

**The ImpACT Coalition Toolkit:  
Interim Report**

**February 2009**

## The ImpACT Coalition Toolkit: Interim Results

### Executive Summary

ImpACT is a coalition of over 250 charities and trade bodies working together to improve transparency and accountability.

1. The generic results reflect the first 30 toolkits submitted to the ImpACT Coalition. The sample itself represents the diversity of the sector measured both by size and type of charity. It also reflects a geographical mix of charities, trade bodies and infrastructure organisations based throughout England, Wales Northern Ireland and Scotland.
2. The toolkit, an online self-assessment tool was launched in the summer of 2008 after extensive consultation in and around the sector and tests on volunteers from the ImpACT Coalition.
3. The toolkit results demonstrate a wide range of performances. In general, however, very few charities performed either very well throughout the whole toolkit or displayed overall weakness. Most performed well in some areas and less well in others.
4. We have found particular strengths in the sections on governance, care of donors and communications, where the first quartile results were above 50%. There is clearly room for improvement in the areas of transparency and accountability policy, stakeholders, clients and service users, statutory reporting and suggestions and complaints where the first quartile lay on or below 50%.
5. While these results communicate the results for each section, we have used the responses to individual questions to suggest practical ways that charities might improve their transparency and accountability.
6. We have been keen to ask those who have completed the toolkit about their experience of working on it and how it has helped them make plans for change. Comments from members are included in the report.
7. ImpACT is a coalition of charities and trade bodies working together to improve transparency and accountability. We urge more current members to complete the toolkit and invite charities throughout the sector to join us and commit themselves to the highest standards of transparency and accountability.

## **The ImpACT Coalition Toolkit: Interim Results**

Founded in 2006 to engage charities in preserving public trust and confidence, the ImpACT Coalition now numbers more than 250 charities, trade bodies and a small number of commercial companies committed to working together to improve standards of transparency and accountability in the UK charitable sector. Upon joining, which is free to all, charities pledge to improve their own standards of transparency and accountability, but where should they start?

In 2008, ImpACT launched for its members an online self-assessment tool, known as the 'toolkit' with the intention of providing a starting-point or a mirror that they could hold up to themselves and see just where they were. This would be a straightforward mechanism to look at themselves through the prism of accountability and transparency and make plans for future development.

ImpACT has a diverse membership, reflecting the diversity of the UK charitable sector. It ranges from the top 40 fundraising charities in the UK to small, local charities, with a combined value of voluntary income of more than £2.5 billion per annum. The coalition believes that good standards of transparency and accountability should be common to all.

### **The Toolkit: Principles and Process**

The ImpACT toolkit was developed after extensive consultation both with the membership and across the sector. It does not pretend to be the 'last word' in transparency and accountability assessment, although it does make available some of the best modern thinking about how charities should be providing information to their multiple stakeholders.

In essence, the toolkit is a moderated online survey. Charities complete the survey knowing that their own results are confidential but that we will make public generic results. The survey covers a number of category areas:

1. Accountability and transparency policy
2. Availability of information
3. Stakeholders, clients and service users
4. Statutory reporting
5. About you and your governance
6. Suggestions and complaints
7. Care for donors
8. Communications.

The categories were selected to give a rounded view of how a charity is performing across the board. They, and the questions in them, were refined after testing with a range of 'guinea pigs' drawn from the membership. From the outset we knew that the 'toolkit' was applicable to a wide range of charities and trade bodies and subsequent experience has also shown that to be the case.

Charities complete the toolkit online and their results are 'moderated' and commented upon by the director of the project. Often this results in a discussion

