

Historical Perspective on VSRA's (2007 to 2015)

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In 2007 Institute of Chartered Accountants of Ontario (now CPA Ontario) wanted to set-up funded Centres at its key partner universities in Ontario focused on accounting education related issues. The faculty at the Queen's School of Business (now the Smith School) proposed taking education in the broadest sense of the word. They proposed setting up an research centre with two thrusts, one focused on basic research in corporate governance and one focused on applied research in the voluntary sector. The proposal to establish the Voluntary Sector Reporting Awards was a consequence of the applied research focus. The faculty suggested that a better way to apply the research was to reward not for profit organizations that followed the best practices that were based on that applied research. The ICAO agreed and the Voluntary Sector Reporting Awards were established. What follows is a report – often in the present tense as it is drawn from the Centre's Annual Reports – of the establishment of the VSRA's and the impact they had over their seven year life.

1. Establishing the Awards (2008-09) and early years

The highlight of 2008-09 for the Centre was the launch of the Voluntary Sector Reporting Awards. The awards are designed to reward best practices for corporate reporting in the not-for-profit sector, and are open to registered charities that produce annual reports in Ontario. Organizations compete in four categories based on revenue size – less than \$500,000, between \$500,000 and \$1 million, from \$1 million to \$5 million, and more than \$5 million. Over 50 organizations were nominated of which 37 met the guidelines for this year's competition. PricewaterhouseCoopers Foundation is the sole sponsor of the Awards and was a partner in the Awards launch. Awards were given to annual reports demonstrating the highest levels of accountability and transparency and displaying highly-effective communication with beneficiaries, donors and stakeholders.

In the first round of the competition, technical screeners evaluated the annual reports for technical merit (i.e. did they have the minimal elements that made it possible for them to be judged). This involved the development and testing of a scoring instrument. The highest scoring annual reports then advanced to the second stage of the competition, where the reports were scrutinized by a panel of experts nominated by the three founding bodies (see judges list). All entrants are provided with a copy of the technical screeners' completed checklist so they can see where they met expectations or fell short and, hopefully, use that feedback to improve future annual reports. In addition all participants receive an overview of the judges' general comments on finalists' annual reports. Each finalist also received a tailored analysis of the judge's comments about their report in addition to the technical checklist and general report.

Financially, the Awards were at a breakeven level with revenues in the \$50,000 range and expenses (without considering administrative support and research assistant scoring that were

paid through Queen's School of Business accounts) in the same vicinity. For the next three years the awards continued pretty much as described in the first year. Between 40-50 nominees per year, most of which were submitted for full evaluation.

The level of impact achieved was relatively low only 120 organizations being evaluated by 2010-11. Both the ICAO (now CPA Ontario) and PWC (the accounting firm sponsor) were not happy with the level of impact and requested that the Awards have a larger impact. The QSB (now Smith School) Dean was equally adamant that the awards needed to either "grow big or go away."

2. The initial step – planning for 2011-12

In March and April 2011 the Centre Director, in consultation with the Co-Chairs of the Advisory Board, developed a plan for broadening the impact of the VSRA through engaging professional project management and marketing assistance. The goal was to attract at least 80 entrants (double the number of the 2010-11 competition). This goal was accomplished with over 100 nominations submitted to the Awards in 2011-12.

RESULTS: 2011-12

In a major step forward, the Voluntary Sector Reporting Awards professionalized its marketing and events management function in 2011-12 with the hiring of John Stuart, an experienced not for profit marketing consultant, as our outsourced marketing and events management manager. Among the initiatives that John led were:

- Greater use of social media in raising the profile of the VSRA's within the not for profit community including e-mail blasts, Linked In site, short concise versions of Centre best practice advise etc.
- The first use by the program of the webinar format that provided both an educational component and a promotional component about the VSRA's. The webinar was archived and made available for viewing on the Centre website. Webinar live attendance was strong with over 200 registered participants and these participants came from Halifax to Calgary.
- Creating alliances with various networks of not for profit organizations to raise the profile of the Awards

The net result of this professionalization of the marketing of the Awards was an increase in nominations from an average of 45 per year in the first three years to over 100 nominations in 2011-12. This year's competition brought to over two hundred organizations that have taken part in the formal VSRA evaluation process and received detailed feedback about the transparency of their reporting.

