GB recruited three new Humanitarian Support Accountants from Mango's register. One of the new recruits, Mike Kostyn, ACA, was soon assigned to work in Oxfam's office in Goma in the Democratic Republic of Congo (DRC). Here he reports on his role.

"My role here in Goma is to manage the finance, administration and human resource functions of Oxfam's programme in the East of the country. I sit within the senior management team, which decides the operational and strategic direction of Oxfam's activities."

"We train local staff and empower local communities to raise their skill base and enable them to take control of their lives, reducing the dependency on aid."

"Receiving acknowledgments from donors such as the European Union that we are doing a great job of providing clean water and sanitation within a combat zone is immensely satisfying. I know that I have contributed to saving lives and am helping to provide opportunities to the people who are mixed up in the conflict."

"This position is incredibly challenging. As a career move, I would not say that this is an easy choice. What it is, though, is something that speaks from my heart and fulfils me incredibly. It is a wonderful feeling to realise that I can use my skills in a way that really satisfies me – something I often wondered about whilst I sat behind my desk in the city."



Mike Kostyn in Goma DRC

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Financial Management Tools

Mango publishes easy to use guides to NGO financial management on its website. The guides provide practical advice in plain English to NGO staff who are getting to grips with financial management. Our tools include:

- ◆ Seven introductory guides to subjects including book-keeping, budgeting and a standard financial system for an NGO office.
- ◆ Our Financial Management Health Check.
- ◆ The entire manual which accompanies our Practical Financial Management for NGOs training course.

All of our tools are freely available to download from our website.

Performance over the year

Mango's accounting packs are downloaded by large and small NGOs from around the world.

	2003	2002
Introductory Guides	9,798	4,446
Health Check	1,806 (May - Dec)	N/a
Training Manual	291 (Sept - Dec)	N/a

“ I am the treasurer of the Apostolic Church in Zambia in a town called Kitwe. We are in the process of setting up an NGO to look into improving the quality of lives for AIDS / HIV patients in our community. I have just carried out a review of the Mango accounting pack on your website and I must say that it is very good and meets the system of accounting we are looking for.”

**Roy Mwansa, Zambia,
October 2003**

Health Check

In May 2003, we published the pilot version of our Health Check. The Health Check helps NGO staff to gauge how strong the financial management is in their organisation and to identify specific strengths and weaknesses.

Our Health Check has been widely used. For instance, Tearfund published it in their FootSteps magazine, distributed to 47,000 development practitioners.

“ Mango can be considered as the number one address on financial management for NGOs. Their website provides a wealth of practical information and excellent tools on this subject.”

**NGO Manager,
December 2003**

Case Study: Strengthening Financial Management in Paraguay

FEISA, a teacher training college in Paraguay, has been making practical use of Mango's Health Check.

Rupert Parsons, working as a consultant and trainer with FEISA, explained:

"The college was opened at the request of the Ministry of Education in response to the many Paraguayan teachers who are untrained and the need for better early years education."

"[When] the college started ... a simple cash book was sufficient. However, as the college has grown the need for a more formal accounting system became necessary. This is especially important as the college relies on external funding from a number of trusts and individuals. We need to ensure that donor money and student fee income is properly spent and accounted for."

"Mango's Financial Health check provided an opportunity to evaluate whether there were any weaknesses in our accounting system. The Health Check highlighted the need for a more organised filing system which has now been improved. This has been much appreciated by staff as they can now more easily locate receipts and invoices."

"The Health Check also identified the importance of regular reporting and meetings between the accountant and senior management. This has only just been implemented but we are hoping it will result in improved budget monitoring and cash flow management."



FEISA Student on teaching Practice, Paraguay

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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 continued to chair a UK based networking group called the Overseas Special Interest Group (OSSIG). OSSIG is a branch of the Charity Finance Directors Group. 15-50 UK-based NGO finance staff participate in the group's meetings, coming from organisations like Marie Stopes International, Oxfam, Water Aid and many others.