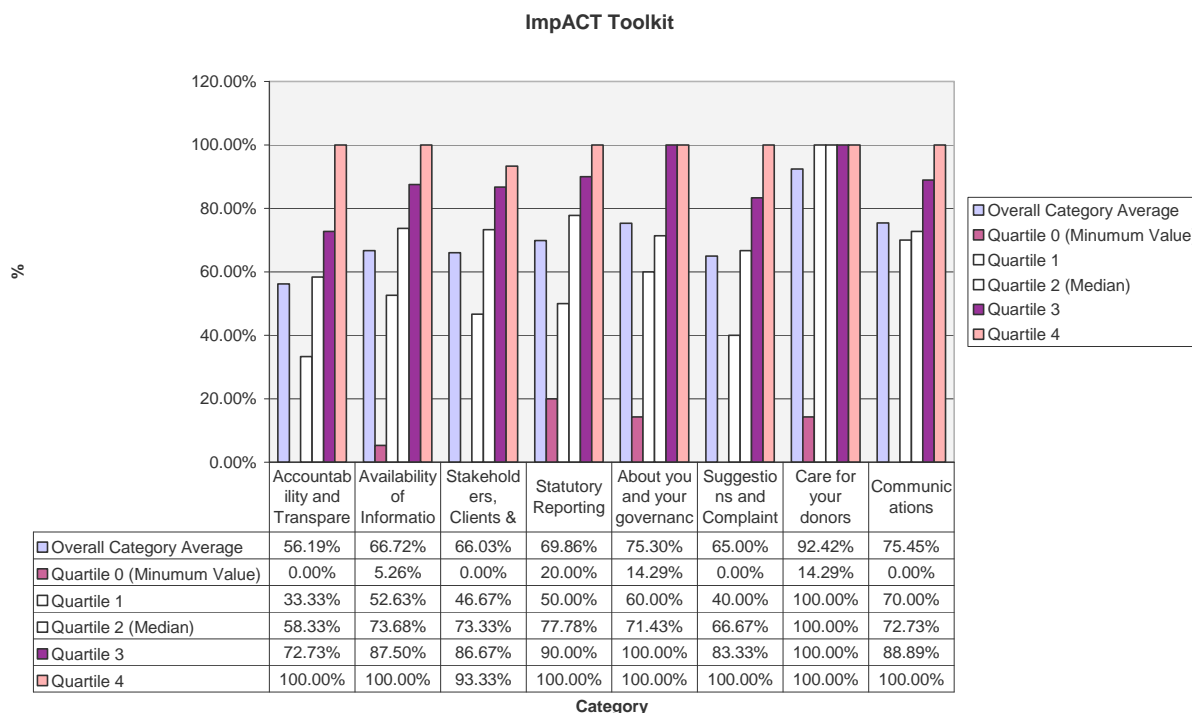
about targets for future action. The individual results are private to the charity completing the toolkit, however, they are free, should they wish to publicise the fact that they have completed the toolkit and, indeed, publish their own results. It is our intention to ask charities to complete the toolkit annually so that we can track individual and generic change.

ImpACT does not intend to publish league-tables of performance. The sheer diversity of the membership would render this meaningless. However, the Steering Group did feel that placing individual results in the context of quartile bands would make the information more useful. This has proved to be the case. We have calculated the results by quartiles alongside overall averages.

This interim report is based on the first 30 charities to complete the toolkit. It makes available the generic scores for each subject category in the toolkit. Future reports will look to go into greater detail on individual questions. The initial sample of 30 charities and trade bodies comprises members from a wide range of different sized organisations from a variety of subsections of the sector including membership charities, international development organisations, health-based organisations, the arts, trade bodies and faith-based groups. We anticipate producing future reports which will analyse the data with regard to specific types and sizes of charities and also taking a look at the responses to specific questions or clusters of questions.

## The Headlines

We have observed a wide variation of performance. It cannot be said that large charities perform better than small ones - each is capable of performing well in some areas and less well in others. The overall results show some charities performing very well across the toolkit categories but relatively few charities perform either consistently well or badly.



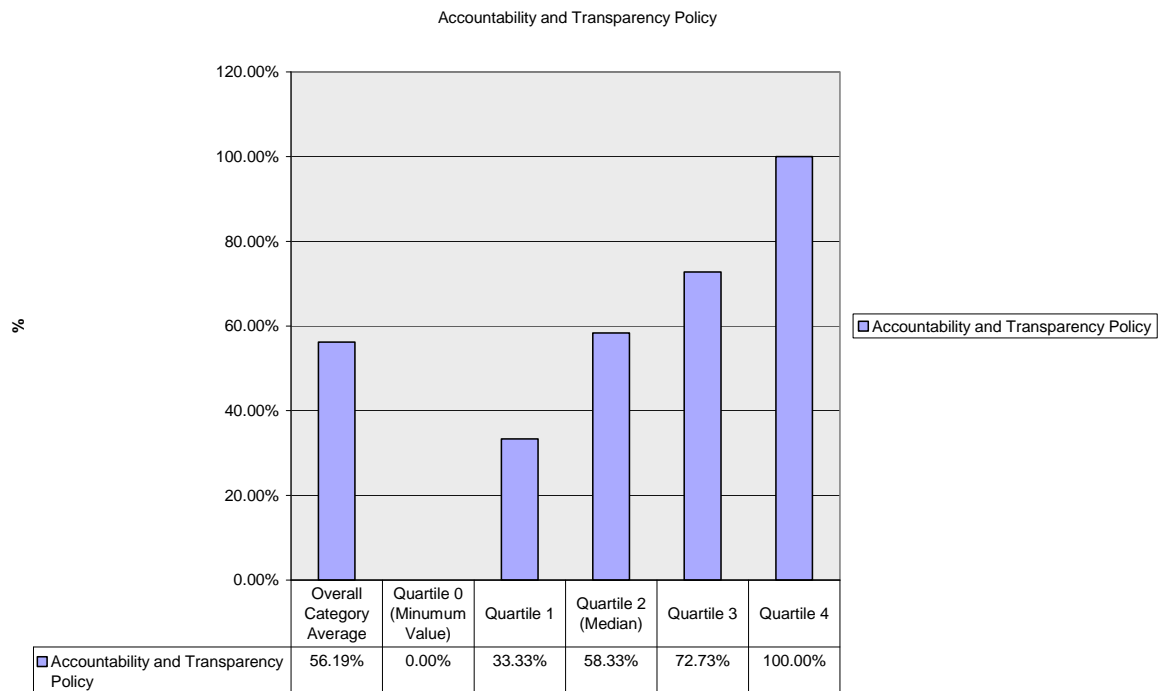
### What can we do?