In an innovation to the judging process, in 2011-12 we had a representative from those organizations who were denoted in 2010-11 as "Exemplars" in transparent reporting join the judges' panel. "Exemplars" are those organizations that had won the Award in their category for three successive years (i.e., United Way of Greater Toronto and Sarnia-Lambton Rebound – A Program for Youth).

The 4th Annual **VSRA**'s were presented at a celebratory lunch at the Novatel North York on Friday November 18, 2011 with over 110 attendees, the largest attendance to date. The awards are designed to reward best practices for accountability reporting in the not-for-profit sector, and are open to registered charities that produce annual reports in Ontario. This year we recognized **World Vision** as an "Exemplar" in transparent reporting to join those organizations (i.e., United Way of Greater Toronto and Sarnia-Lambton Rebound – A Program for Youth) that were noted as such in 2010-11.

3. The Strategic Plan for the VSRA's 2012-2015

In February and March 2012 the Centre Director, in consultation with the Co-Chairs of the Advisory Board, decided to use the fifth anniversary of the program to explore the possibility of going national. The concept was to allow all national and international not for profit organizations with a substantial presence in Ontario (e.g., fundraising) enter the competition in 2013-14. To do this it was decided that the sponsor base would have to be enhanced and that 2012-15 would be dedicated to three objectives:

1. Maintain the number of quality nominations at 100 by vetting in advance nominations to ensure there was sufficient information in their reports to generate reasonable feedback during the judging process. Those nominations that were identified as not providing the minimal amount of information necessary to allow quality feedback were provided with a variety of resources to allow them to develop a report that consisted of enough information to enter the judging process in future years.
2. Obtain a national media sponsor and work with them to raise the profile of the event.
3. Develop a list of prospective sponsors who were alerted to the VSRA's this year and develop relationships with them with the aim of asking them to co-sponsor the awards in future years.

THE RESULTS

A. 2012-13 – NUMBER OF ENTRANTS UP

The 5th Annual **VSRA**'s were presented at a celebratory lunch at the University Club in downtown Toronto on February 15, 2013 with over 100 attendees. The awards are designed to reward best practices for accountability reporting in the not-for-profit sector, and are open to registered charities that produce annual reports in Ontario. Mr. David Toycen, President and Chief Executive Officer of World Vision Canada, whose organization had received the designation of Transparency Exemplar in 2011, in light of its three-time winning of its category in the VSRA's, was this year's guest speaker. Mr. Toycen gave a lively talk on the topic of "Spending Money on Accountability when Children Go Hungry".

Outcomes related to the strategic plan developed early in 2012 were reported as follows:

1. Maintain the number of quality nominations at 100 by vetting in advance nominations to ensure there was sufficient information in their reports to generate reasonable feedback

during the judging process. Those nominations that were identified as not providing the minimal amount of information necessary to allow quality feedback were provided with a variety of resources to allow them to develop a report that consisted of enough information to enter the judging process in future years.

Outcome: 2012-13 featured 81 prequalified nominees out of 102 submissions from across five categories. The screening for eligibility was carried out by Director of Technical Scoring, Patrick Legresley.

2. Obtain a national media sponsor and work with them to raise the profile of the event.

Outcome: PostMedia and its flagship newspaper the National Post agreed to act as national media sponsor of the 2012-13 Awards. A two page Centerfold section was inserted into the National Post's Financial Post section on March 22, 2013 celebrating the fifth Anniversary of the VSRA's.