Subjects discussed in 2003 included:

- ◆ Working with Southern Partners,
- ◆ Financial Controls,
- ◆ Currency Management.

Members also use an email network to ask questions and find answers between meetings, for instance using it to identify lawyers in New Delhi and to discuss the statutory requirements that NGOs face in different countries.

Professional Standards

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

Performance over the year

All of our work aims to help NGOs to raise their professional standards. In addition to the major Disasters Emergency Committee evaluation mentioned on the next page, Mango was involved with the following initiatives in 2003:

- ◆ Mango joined the steering committee of the Emergency Personnel Network (EPN). This network aims to strengthen the ability of humanitarian organisations to recruit, train and retain staff for emergency operations. More information: www.redr.org/epn/.
- ◆ We played an active role in the EPN seminar held in June on pro-active human resource planning for humanitarian emergencies.
- ◆ Mango contributed to discussions on quality and accountability with the UK Charity Commission and also within the humanitarian sector, as well as presenting on these issues to the 21st Century Trust.
- ◆ Mango supports Aid Workers Network as a mechanism for capturing and sharing learning within the sector.

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Consultancy

Mango provides specialist consultancy services to the relief and development community.

Performance over the year

During 2003, we carried out a wide range of consultancy projects including:

- ◆ Reviewing financial management systems for a national NGO in Mexico,
- ◆ Investigating specific financial issues for a national NGO in India,
- ◆ Reviewing financial management systems within a major international NGO,

- ◆ Evaluating the financial management of the major British International NGOs' response to the food crisis in Southern Africa for the Disasters Emergency Committee,

Our consultancy work is based on a detailed and practical understanding of both NGOs' financial management issues and their operating environment.

We aim to provide a clear analysis of current issues and to add value by making specific practical recommendations based on best practice across the sector.

Case study: Evaluating NGOs' response to the Southern Africa Crisis

In July 2002, the Disasters Emergency Committee (DEC) launched an appeal for the food crisis in Southern Africa, where it was estimated that 14 million people would face serious food shortages.

The appeal raised £16m. 12 of the largest aid agencies in Britain used these funds to support their emergency response programmes. In late 2003, Mango played a central role in evaluating their performance. In particular, Mango was responsible for evaluating the financial management of their programmes.

"It was impressive to see that agencies had strong frameworks for maintaining financial control", said Alex Jacobs, Mango's Director. "Some of the operating environments they faced were difficult, including handling a rapid and very large scale-up of their programmes."

However, Mango's evaluation found that agencies could have been more accountable to their beneficiaries and donors and also that cost effectiveness varied a great deal.

The full evaluation report is available from www.dec.org.uk.

Looking Ahead

In 2004 and beyond we will continue to respond to increasing demand for our services from NGOs. We will deliver more of our current high quality services and also explore new ways to help NGOs strengthen their financial management.

For instance, we will run our training courses in new locations around the world such as New Delhi, India and expect to start offering courses in French in Dakar, Senegal. We also plan to develop a training course particularly aimed at the needs of NGO board members.

Pending funding, we hope to start work on a Finance Trainers Handbook as a

major new publication. We also aim to review our existing materials and explore ways of translating them into other languages as well as developing different methods of delivering them to NGOs.

A major priority is to run a pilot programme in Kenya. We continue to develop plans to work with the NGO Council of Kenya and UNDP to provide capacity building support to local NGOs. It may be possible to offer almost all of our current services from a Kenyan base.

We hope that this will be an effective way to support current initiatives in

Kenya to develop standards of professional practice and accountability in the NGO community. However, it also depends on winning appropriate funding.

We continue to work on the Board of Studies for a new Masters in Humanitarian Programme Management with the Liverpool School of Tropical Medicine. The first course should run from September 2004.

Finally, we will continue to contribute to important and urgent debates on the quality and accountability of NGO activities.

