



## HONORARY AUDITORS' REPORT 2018/19

### Introduction

The Honorary Auditors visited the ESFA offices together on June 7<sup>th</sup>, 2019. In addition, Honorary Auditors have, as individuals, attended various ESFA functions, including competition finals, and have been available for telephone consultations with the Chief Executive. The Honorary Auditors have received regular updates on activities - including Trustees' and Council Minutes and budget reports.

### Annual Visit

The annual visit comprised two elements:

- interviews with individual members of staff
- a meeting attended by the Chief Executive, the Finance Officer, the Chairman of ESFA and the Chairman of Trustees

Topics covered included:

- staffing
- finance
- governance
- communications

### Staff interviews

It was clear to the Honorary Auditors that the staff are well led and managed. Performance management targets are in place and performance is reviewed both formally and informally through the year. There is a supportive and collaborative climate where each member of staff is willing (and able) to provide help to colleagues when such help is needed - for example at times when particular pressure comes upon on one aspect of the Association's work.

Particularly pleasing was the enthusiastic response from the Intern who was interviewed. He was very clear about how his placement has enhanced his skill set and his job prospects. Permanent members of staff also acknowledged the positive impact the Interns have on their work. The CEO was able to provide evidence of how previous Interns had successfully moved into the world of work.

### Finance

A large part of the Honorary Auditors' discussions with the officers of the Association centred on the financial position and on relationships with The FA.

The budget set for 2018-19 had forecast a surplus of £19k. This will be met and will, indeed, be exceeded. Clear explanations were given about how this had been achieved - a prudent approach and careful scrutiny of operational practices had been important.

It was noted, in light of detailed discussions in the previous year about its future, that the international programme was delivered well within budget.

Although a paper figure would show an excess of c. £80k, various commitments (e.g. the underwriting of a new role of Commercial Director and the intent to repay to reserves the £95k invested in IT developments) meant that this excess would be accounted for in future budget setting - and so was not available for new spend.

The Honorary Auditors asked for advice on how much had been 'saved' in the current budget by the adjustment to the way expenses were paid to Counties participating in national competitions. The Finance Officer researched her figures and then reported that the arrangement used in previous seasons would have cost the Association very close to £50k in this financial year.

The Honorary Auditors were confident that the Trustees had taken a measured and responsible approach to the financial situation that confronted them and that investment in the post of Commercial Director and the development of a superior IT infrastructure would be beneficial to the Association.

### **Business Plan, FA Grant and IT Systems**

The Honorary Auditors heard, in detail, about the discussion that had taken place between the Association and The FA in relation to the Association's Business Plan and the paying of the grant from The FA. The delay in receiving assurances about the grant had put undue pressure on the Officers when considering the future viability of the Association. Matters had only just been resolved (at the time of the Auditors' visit) but at least there is some clarity now - although only for one year.

Much of the debate with The FA had focussed on ESFA's need to update and improve its IT infrastructure. Systems used, and offered, by The FA were not fit for ESFA's purpose and so Council took the decision to tender for its own supplier. This process had taken place and work is well underway. Council will be happy to align itself with The FA's systems if, and when, they suit ESFA's purposes.

The Honorary Auditors were confident that Trustees and Council had conducted themselves very properly in this time of some conflict and were acting in the best interests of the Association.

### **Staffing**

The Honorary Auditors were kept apprised of staff changes - through staff finding new employment and through voluntary redundancy. The Honorary Auditors supported the placement of 4 new Interns and the decision to appoint a Commercial Director. The latter post is a positive investment that supports Council's desire to make the Association more financially self-sufficient. The Honorary Auditors were also pleased to acknowledge the appointment of a co-opted member of Council with responsibility for Disability.

### **Communication**

The Honorary Auditors were still concerned about the lack of ease in accessing some information via the website. They acknowledged the success of various social media outputs but stressed their belief that the Association's communications must cater for a wide variety of audiences.

Clarification was sought about a range of detail that the Honorary Auditors had identified from their scrutiny of Council and Trustee minutes, the website and Membership Matters.

In their role as 'critical friends' to the Association the Honorary Auditors are keen to reaffirm their wish that members assist them, by raising with them any issues members feel deserving of scrutiny. Of course, members should always contact their local Council member if they have concerns or need clarification, but the Honorary Auditors are always keen to hear from members - especially if members feel that their views are not being properly aired.

### **Conclusion**

The Honorary Auditors would like to thank all staff and officers who made their visit a profitable and positive one. Council and Trustees have faced some difficult decisions but, with the support of the CEO and her staff, have shown great resilience in working for the good of the Association. Members can be assured that those who govern the Association on their behalf are aware of the difficulties faced in maintaining the status of school football at a local level. Council will strive to develop football activity, at a time when some partners are withdrawing their support and will continue to explore all avenues that lead to financial self-sufficiency. However, members should not hope that such financial perspicacity will lead to handsome hand-outs. At all levels a degree of autonomy will be needed - albeit within a supportive structure from the centre.

Neil Pont  
Allan Reed  
Terry Pollard

June 2019