To make this report more useful, we have identified 3 action-points for each category. These have arisen as priorities from the analysis of the toolkits. If charities were to address these in their strategic plans, the standards of transparency and accountability in the sector could rise significantly.

We asked the charities who had finished the toolkit to tell us a bit about their experience of completing it and how it had affected their organisation. These quotations are in the purple boxes.

## Accountability and Transparency Policy

Are charities intentional in their thinking about transparency and accountability? Our results suggest that this is one of the areas requiring much more thinking and action. Above all, charities do need to anchor the transparency agenda firmly within their structures and make resources available to make change happen. It reveals that more resources could usefully be made available to help charities engage with these issues.

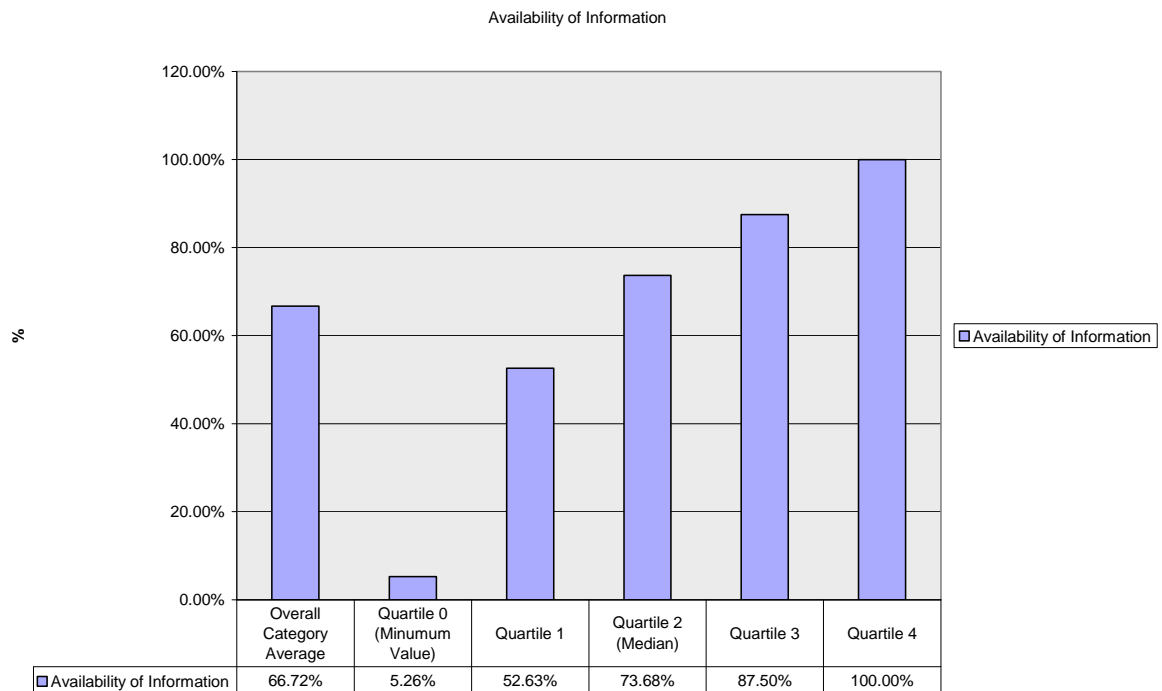


“Completing the ImpACT toolkit made us really think about our transparency. We have always prided ourselves on being very open, but it made us realise that whilst the information was available, it wasn’t very visible in some areas. We are now working with one of our trustees to ensure that we have all the necessary policies in place to make sure that all staff understand their responsibilities in this area so that information is more readily accessible to people outside of the organisation. We hope to improve our scores in 2009.”

*Homelessness Charity, London Area*

## Availability of Information

Here, too, there was wide variation. Making information available is one of the hallmarks of transparency and yet, although some performed very well, there were many who showed a need to radically overhaul their information dissemination systems and policies. Charities would benefit from being rather clearer in the information that they make available with a particular priority being good impact reporting. There are good resources freely available and we hope that these will be sought and used.