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

Management Team

Alex Jacobs,

Director

Deborah Vorhies,

Development Director

Terry Lewis,

Training Director

Lucy Markby,

Field Placements Director

We would like to thank everyone who has provided additional support to Mango this year, including: Alastair & Gavin Smith from Confidence-IT; Beth Holmes from Accountancy Magazine; Cascaid; Cathy Hayward from Charity Finance Magazine; Collette Steckel from Accounting & Business Magazine; Critchleys; Matt Todd; Nadia Manuelli, Camilla Berens and Ruth Prickett from Financial Management Magazine; Sarah Huxley and the Zacharias Trust. We appreciate their support a great deal: it makes a really important contribution to Mango.

This review was published by the good graces of Brian Bannister, Communications Director of the ICAEW and the Marketing Services team.

Supporters

Mango depends on many generous supporters. Their charitable donations have been the bedrock of our growth, allowing us to make our services accessible to NGOs all over the world.

“The work that Mango undertakes in ensuring that NGOs achieve best value from their spending deserves every assistance from the accountancy profession.”



David Illingworth,
ICAEW president

We are delighted that the UK accountancy profession continues to support Mango. The profession recognises the value of what we do in applying their skills and standards to the NGO sector - directly helping NGOs to achieve more.

We would particularly like to thank the Institute of Chartered Accountants of England and Wales (ICAEW) for their ongoing championing of our work.

Mango received generous donations from the Chartered Accountants Livery Company and the Chartered Accountants Trustees.



“CIMA has been delighted to support Mango over the years. The financial, business and information strategy skills for which Chartered Management Accountants are renowned are delivering significant value, via Mango, to organisations throughout the world needing their help.”

Claire Ighodaro,
CIMA president

In addition, we would like to thank the major accountancy firms and other corporate supporters who made important financial donations to Mango in 2003, including:

- ◆ A J Bennewith Charitable Trust
- ◆ Arete Research
- ◆ BDO Stoy Hayward
- ◆ Ernst & Young
- ◆ Grant Thornton
- ◆ KPMG
- ◆ NFP Synergy
- ◆ Parliamentary Communications Ltd
- ◆ PwC
- ◆ The Sandra Charitable Trust
- ◆ Smith & Williamson Investment Management Ltd.

The donations listed above were mostly generated in response to a fundraising appeal launched in 2003 by Peter Wyman of PwC. We would like to take this opportunity to thank Peter for his energetic and continuing support of Mango.



“I am delighted that the accountancy profession through the ICAEW, CALC and many firms is supporting Mango in its

vitaly important work, helping aid agencies to strengthen their financial management and so make the best use of every pound they have.”

