

# Trustees Report

The World Board is pleased to present its Annual Report and audited Financial Statements for the World Association of Girl Guides and Girl Scouts (WAGGGS) for the year to 31 December 2006. These financial statements are prepared in accordance with the Statement of Recommended Practice (SORP) 2005.

## Reference and Administrative Details

WAGGGS is a charity registered with the Charity Commission of England and Wales under number 306125.

The World Bureau serves as the secretariat of WAGGGS and its address can be found on page 15.

Details of the trustees and senior staff and external advisors who served during the year are set out on page 15.

## Structure, Governance and Management

The authority of WAGGGS is exercised through delegates appointed by Member Organizations of WAGGGS, meeting at the World Conference. The World Board acts on behalf of the Conference between its meetings and its members are trustees of the Charity. WAGGGS' governing instrument is the tenth edition of the Constitution and Bye-Laws dated 1936, revised June 1990, July 1993, June 2002 and June 2005.

The World Board consists of 17 members, 12 who are elected for a term of six years, by ballot, at the World Conference and the five Chairmen of the Regional Committees, who are elected by ballot at their respective Regional Conferences and serve on the World Board for a period of three years. Regional Chairmen may serve for an additional term of three years if elected by their Region for a second term.

Member Organizations nominate candidates for election to the World Board, the Regional Committees and other Committees and working groups of the World Board. Prior to elections Member Organizations are circulated with details of experience and specific expertise required from potential candidates so as to have an effective and representative World Board. If the World Board considers there is a lack of a particular expertise, then it may co-opt external expertise to fill the gap.

All new trustees are required to undertake an intensive induction programme, which gives them a wide understanding of the various issues facing WAGGGS. Prior to each World Board meeting a programme of training keeps trustees up to date with new practices and other developments applicable to WAGGGS' work and the requirements of the charity sector within the UK. This is particularly important given the diverse background of the international World Board.

The full World Board meets in London at the World Bureau once a year for four days. The main purpose of the meeting is to review performance and monitor progress towards the achievement of objectives and targets set in WAGGGS' Strategic Plan which has been approved by the World Conference. In addition, the Board meets prior to, and at the conclusion of, the World Conference. The World Board's responsibilities are detailed in Article VII, Section V of WAGGGS' Constitution and Bye-Laws.

The World Board is committed to achieving best practice in governance and seeks to ensure that WAGGGS is efficient and effective in achieving its Object. A new structure was implemented in 2005 to support the World Board and the delivery of WAGGGS' Object and Strategic Plan. This structure consists of Coordinating Groups, Committees and Task Groups acting in an advisory capacity to the World Board and the staff. Each group has specific terms of reference and may include specialist co-opted members as well as trustees.

The day-to-day running of WAGGGS, its operational decisions, the implementation of approved strategy and the exercise of executive responsibility is delegated to the Chief Executive and her Senior Management Team.

**Coordinating Groups** report directly to the World Board.

The current Coordinating Groups, Committees, and Task Groups are:

**Chairman's Coordinating Group** – oversees and monitors the ongoing work of WAGGGS between World Board meetings. It consists of the World Board Chairman, Deputy Chairman, the three Group Coordinators and the Chief Executive who meet prior to the World Board and Committee meetings, and for at least one additional meeting during the year, in between Board meetings.

**Strategy and Development of Girl Guiding/Girl Scouting Group** – is responsible for leadership development, strategy, recruitment and retention, quality of Girl Guiding/Girl Scouting, support for Member Organizations, the ongoing monitoring of performance, exchange of good practice and the work of the World Centres.

- **World Centres Committee** – has strategic development responsibility for the World Centres, covering all operational aspects, including finance, programme, communications, risk, health and safety.
- **Regional Committees** – are responsible for the quality of Girl Guiding/Girl Scouting within their Region, for providing support through agreed activities within the Region to enable Member Organizations to contribute towards the overall achievement of WAGGGS' strategic objectives.

**Communications Group** – is responsible for the ongoing development of WAGGGS' advocacy work, branding and website, merchandising, publications, WAGGGS' work with the United Nations and relationships with other NGOs. The Group also has a responsibility for the World Conference and Fund Development.