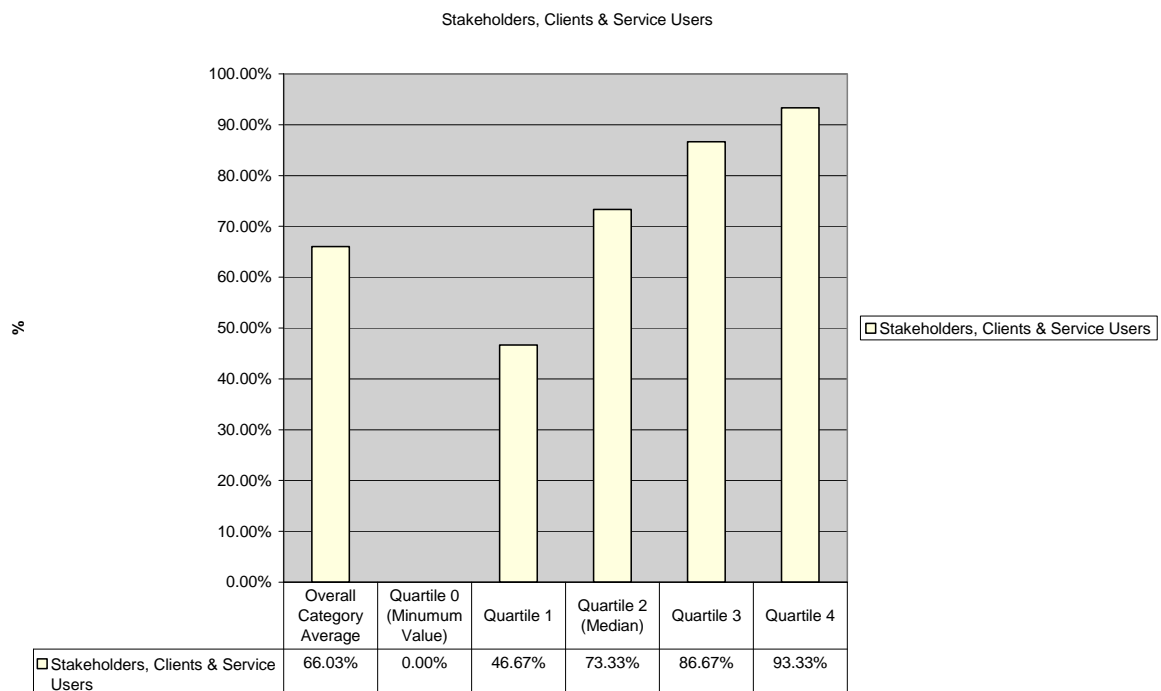


### What can you do?

- Publish your mission statement and strategic plan.
- Promote the impact and difference that you make.
- Don't be afraid of showing the obstacles and setbacks you encounter; show yourself to be learning as an organisation.

## Stakeholders, Clients and Service Users

This section assesses how a charity maps and relates to its stakeholders. It is one way of getting a grip on the complex issue of accountability. While some charities (mostly in membership organisations, or those working in the field on international development) performed very well, others were less confident in saying that they knew who their stakeholders were and how they were accountable to them. Clearly, this is another area where there is a need for resource provision.

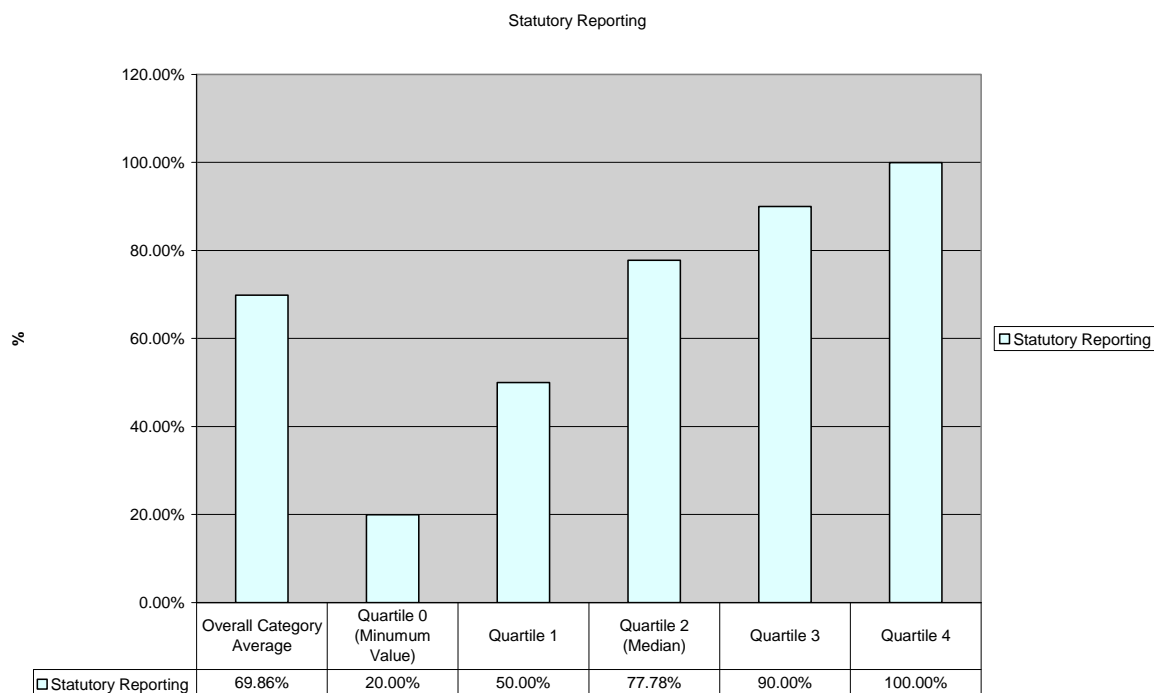


### What can you do?

- Develop sound mechanisms for seeking and capturing feedback from your service users and stakeholders
- Include service users and stakeholders in your policy development processes.
- Don't forget your staff; make sure that you are aware of staff morale.