Sir Brian Jenkins,
Deputy Chairman, Barclays plc

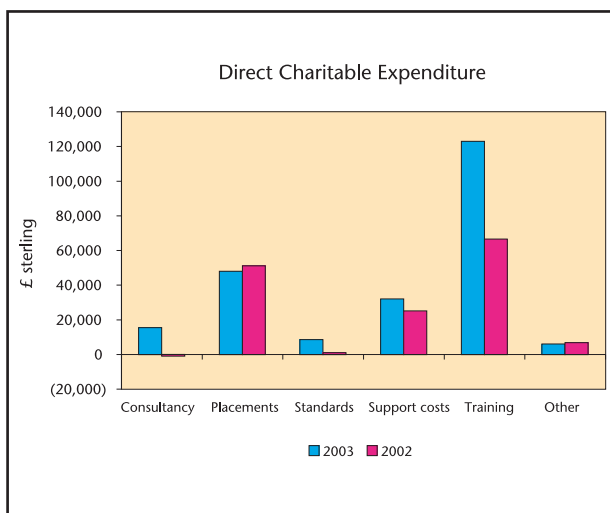
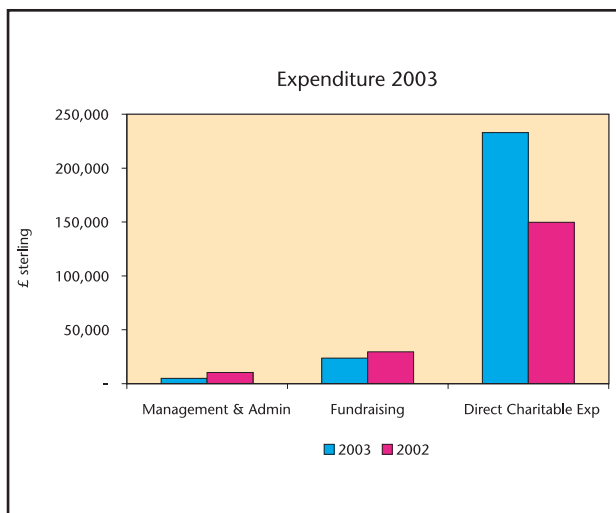
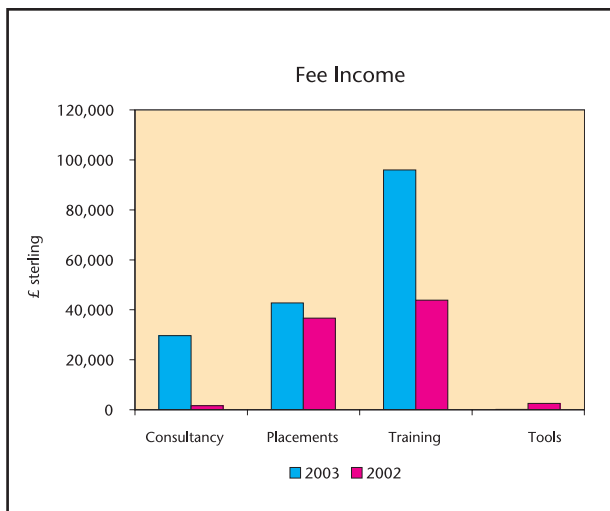
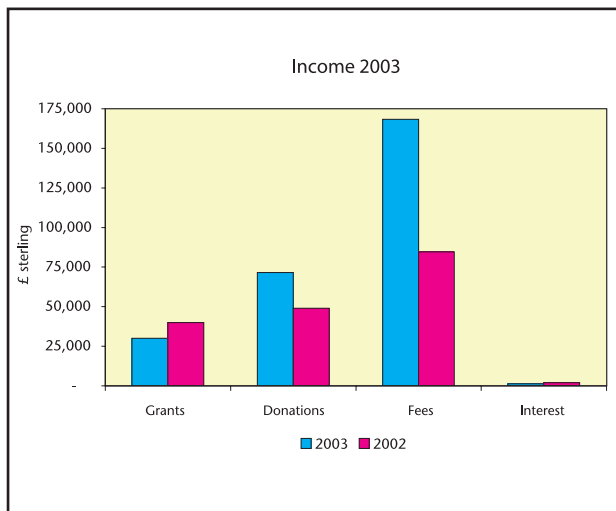
We are very grateful to the individuals who continue to support Mango. In particular, Simon Taylor-Young made a substantial donation to Mango. This income adds up to make a really important contribution to our ability to operate.

We were delighted to be able to continue working with the Association of Accounting Technicians, running a training course together in Zambia.

European Commission Humanitarian Office

During 2003 we received the final instalment of extremely generous start up funding from the European Community Humanitarian Office (ECHO). This funding has specifically contributed to the development of our successful training programme.

Financial Summary 2003



	2003	2002
	£	£
Total income	270,990	175,343
Total expenditure	261,229	189,238
Net surplus/(loss)	9,761	(13,895)
Reserves b/f	59,002	72,897
Reserves c/f	68,763	59,002

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

Mango is very grateful to Valerie Mondesir for designing this Annual Review.

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