



Chair's Annual Report for the period 1 January 2019 – 31 December 2019

Summary

2019 saw the Charities Internal Audit Network (CIAN) reach its 25th year and this milestone gave us opportunity to reflect on the evolution of CIAN and the work it does in the charity and not for profit sector. CIAN was established in 1994 by a handful of volunteers who recognised the need to offer guidance to, and share experiences among, internal auditors in charities and not for profit organisations. For this to have grown from less than 10 organisations to a membership of over 150 organisations is truly remarkable – particularly as CIAN has always been and remains solely volunteer-run. As someone who has been a trustee of CIAN for only the last four years, it is important to point out that CIAN's current work is only possible because of the efforts and dedication of previous trustees who founded, expanded and sustained CIAN. I will be forever thankful to all of the former committee members, some of whom served on the Committee for decades, for getting CIAN to the point it is today. With huge thanks also due to Helen Elliot as Special Advisor to the Committee since its inception.

Reflecting on the third sector and the current focus on improving public trust and effective governance in charities, CIAN's mission, to promote best practice in internal audit and internal control of charities and not for profit organisations, is as important as ever. Internal Audit is vital to good charity governance and I sincerely hope that one day soon Internal Audit teams will be well-resourced across charities and not-for-profits; and recognised as a valuable critical friend to aid trustees in furthering their charity's mission and objectives. For now, I know that many third sector internal audit functions are chronically under-resourced and face challenges in finding the right skills and in funding training – meaning CIAN's contribution to the sector is desperately needed. For this reason, membership of CIAN remains free to charity and not for profit organisations and we continue to offer our members professional development presentations, relevant templates and resources, networking opportunities, benchmarking, discussion forums and discounted training courses.

As an organisation that is completely reliant on both the willingness of busy individuals to give up their free time to volunteer on the executive committee and the goodwill of our generous partner organisations, CIAN's continued existence is difficult to safeguard. Having said this, knowing though that CIAN has persisted in this way for a quarter of a century gives me great optimism for the future and I hope that CIAN will continue to promote, support and develop good practice in charity internal audit for many more years to come.

Objectives, Activities, Achievements and Performance against the 2015-2020 strategy

The objectives from CIAN's 2015-2020 Strategy are to:

- i) Maintain and develop membership from amongst UK charities
- ii) Enhance and facilitate wider opportunities for networking
- iii) Maintain and develop CIAN's profile
- iv) Develop the resources available to members
- v) Enable professional development

i) Maintain and develop membership from amongst UK charities

During 2019, CIAN had a modest increase in member organisations and our membership remains above 150 as it has for the past few years. We continue to encourage membership and process new applications for membership; however, activities to actively pursue and attract new members were put on pause during 2019 whilst we updated our branding, website and social media presence.

We hope that the move to a new website will support our ongoing efforts to ensure member data is up to date. Though this will be of benefit, we do expect that there may be a drop in membership numbers during 2020 as a result of further steps to verify whether charity members who have not actively attended recent events or have

had changes in Internal Audit staff still wish to remain members of CIAN, with a planned removal of members if we do not receive responses from after multiple attempts.

Following the launch of the new website and social media channels, we plan to more actively promote CIAN in 2020 to attract new members so that we can reach and support more charity and not for profit organisations.

ii) To enhance and facilitate wider opportunities for networking

Quarterly network meetings took place throughout 2019 – each providing a both a group lunch and a dedicated 90-minute networking session in addition to the professional development presentations.

Our Small Charities Special Interest Groups has additionally provided the opportunity for those running small IA functions to speak with others in the same position. This is run by Committee Member, Sarah Mudd, and meets most quarters. In the future we would like to also restart our Retail Special Interest Group as this has not met for some time.