**Finance and Business Management** – encompassing, finance, governance, facilitation and the operational organization of WAGGGS.

- **Finance Committee** – formulates and reviews financial policy and financial plans, maintains financial oversight of the strategies and operations of WAGGGS. The Committee recommends the appointment of WAGGGS' investment managers and monitors the performance of WAGGGS' investment portfolio. Each year it advises the World Board on the appropriate level of free reserves and the appropriate asset allocation for WAGGGS' investment portfolio.

- **Governance and Constitutions Committee** – looks at issues relating to WAGGGS' Constitution and Bye-Laws and Policies and Procedures and advises the World Board on governance issues, including elections, induction, evaluation and training of Board members. It also monitors Member Organizations' constitutions and makes recommendations to the World Board.
- **Human Resources Committee reporting to the World Board** – comprises of trustees and other external advisors. It meets at least once a year to review the general remuneration policy and consider Human Resources policies and procedures to ensure that they keep abreast of best practice in comparable organizations in the countries in which staff are employed and comply with relevant employment practices and legislation. The World Board has delegated the authority for decisions on benefits and salaries to the Human Resources Committee which provide regular reports on these decisions to the World Board for their acceptance.
- **Audit Committee reporting to the World Board** – comprises of trustees and other external advisors. It recommends to the World Board the formal approval of the Annual Report and Financial Statements and meets with the External Auditors periodically reviewing the effectiveness of current processes and practice. Responsibility for overseeing the management of risk within WAGGGS has been delegated by the World Board to the Audit Committee.

**WAGGGS/WOSM Consultative Committee** – liaises with The World Organization of the Scout Movement (WOSM).

**Task Groups** – are task orientated and consist of members, who have been selected for their particular expertise in relation to the specific task. The groups report to the relevant Coordinating Group or directly to the World Board, and once their task is completed the Group ceases to exist. Examples of task groups are Leadership Development, Individual Giving, UN/Advocacy and Juliette Low Seminar.

**Olave Baden-Powell Society** – is an international support group dedicated to the development of Girl Guiding and Girl Scouting all over the world. The President of the Society attends the Communications Coordinating Group meetings and meets annually with the World Board.

# Trustees Report *continued*

## Statement of Trustees' Responsibilities

The World Board (as Trustees) is responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations. Under Charity Law, the Trustees have elected to prepare the financial statements in accordance with United Kingdom generally accepted accounting practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity as at the end of the financial year, and of its incoming resources and application of those resources, including income and expenditure for the year. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures being disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of WAGGGS and enable them to ensure that the financial statements comply with the Charities Act 1993, the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP) and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and for their proper application as required by charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charity's auditors are unaware;
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the charity and the financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Internal Control

The trustees are responsible for ensuring that WAGGGS has a sound system of internal control to safeguard its assets and will use their best endeavours to ensure that its policies and procedures are implemented and its aims and objectives are met. It is recognized that the systems can only provide reasonable but not absolute assurance that major risks have been adequately managed. Internal control processes implemented by the trustees include:

- An Audit Committee which meets at least twice a year and is mandated by and reports to the World Board. It is responsible for providing the World Board with:
  - Assurance that sound systems and internal controls are embedded in day to day processes which can respond to significant risks, and are capable of responding to external and internal changes;
  - Evaluation and advice on the effectiveness of the governance arrangements of WAGGGS;
  - Assurance that WAGGGS' Risk Management Strategy is relevant and adequate to ensure that the major risks identified have been adequately mitigated where necessary.
- A Strategic Plan approved by the 32nd World Conference, held in Jordan in 2005, covers the aims and objectives of the organization for the 2006 to 2008 triennium. This is used as a basis for annual planning and progress reviews. A review of performance to date against the strategic plan was undertaken in September 2006;
- Annual budgets are prepared in accordance with the Strategic Plan, which are reviewed and approved by the World Board;
- Financial reports compare the results against budget on a quarterly basis and the Finance Committee reviews these and revised forecasts for the remaining period of the year. Monthly financial reports are prepared and issued to operational managers and budget holders;
- The World Centres' activities are reviewed quarterly against their annual operating plans and performance indicators by the World Centres Committee;
- WAGGGS' policies and procedures and its financial controls, are reviewed on regular basis by the appropriate committees. All the financial policies were reviewed in September 2006;
- Delegation of authority from the trustees to the Chief Executive and the senior managers including the segregation of duties within the organization where practical;
- A continuing risk assessment management system.