## Statutory Reporting

How well does a charity match-up to those things that are statutorily required? When the 'toolkit' was developed there was some debate about whether this section was required at all. However, in testing and now in these interim results, we see that some charities are not using the opportunities given to them by the processes requirements of statutory reporting. There appears to be little correlation with type or size of charity in these results. The reporting examined in this section is something that most charities have to do and it would be good to see them making more of it to enhance public trust and confidence.



### What can you do?

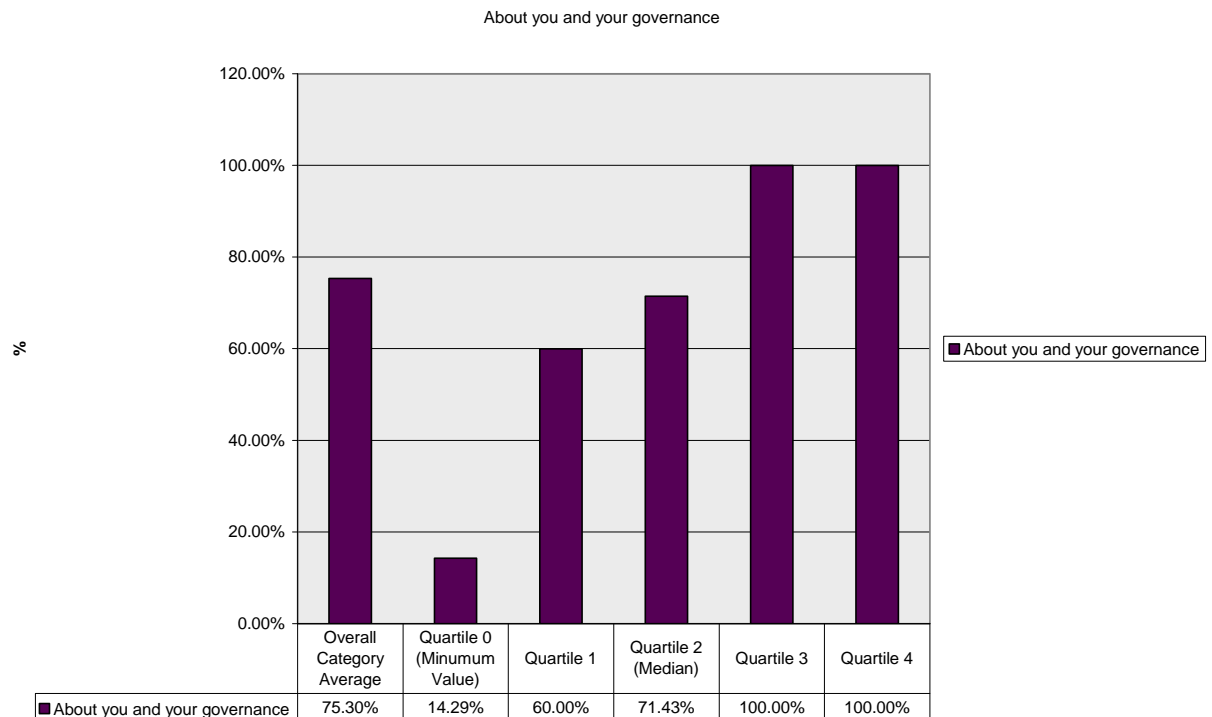
- Make sure that key documents (Trustees' Report & Accounts, SIR Etc.) are available no more than 4 keystrokes from the home page of your website.
- Publish your administration and fundraising costs.
- Report on the contribution and value of your volunteers.

"It provides a useful starting point from which various aspects of our communications can be improved. We are shortly to do some work with stakeholders and we will use some of the information from the audit to inform how we go about that and the questions we are asking."

*Infrastructure Organisation, Wales*

## About you and your governance

Healthy governance is a priority for the sector. Our results appear to show that this is being achieved with relatively high scores being recorded across the sample. It would appear that while charities are advancing in this area, there is still room for them to better communicate these improvements and the processes that have led to them.



