The Role of the Honorary Treasurer

The Overall Role

The role of the treasurer can be summarised as follows:

- to monitor the financial administration of the charity and report to the Board of Trustees at regular intervals on its state of financial health, in line with best practice, and in compliance with the governing document and legal requirements;
- to assure the Board that the financial resources of the charity are being directed towards the charitable objectives and mission;
- in doing so to maintain an overview of the finances of the Group as a whole including Picker Institut Deutschland.

The main responsibilities and duties of the treasurer include:

- reviewing budgets, internal management accounts and annual financial statements prepared by the Finance Director and presented to the Board of Trustees;
- leading in the Board’s duty to ensure that proper accounting records are kept, financial resources are properly controlled, invested and economically spent, in line with good governance, legal and regulatory requirements;
- member of the Finance committee and Remuneration committee;
- liaising, where applicable, with the Finance Director and CEO of Picker Institute Europe and the MD of Picker Institut Deutschland;
- chairing any finance committee in line with standing orders and terms of reference, and reporting back to the Board of Trustees;
- monitoring and advising on the financial viability of the charity;
- advising on the financial implications of the charity’s strategic plan;
- reviewing the charity’s financial risk-management process;
- board-level liaison with the external auditors on specific issues such as the Auditors’ Management Letter and the related board representations.

In addition, the honorary Treasurer is expected to have regard to the general duties of a Trustee and the generic Trustee job description for the Picker Institute Europe forms Annex A.

Critical Areas of Involvement for the Treasurer

There are several areas where the treasurer is expected to play a critical role.

**Budgeting and strategic financial planning**

A critical role of the board is to ensure that the mission and long-term goals of the organisation are appropriately defined and shorter term objectives and action plans are put in place to achieve them. The annual budget should then flow from this process. The treasurer must ensure through the Finance Director that all strategic plans are fully financially appraised and that the budget is in line with the plan’s short-term objectives as set for each year.
The treasurer should satisfy him / herself that the plan/budget process is appropriate on behalf of the board and constructively challenge assumptions made. One of the important developments in the Charities SORP is the emphasis on performance reporting and the importance of measuring outcomes and impact where possible.

**Management Reporting**

Trustees have a duty to ensure that proper accounting records are kept, assets are safeguarded and resources properly applied in accordance with the objects of the charity. All this requires a high standard of financial reporting.

The treasurer should ensure that management accounts are prepared by the Finance Director on a regular basis and that there is a target timescale for their production. The treasurer should also agree with the trustees the type of financial reporting they require and the extent of it. This needs to be done in coordination with the Finance Director.

In overall terms, it is important that the treasurer ensures that the trustees as a board are given a fully informative picture of the financial performance and position of the charity and of its effectiveness – especially as far as its financial control system is concerned.

**Statutory financial reporting**

The treasurer has an especially important leading role to play in statutory financial reporting. The treasurer’s task here is to guide and advise fellow trustees in the board’s formal approval of the annual report and audited accounts. Therefore it is important the treasurer is fully aware of their content, although they will usually be prepared by the Finance Director.

It is also important that the treasurer can explain the technicalities of the accounts in plain language so they are fully understood by the trustees. The treasurer should also be involved in overall liaison with the external auditors. While not involved in the detail, the treasurer should be involved in the overall planning of the audit, perhaps by attending an initial planning meeting and then when the audit is completed, in a round-up discussion on the points arising and the issues raised in the Management Letter. The treasurer should also be involved in the selection of external auditors when this arises.

The Trustees’ Annual Report and of course the statutory accounts themselves are important examples of the expected transparency and accountability of charities. The Annual Report needs to be owned by the whole board, but again the treasurer should be able to vouch for the financial information and commentary contained in it. The treasurer also needs to be involved from the financial perspective in the development of all performance reporting and the use of financial performance indicators, targets and benchmarks.

**Investments**

Investments are another area, where, if material in the balance sheet and if no other trustee has the knowledge and experience needed by the board, the treasurer needs to be closely involved in the overall management of this important asset.
Risk Assessment and Risk Management

This is another important area where, for charities above the statutory audit threshold, the trustees have to make disclosures in the Annual Report. Treasurers need to ensure that the risk-management process is adequate and that the financial implications of risk are fully taken into account.

Reserves policy

A final critical area is reserves policy in relation to any voluntary funding and/or to the charity’s operational viability and ultimate solvency. The treasurer must be involved in:

- the development of any reserves policy;
- acting as its guardian on behalf of the trustees;
- keeping the board regularly informed of the free reserves position and target (if any), and
- advising any action needed to cope with changing circumstances.

The Treasurer and Governance

The finances of charities are often critically important in the management of the organisation, and indeed the trustees all have legal duties which underpin this importance. The treasurer should also consider the governance structure and effectiveness of the charity in this light.

The relationship between the treasurer and the board has been outlined earlier. The treasurer needs to have a close working relationship with the chairman, and they should meet separately from time to time so that the chairman is fully briefed on important financial issues like strategic planning, financial targets, the budget, the statutory annual report and accounts and audit issues.

The Honorary Treasurer Relationships with the Executive

The treasurer will also have important relationships with the executive, the most important of which is the relationship with the Finance Director. In this relationship treasurers must remember that they are non-executive and good communication is the key.

There should be a clear agreement between the treasurer and Finance Director establishing the boundaries of what each can expect of the other in the context of robust executive/non-executive roles. The two should meet regularly and speak with one voice to the trustee board unless they cannot agree in which case the Board must be notified. This means a close working relationship and joint agreement of important board papers. There should be no ‘surprises’ as far as both parties are concerned in relation to each other.

The treasurer will also have a more distant but nevertheless important relationship with the chief executive. Chief executives should ensure that the main interface on financial matters is between the treasurer and the Finance Director. However, the chief executive and the Finance Director should meet the board’s chair and treasurer occasionally to discuss major aspects of the strategy, operational activities and finances of the charity. Where possible, the chief executive and the Finance Director should also attend finance committee meetings.
Next Steps

Applicants for the current vacancies must be able to demonstrate knowledge and experience of/possess the following qualifications:

- Governance and management of an international charity or other governance and management experience that is applicable to the post;
- Qualified accountant;
- Senior finance experience in the public, private or charitable sector (preferably with multi-sector experience);
- A clear interest in and commitment to improvement of health and social care systems worldwide;
- A strategic grasp of finance in medium sized organisations and how financial issues relate to sustainability, HR issues and impact.

Additionally, whilst knowledge of charity law and regulation is not required the ability to acquire basic knowledge in this area and to be able to take advice on it is essential.

It is desirable that you also have one or more of the following:

- Income generation, influencing or business development skills
- First-hand experience of being a patient or client of social care services personally, professionally or as a family carer
- Strategic IT knowledge
- Social media knowledge
- Product development/product pipeline construction

Applicants must be committed to the values and vision of the Picker Institute and committed to understanding and using the patient (client, service user or consumer) perspective in health and social care.

Applications

For further information please contact Dr Andrew McCulloch, Chief Executive and Company Secretary at andrew.mcculloch@pickereurope.ac.uk or on 01865 208100.