## Risk Management

The Audit Committee oversees WAGGGS' Risk Management Strategy and monitors the risk management process, reporting annually to the World Board on WAGGGS risk assessment.

The World Board has defined a major risk for WAGGGS as any event that may affect the ability of WAGGGS to survive and compete with other youth organizations (or any other group considered to be a competitor to WAGGGS), maintain its financial strength, retain its positive public image and keep up the overall quality of the services that it provides through its volunteers and staff. Risk may arise from failure to exploit opportunities as well as from exposure to loss. It is inevitable that some risks will be taken in order to pursue WAGGGS' Mission. The avoidance of all risk would ultimately lead to stagnation and the cost of managing every potential risk needs to be balanced against the overall cost to WAGGGS should it arise. It is essential that the process should not lead to added bureaucracy without adding value. WAGGGS' Risk Management Policy is to

accept the risk –

- when it is believed that the cost of managing the risk is greater than the cost that would arise if the risk were to materialise or
- when WAGGGS ability to reduce the incidence and impact is minimal.

proactively manage the risk –

- where the risk is likely to potentially damage WAGGGS' profile and reputation
- when it is believed that it is cost effective to take some action to manage the risk.

The World Board reviews this strategy and policy each Triennium and last did so in September 2006.

A risk management culture, which also incorporates health and safety requirements, is firmly embedded within the organization. The Audit Committee reports to the World Board each year providing an update on progress on key areas of risk and the actions to be undertaken in the forthcoming year.

Through the risk management processes that have been established, the World Board is satisfied that the major risks identified have been adequately mitigated where necessary.

## Financial Year End

In order to simplify the reporting of WAGGGS' financial activities and to align them with the financial years within WAGGGS' Strategic Triennium, the 32nd World Conference, held in June 2005, approved the change in WAGGGS' financial year to that of a calendar year. As a result of the change of the year end to 31 December the financial statements for 2005 were for fifteen months 1 October 2004 to 31 December 2005.

## Objectives and Activities

WAGGGS is a worldwide Movement providing non-formal education where girls and young women develop leadership and life skills through self-development, challenge and adventure. Girl Guides and Girl Scouts learn by doing.

**Our Mission:** To enable girls and young women to develop their fullest potential as responsible citizens of the world.

**Our Vision for 2011:** A growing worldwide Movement – the voice of girls and young women who influence issues they care about and build a better world.

We aim to do this through the achievement of the three Strategic Goals agreed at the 32nd World Conference:

- **Goal 1 – Leadership Development**
- **Goal 2 – Strong and growing Member Organizations**
- **Goal 3 – The Voice of Girls and Young Women**

by working at many different levels throughout the Movement to meet and support the Member Organizations and Regional needs, by being more aspirational, and by working with some of the best universities to develop our programmes, especially in respect of leadership.

## The Mission, Vision and the Goals support WAGGGS' Object\* which is to:

- promote, throughout the world, unity of purpose and common understanding based on the Fundamental Principles;
- further the aim of the Girl Guide and Girl Scout Movement, which is to provide girls and young women with opportunities for self-training in the development of character, responsible citizenship and service in their own and world communities;
- encourage friendship among girls and young women of all nations within countries and worldwide.

To do this it is important to recognize that, in addition to finance, there are enormous resources of volunteer time and talent at every level of the Movement that contribute to achieving our Goals and delivering our Mission. While these resources are hard to quantify, they are critical to WAGGGS' success.

\*per WAGGGS' Constitution and Bye-Laws in ninth edition, June 1990