3. Develop a list of prospective sponsors who were alerted to the VSRA's this year and develop relationships with them with the aim of asking them to co-sponsor the awards in future years.

Outcome: 16 companies were identified by John Stuart for his sponsorship request list. All of the organizations on the list provide services to charities -- fundraising counsel, software, legal services, and design. No accounting firms were included in this list as they were tasked to Brian Leader to approach should the PWC Foundation withdraw as they eventually did. No direct ask was carried out this year, as the purpose was to lay the groundwork for 2013-14 and beyond.

B. 2013-14 - IMPACT UP

In July 2013 George Boland CPA, CMA joined the Centre as Associate Director. A key part of Associate Director Boland's mandate is championing the Centre's annual Voluntary Sector Reporting Awards (VSRA's). The first move in that direction, in 2013-14, the Centre is expanded the VSRA to include organizations whose headquarters are in Canada with a substantial presence in Ontario whether through fundraising or providing services.

The Centre was pleased to announce that Grant Thornton LLP, one of the largest public accounting firms in Canada had committed to being the VSRA's exclusive accounting firm sponsor in 2013-14. Deryck Williams, FCPA, FCA-IT, CMC, Partner, National Leader, Charity and Not-for-Profit Organizations, Grant Thornton lead the process of Grant Thornton becoming the exclusive sponsor on a trial basis for 2013-14. This initial sponsorship was, subsequent to fiscal yearend, extended to a three year sponsorship agreement.

The 6th Annual VSRA's were presented at a celebratory lunch at the One King Street in downtown Toronto on February 7, 2014 with over 100 attendees. The Awards featured, for the first time, the admittance to the competition all national and international not for profit organizations with a substantial presence in Ontario (e.g., fundraising, service provision etc.). This category expansion greatly expanded the reach of the VSRA across the country. The VSRA continued their

commitment to charities focused on Ontario by continuing with the three categories that focused on those organizations. This year brought to over 300 charities that had been evaluated in detail over the life of the VSRA. Dr. Steven Salterio, the Founder of the Voluntary Sector Reporting Awards and long-time Master of Ceremonies at the Awards was the guest speaker. He gave an engaging talk on the decision to found the awards and what has been learned about excellence in charity financial transparency over the six year history of the awards.

In 2013-14 the Centre continued with its efforts to expand the quality of the program following the strategic plan developed in 2012:

1. For the second year the Centre capped the number nominations at 125 (maximum with 100 being preferred so as not to overtax evaluation resources) by vetting in advance nominations to ensure there was sufficient information in their reports to generate reasonable feedback during the judging process. Those nominations that were identified as not providing the minimal amount of information necessary to allow quality feedback were provided with a variety of resources to allow them to develop a report that consisted of enough information to enter the judging process in future years. Qualified nominations were accepted on a first come first served basis with a cap of 25 per category.

Outcome: 2013-14 featured 116 qualified nominees out of 136 submissions across the five categories. This was an increase from 81 qualified nominees out of 102 submissions in 2012-13, that is an increase of 43% in qualified nominations and 33% overall. The screening for eligibility was carried out by Director of Technical Scoring, Patrick Legresley CPA, CA.

2. Obtain a national media sponsor and work with them to raise the profile of the event.

Outcome: PostMedia and its flagship newspaper the National Post agreed to act as national media sponsor of the 2013-14 Awards for the second year in a row. A two page centerfold section was inserted into the National Post's Financial Post section on February 28, 2014 announcing 6th Annual VSRA Recipients.

3. Develop a list of prospective sponsors and develop relationships with them with the aim of asking them to co-sponsor the awards in future years.

Outcome: The negotiation of the new sponsorship agreement with Grant Thornton was the focus of efforts in 2013-14. Work is continuing to identify and convince other potential sponsors of the merits of joining in sponsoring this Awards program. A positive outcome to this work is necessary to put the VSRA on a sustainable financial footing. As shown in Table 5, there is a structural deficit in the VSRA that amounts to some \$25,000 to \$30,000 without additional sponsorships. This deficit is not sustainable in beyond 2014-15.