### What can you do?

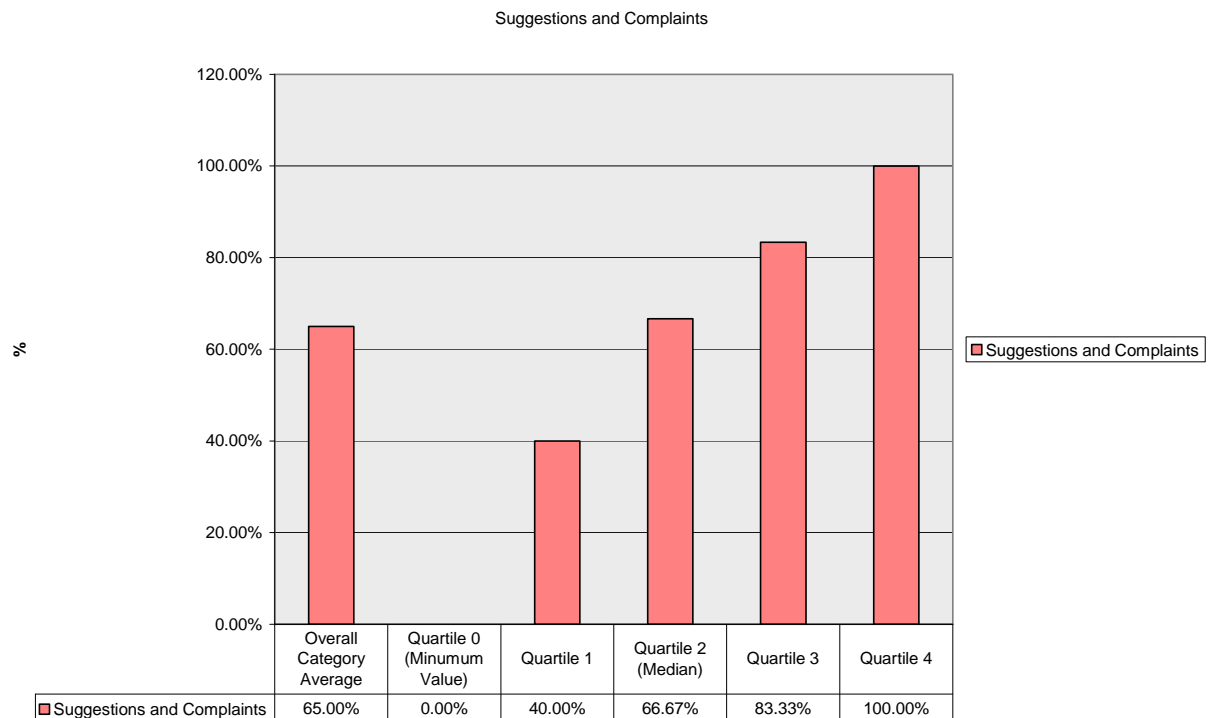
- Publish your organisational structure.
- Be clear about how you appoint trustees.
- Be rigorous in stating your policy on conflicts of interest and related party transactions.

“The ‘toolkit’ was relatively easy to complete, and not particularly time consuming. It flagged up some holes in our transparency and accountability processes (or lack-of!), and also helped identify areas in which we are doing well. In no way did it feel as if we would be judged for answering ‘no’, but rather, encouraged us to improve.”

*NHS Charity, East Anglia*

## Suggestions and complaints

We felt that how an organisation dealt with complaints and suggestions from service users, the public and staff might shed further light on its attitude to transparency and accountability. There are some high scores here but the quartile bands indicate that for too many, the provision of robust complaints mechanisms for all stakeholders is not a sufficient priority. Complaints should not be dismissed as a nuisance or a distraction; they are a key element to both a communications and service delivery policy.



### What can you do?

- Develop a published policy for dealing with complaints from beneficiaries, supporters and staff.
- Develop a mechanism for handling and learning from the public's suggestions and observations.
- Report on the level and type of complaints you receive.

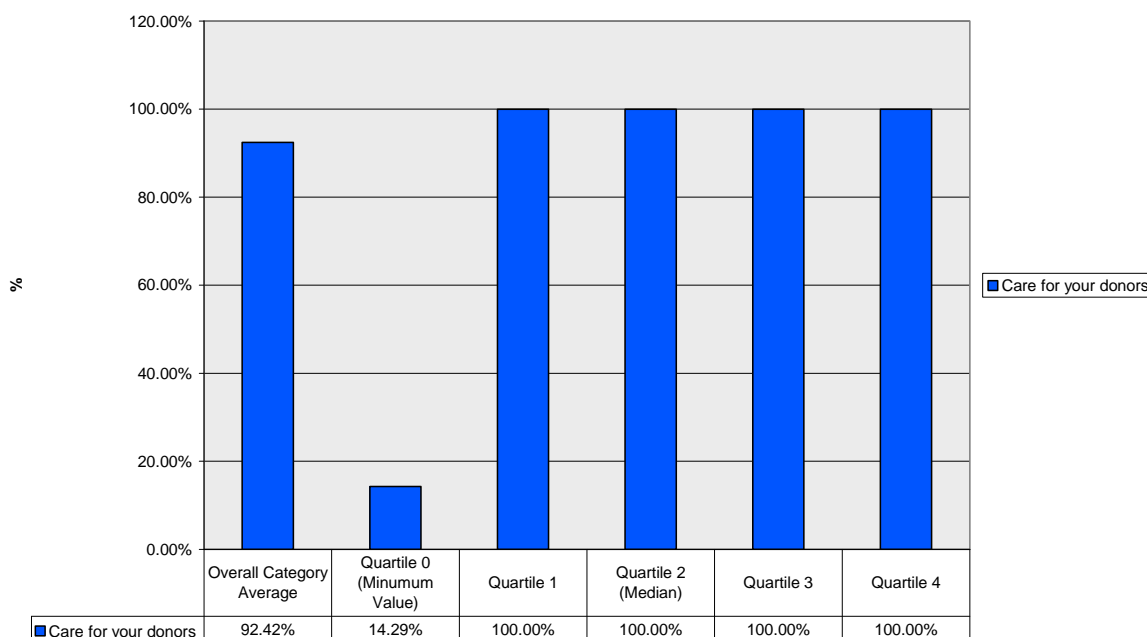
"The ImpACT online toolkit – once it finally became fully active – is an ideal self-examination tool that should be worth the time for any senior charity executive to undertake. It gives incentive for much reflection and corrective action as necessary."