Our new website has a dedicated forum for members to pose questions to one another and seek solutions form others. We will continue to promote the use of this forum. The members’ area of the website also includes a listing of the key contact at each CIAN member charity to facilitate Heads of Internal Audit getting in touch with their peers in similar charities.

iii) To maintain and develop CIAN’s profile

As noted above, a new CIAN logo was developed in 2019 and active promotion of CIAN is planned once the revised website and social media profiles are live. In 2019, we appointed for the first time a Communications Lead amongst our Committee and I would like to give special thanks to Sherv Cheung for the huge amount of work he has done in this role, including designing the new website and developing a Communications and Advocacy Strategy.

We also continued to improve our relationship with the Chartered Institute of Internal Auditors (CIIA) in 2019, in particular with the President of CIIA, himself a former CIAN member. An article on the CIIA website covering CIAN’s 25th birthday as well as an article on charity internal audit by CIAN’s Chair, helped to raise the profile of CIAN. As we move into 2020, we will be increasing our use of the website and social media and we hope to also have further articles published to build on this.

iv) To develop the resources available to members

In 2019 we held the third annual CIAN benchmarking survey, with 39 participants taking part. A summary of results was shared with all members at the July 2019 Network meeting. Those members who took part in the survey also receive an anonymised version of the full responses to support them in benchmarking their own Internal Audit functions.

Though there is a bank of Internal Audit resources on the CIAN website, it is acknowledged that the template and resources library is not as extensive as we would like it to be an includes materials that are out of date. Development of the resource library will be an ongoing focus. We encourage members to share recent examples and templates on the website. Following the surveys completed by attendees at the 25th anniversary event the committee have some steer on priorities for the resources library and plan to work on this during 2020.

v) To enable professional development

During 2019 we were very pleased with the quality of speakers at our quarterly Network Meetings. These covered a range of topics and, in addition to Internal Audit partners at our supporting accounting firms, speaker highlights have included the Head of Assurance at the ICO, the President of the Chartered Institute of Internal Auditors and the Charities & Not for Profit Lead at the National Cyber Security Centre.

The Committee additionally aim to hold two to three one-day training courses a year. These are highly discounted compared to market rates and are run approximately at cost with some making slight profit and others a slight loss. In December 2019, the Committee decided to use some of CIAN’s surplus funds to provide at least one free

place on each training course going forward, to be implemented from the start of 2020. During 2019, two training courses took place: Data Analytics in February 2019, Auditing GDPR and Data Protection in May 2019.

Feedback forms are used to request feedback from attendees at every network meeting and training course and this is used by the Committee to inform planning of future sessions. The feedback we have received has been consistently positive for both the Network meetings and training courses held in 2019.

Looking ahead to a post-2020 strategy

We are approaching the end of our current 5-year strategy and although we do not have a new strategy yet, it is becoming increasingly clear that in order to achieve our mission, we need to focus more attention on perceptions within the third sector of internal audit as a profession. We are unlikely to change our core provision to members of network meetings, templates and resources, networking opportunities etc., but these measures are reactive. In order to achieve long-term gains in promoting best practice in internal audit and internal control, we need to proactively address some of the systemic barriers to high quality internal audit provision in the charity sector. Like any good internal auditor, we need to get to the root cause! With this in mind, the CIAN Committee are already embarking on work to raise the profile of internal audit in the sector and we expect this to feature heavily in our new strategy.

Financial Position and Reserves Policy

As recorded in CIAN’s 2019 accounts, our available funds as at 31 December 2010 were £10,144. Suggestions from members for use of these funds are welcome.

CIAN’s ability to continue to provide free network meetings and heavily discounted training remains reliant upon five large firms: Sayer Vincent, BDO, Grant Thornton, Haysmacintyre and Crowe, who generously support us by providing free venues and refreshments for our meetings and training events. We are very grateful for their support. It is also important to thank the speakers at our Network meetings who give their time freely.

CIAN does not have any debts and, thanks to the generosity of the firms noted above, our fixed costs are limited to expenditure on our website and domain. Our reserves policy is to maintain a balance of at least £3,000 to ensure that we would always be able to cover incidental costs and upfront payments required to run CIAN training courses.