C. 2014-15 Fiscal Reality Hits

The 7th Annual VSRAs were presented at a celebratory lunch at the One King Street in downtown Toronto on February 6, 2015 with over 100 attendees. The Awards featured the admittance to the competition all national and international not for profit organizations with a substantial presence in Ontario (e.g., fundraising, service provision etc.). This category expansion greatly expanded the reach of the VSRA across the country. The VSRA continued their commitment to charities focused

on Ontario by continuing with the three categories that focused on those organizations (see finalist nominees and award winners in Appendix D). Our guest speaker, Gary Bissonette, Professor with the Smith School of Business, is the former Chief Executive Officer of the YMCA of Kingston.

This was the third year of the three year strategic plan developed in 2012. The results for this third year are as follows:

1. In 2014-15 the Centre continued with its efforts to expand the quality of the program. As in previous years, the Centre vetted nominations in advance to ensure there was sufficient information in their reports to generate reasonable feedback during the judging process. Those nominations that were identified as not providing the minimal amount of information necessary to allow quality feedback were provided with a variety of resources to allow them to develop a report that consisted of enough information to enter the judging process in future years. Qualified nominations were accepted on a first-come, first-served basis.

Outcome: 2014-15 featured 100 qualified nominees out of 140 submissions across the five categories. This represented an increase in nominations from 2013-14 of 3%, and a decrease in qualified nominations of 14%. Those that were not qualified received an extensive package of aids to help them bring their annual reports up to the minimal standards required for entering the judging process. Positive feedback was received from these organizations as to the quality of the materials provided. The screening for eligibility was carried out by Director of Technical Scoring, Erin Webster CPA, CA.

2. Obtain a national media sponsor and work with them to raise the profile of the event.

Outcome: PostMedia and its flagship newspaper the National Post agreed to act as national media sponsor of the 2014-15 Awards for the third year in a row. A full page section was inserted into the National Post's Financial Post section on February 24, 2015 announcing 7th Annual VSRA Recipients.

3. Develop a list of prospective sponsors and develop relationships with them with the aim of asking them to co-sponsor the awards in future years.

Outcome: The negotiation of the new sponsorship agreement with Grant Thornton was completed in 2014-15 providing the Awards with base funding from an accounting firm sponsor for three years. Unfortunately, no other sponsors emerged despite efforts by Associate Director Boland. There is a structural deficit in the VSRA that amounts to some \$25,000 to \$30,000 without additional sponsorships.

Decision to Suspend the Program 2015 and End the Program in 2016

In 2015 the VSRA's were suspended pending development of a strategic plan to bring the program into financial sustainable model that would still permit high quality feedback to all entrants. In agreement with CPA Ontario in August 2016, the Centre's focus will turn to funding research in governance and accountability for the next three years. For any queries pertaining to the future

offering of the VRSA should be directed to Richard Piticco of CPA Ontario at rpiticco@cpaontario.ca. Any questions about the program from 2008-2015 should be directed to the Centre Director.

Impact by the numbers:

VSRA entrants, lunch attendees and unique not for profit organizations (NPO) evaluated

Evaluations	2014-15	2013-14	2012-13	2011-12
Number of entrants evaluated	100	116	81	105
Number of nominations	140	136	102	105
Cumulative unique organizations evaluated	400+	325	275	200
Outreach				
Webinars held	1	2	1	0
Registrants for Webinar	250	400 (200 per webinar)	250	200
NPOs contacted about the Awards directly by the Centre	1500	1500	1200	350
NPOs contacted by direct marketing (actual number of points of contact was 12,000 email addresses)	5000+	5000+	5000+	1000+
Attendees at Awards luncheon	100	100	100	110
	plus	plus	plus	plus