*International Development Charity, Midlands*

## Care for donors

This section was the highest scoring overall. Which begs the question, why? It may be argued that this is one area where there is clear organisational ownership and priority together with strong cross-sector standards-setting. Moreover, it should be noted that this is an area of a charity’s activity where there is already a high-level of public scrutiny. It might also be argued that the results in this section also underline the strong potential for the growth of self-regulation.

Care for your donors



### What can you do?

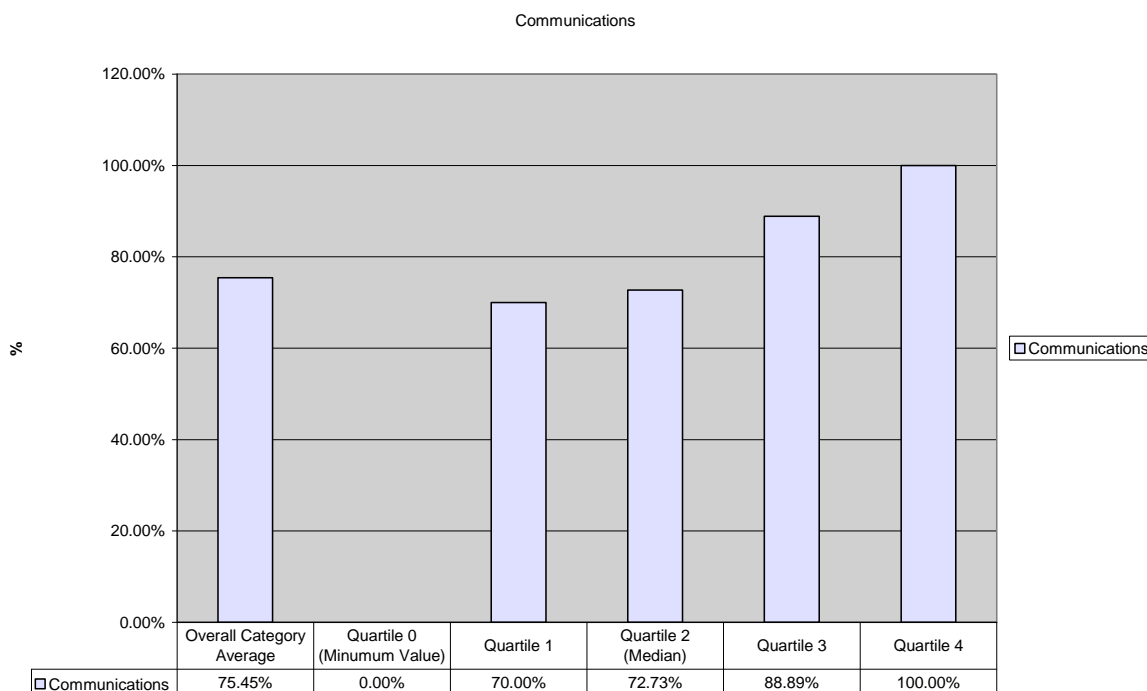
- Ensure easy access to your fundraising department.
- Report on the value and impact of your donor contributions.
- Test your donor care processes regularly.

“The ImpACT toolkit really gave us an opportunity to evaluate our strengths and weaknesses as a charity in keeping our stakeholders better informed as to the nature and scope of our activities and processes. It enabled us to make a number of changes for the better.”

*Trade Body, London*

## Communications

How seriously do charities take the whole business of clear, consistent outward communication? Our results are promising although there is room for improvement. Once again, we can identify areas where ImpACT or other bodies can provide tools and resources to help all types of charities improve their communications and, consequently, their relationships with the public.



