

Treasurer's Report 2016

Investments

In December 2015, Synod Council instructed the Treasurer to change from only investing in cash to holding half of the reserves equally in equities and bonds. This is being done, after consultation with the Finance Committee, with the money fed in over time to help even out market fluctuations.

Donations

The Synod received donations from the German YMCA and the Kaiser Wilhelm II Fund. The Treasurer prepared the KWII application on behalf of the Trustees and he and the Financial Administrator attended the grant awarding meeting with the Fund's trustees. The grant was not approved at this meeting and the KWII trustees made further enquiries before finally awarding it in full at the end of December 2015.

Pensions

The Synod is legally required to provide a pension scheme for our employees, except for the pastors, with automatic enrolment. Our "staging date", when this must be in place, is 1st February 2017 and it is recommended that preparations are started around a year beforehand. The trustees have agreed the framework of the scheme and this will be planned and implemented in 2016, starting with consultation and discussion with those eligible to determine their preferences.

Payroll

The company providing payroll services to the Synod ceased this service at the end of 2015. The Treasurer and Financial Administrator found and evaluated alternative suppliers and provided a summary of their findings and recommendations to the Trustees. The changeover to the new provider, Charity Backroom, went smoothly.

Accounting System

For the last two years, we have been using a spreadsheet for our management accounts. This has served us fairly well, but we are really too large and complex an organisation for this approach and from January 2016 we are using double entry accounting software. This provides much more automatic checking, including reconciliation with our bank accounts, so that any mistakes are picked up much sooner.

When funds allow the necessary investment in IT infrastructure, I would like to move to an online accounting system so that the Financial Administrator and the Treasurer can work on the accounts independently. It will also give the Trustees instant access to the latest information.

Internal Controls

In order to safeguard the charity, its staff and its volunteers, the Trustees have specified that all financial transactions are conducted under the "four eyes principle". Every transaction must be independently checked by someone other than the person making or recording it. The new accounting system provides a mechanism for reconciling transactions. The Financial Administrator enters the transactions and the Treasurer formally reconciles them against the bank statement and, where available, paper documents. Paper documents are also signed by the Financial Administrator when they are processed and subsequently checked and countersigned by the Treasurer.

Treasurer's Report 2016

Charity Reporting Requirements

The legal requirements for producing our annual accounts and report have changed from last year. The Statement of Recommended Practice (SoRP) has been updated and the new version is mandatory (despite its name) from 1st January 2015. It was therefore agreed that we would employ a professional accountant to take our internal management accounts and prepare our 2015 published accounts in accordance with the new FRS 102 SoRP. We will then have a template for future years.

The reporting requirements of FRS 102 are more onerous and require more disclosure by the charity. Our Independent Examiner has requested one addition to the annual report to cover a new requirement.

The Charity Commission will be making changes to the filing of annual returns, including “new digital services” for electronic filing. The Treasurer will be monitoring this and advising the trustees as necessary.

Thanks

I would like to offer my gratitude to:

- Our Financial Administrator Sabine Seidl for her invaluable assistance and support.
- Michael Gardener, a member of the congregation in Southampton and a retired chartered accountant, for his advice and guidance.
- The other members of the Finance Committee, Jochen Hoffmann and Sabine Seidl for all their work on behalf of the Synod.
- Sandra Higgins, our Independent Examiner, and Julia Gerrard from Peter Upton Ltd. who is preparing our published annual accounts.
- The Trustees for their support and especially to Pfarrer Albrecht Köstlin-Büürma for his invariably different perspective from mine.

Finally, please accept my apologies for a report in English; I simply did not have the time to write it in German.