Address of the Principal office of the charity

CIAN is a small charity and does not have any premises of its own. Consequently, the principal office of CIAN is listed as the working premises of the CIAN Secretary. This is currently:

SUE RYDER,
183 EVERS HOLT ST
LONDON
NW1 1BU

Public benefit statement

The CIAN trustees have complied with their duty to have due regard to the guidance on public benefit published by the commission in exercising their powers or duties.

Executive Committee Membership (CIAN Trustees)

CIAN has no employees and is run solely by our voluntary Executive Committee, who all donate their time and energy on top of their own full-time Internal Audit roles. I would like to thank all of the Committee members for their hard work and dedication, without which none of our events, training, benchmarking, networking opportunities or guidance would be possible.

The Committee members elected and re-elected at the 2019 AGM in July 2019 are shown below alongside all existing Committee members with a one-year term remaining as at July 2019:

	Committee Member / Organisation
Re-elections at this AGM	Darren Goorwappa – Community Integrated Care
	Sarah Mudd – Donkey Sanctuary
New elections at this AGM	Sherv Cheung – Donkey Sanctuary
	Deswell Chitewe – Wellcome Trust
Elected / re-elected for two-year term in 2018)	Chloë Tyler-Young – WWF UK (interim Treasurer)
	Vanessa Clark – Wellcome Trust (Chair)
	Natasha Scott - WaterAid
	Robert Auguste - Barnardo’s
	Angela Oritsejafor – Sue Ryder (Secretary)

In January 2019, there were a significant number of vacancies on the Committee. In order to be able to appoint additional Committee members, the CIAN Constitution was changed on 30th January 2019 to allow up to two Committee members from each member charity (previously only one per member charity was allowed) and this helped us to fill some of the committee vacancies during 2019. Reflecting the increasing breadth of roles taken on by the Committee the constitution was also amended to allow a maximum committee of 12 members (previously maximum 10). At the time of writing this report in July 2020, I am very pleased to report that we have had a number of new committee members join us since the end of 2019 and only one vacancy for an ordinary committee member remains. Individuals who are interested in joining the Committee are encouraged to contact the CIAN Chair and can be co-opted to the Committee at any time of the year.

Committee meetings are additionally attended by the Special Advisor to the Committee. CIAN have been exceptionally lucky to have had Helen Elliott of Sayer Vincent fulfil this role since the Network’s inception in 1994. During 2019, Helen handed over this role to her Sayer Vincent colleague, Jonathan Orchard. I would like to welcome Jonathan and thank Helen for her many years of invaluable expertise and advice.

In November 2019, Sherv Cheung left the charity sector. As this made him ineligible to be a CIAN trustee, he therefore relinquished his committee member role. However, we are pleased he has agreed to stay involved with CIAN and is currently a Special Advisor to the CIAN Committee, with particular input on our Communications approach.

In the 2019 Financial Year, there were no additional individuals not mentioned above who were Committee members for part of the year.

Additional notes on activity and direction since 31 December 2019

It would be a momentous understatement to say that 2020 is not panning out in the way most people expected. The impact of the COVID-19 pandemic is being felt globally and many well-laid plans have long since been cast aside. Although CIAN has had to postpone or pause many activities, we have also transitioned some activities to a virtual format as well as instigating significant amount of new activity with the specific aim of providing support and guidance to internal auditors that is relevant to the challenges of the pandemic. Our planned activities to: promote CIAN to increase membership; develop the CIAN resources library; provide full-day training courses and begin work on CIAN’s post-2020 strategy have been the most impacted areas to date. It is disappointing to us that these worthwhile activities have been postponed. However, I believe the CIAN Committee’s decisions to focus on guidance, resources and benchmarking related to the impacts of COVID-19 on internal audit and internal auditors have been justified. We have received many positive comments on the support and resources provided to our members over the last few months and our March 2020 blog post on COVID and internal audit has now been viewed nearly 300 times. Given the circumstances, I am extremely proud of what CIAN has been able to achieve during 2020 so far.

*Vanessa Clark, CIAN Chair
July 2020*