### What can you do?

- Make sure all your outward communications are consistent with each other and written clearly and unambiguously.
- Review regularly what is written about you on third-party websites e.g. the Guidestar, Charity Commission and Intelligent Giving websites.
- Use the ImpACT Coalition Q&As (available from [www.impactcoalition.org.uk](http://www.impactcoalition.org.uk)) as a tool in your communications strategy.

“Completing the ImpACT Toolkit gave us a great opportunity to health check our organisation without forking out much needed funds on a consultant. It also meant that the staff could get involved which led to ideas on how to improve on some of the areas that we were being assessed on. The toolkit highlighted areas we are good at and gave me, as a manager, the opportunity to thank and congratulate staff and volunteers on their efforts to make us accountable and transparent. It also highlighted areas that need improvement and we are working on those. We hope to use the toolkit later this year to see if we have improved.”

*International Development Charity, North East*

## Conclusion

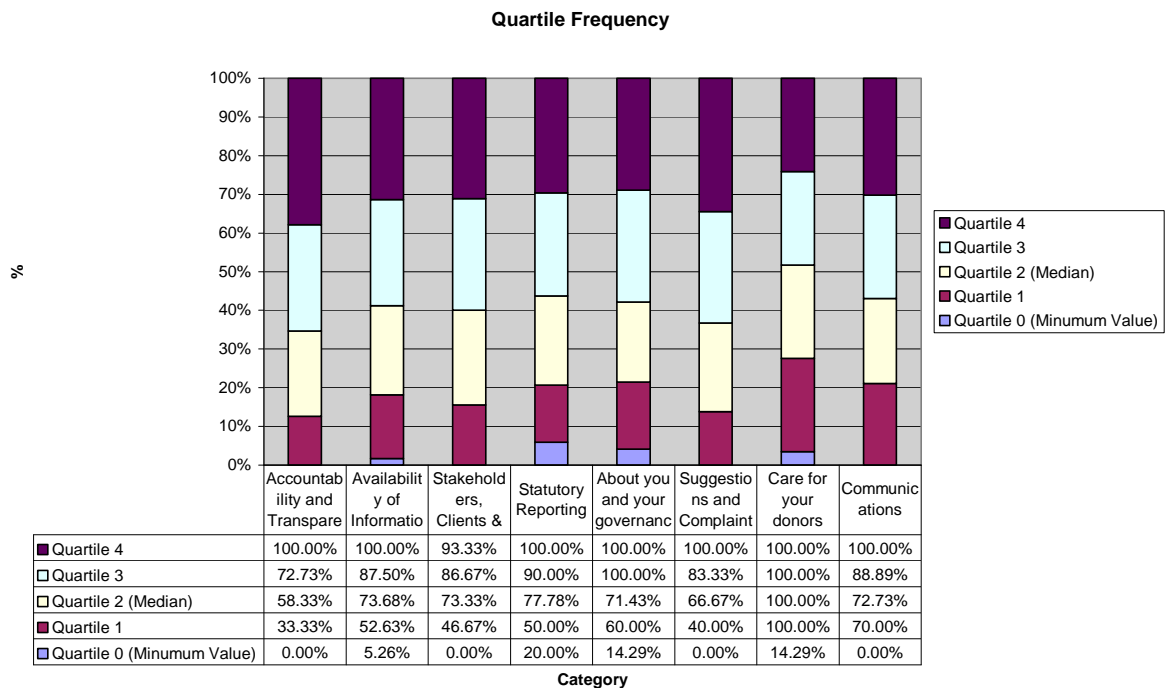
It should be re-iterated that these are interim results based on the results from 30 respondents. Also, note that we have chosen to publish the generic results of each category of the toolkit and, at this stage, not the analysis of individual questions.

We believe that we have demonstrated the usefulness of the toolkit from the point of view of an individual charity wanting to engage with the issue of improving their transparency and accountability. We further contend that these generic results will be of interest to the sector at large.

We have shown that our respondents demonstrate a wide variation in performance. That is probably to be expected. We have further illustrated that in some areas performance is significantly poorer than others. These are areas that the Coalition will look to address strategically and practically.

Above all, we need to recognise that all of our respondents, by completing the toolkit, have demonstrated a tangible commitment to the principles of ImpACT.

We welcome all charities, together with trade and infrastructure organisations in the UK charitable sector, into membership of ImpACT. Membership is free to all and it is easy to join at [www.impactcoalition.org](http://www.impactcoalition.org).



### What next?

- What have you learned from this report?
- What's stopping you from joining the ImpACT Coalition and completing the toolkit?
- What are you going to do about it?

### Contacting ImpACT

Richard Marsh, Director,  
ImpACT Coalition  
Institute of Fundraising  
Park Place  
12 Lawn Lane  
London  
SW8 1UD

02078401038

[richardm@institute-of-fundraising.org.uk](mailto:richardm@institute-of-fundraising.org.uk)

[www.impactcoalition.org.uk](http://www.impactcoalition.org.uk)

