

IDEAS | PEOPLE | TRUST

# Joined up, market leading problem solving, expert advice

Advisory, tax & assurance services

Charity sector

**BDO**

## Market leading multi-disciplinary one team approach

**As a leading auditor and adviser to national and international charities, civil society organisations and social enterprises, we understand what sets charitable organisations apart - creating social value not profit.**

Our depth of experience affords us a comprehensive knowledge of the charity sector and the issues that you face. We combine this with our commitment to providing pragmatic, smart advice that will help our clients and the sector succeed

Through a calendar of events, reports and newsletters, we provide insight, challenge and technical updates to highlight what's happening in the sector, how that impacts your charity and what you can do in order to succeed and thrive.

**600+**

Not For Profit clients, including over 300 charities

**25 Years**

Dedicated to the Not For Profit sector

**30+ Partners & Directors**

**60+ Managers**

**260+ Staff**

### Hot topic webinars

A regular series of webinars focusing on the current hot topics, providing guidance, tips and sector views from both BDO and external industry experts, as well as directly from charities themselves.

### Technical updates

Timely updates on the technical issues and expertise required to ensure regulatory compliance and to be successful in an ever-changing landscape.

### Sector research, reports and benchmarking tools

Expert research into the areas impacting charities, including our annual fraud survey, bi-annual reserves analysis, weekly and monthly retail sales tracker and defined benefit pensions research.

### Technical and bespoke training

Training on the technical skills required to ensure compliance with regulation, deliver on your charitable activities and to be a successful and resilient organisation.

### Quarterly digest newsletter

The latest news and insights impacting the charity sector, right to your inbox.

*"We work with charities to ensure they can maximise the opportunities and mitigate the challenges the sector faces.*

*Our expert lens and deep sector knowledge provides the right advice to helping you succeed."*



**Fiona Condon**

Partner and National Head of Charities, Not for Profit

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## Providing accounting and business advice focused on your key risks



Whatever the issue impacting your charity, BDO's dedicated charity team will provide you with technically excellent, credible and pragmatic strategic advice and support.



# Why BDO?

## Helping you succeed

### Dedicated sector specialists

One of the largest, dedicated teams of Charity specialists in the sector, expertly delivering a full range of advisory, tax and audit services to a growing number of the UK's largest brand name organisations.

### Client centric, tailored advice

We offer unrivalled client service, focused on your charity's needs and goals. We tailor our approach to maximise successful outcomes, working as one BDO advisory team to provide a seamless solution, whatever the advisory and tax services you require.

### Significant sector expertise

We have a multidisciplinary team working with a wide breadth of charities, who all have deep sector knowledge and experience, allowing us to provide you with a near 360-degree view and insight into what's happening across the charity and wider not for profit landscape.

### Quality and technical expertise

We deliver the highest standards across our advisory, tax and audit services. Our specialists combine technical excellence with sector insight to provide clear, compliant and forward-thinking solutions, helping charities operate with confidence in a complex regulatory environment.

### Extensive sector relationships

Built upon extensive working relationships with The Charity Commission, among others, we have acquired unique situational experience, delivering solutions to complex and high-profile matters in the sector.

### Global sector solutions

The strength of the BDO international Not for Profit network also enables us to deliver coordinated services to those organisations who operate globally.

## A market leading, multi-disciplinary, one team approach

### Advisory

- ▶ Forensic and Valuation Services
- ▶ Mergers and Acquisitions
- ▶ Value Creation Services
- ▶ Process and Performance Excellence
- ▶ Project Delivery and PMO
- ▶ Managing Change
- ▶ People Advisory Solutions
- ▶ Reward, Recognition and the wider Employee Deal
- ▶ Supporting your Sustainability and ESG journey
- ▶ Supporting your transition to net zero
- ▶ Risk Advisory Services
- ▶ Business Services and Outsourcing
- ▶ Business Restructuring
- ▶ International Institutions & Donor Assurance
- ▶ Digital Services

### Tax

- ▶ Corporate Tax
- ▶ Employment Tax
- ▶ Tax Dispute Resolution
- ▶ Value Added Tax

### Audit

- ▶ External audit



# Consulting & Advisory

- ▶ [Forensic and Valuation Services](#)
- ▶ [Mergers and Acquisitions](#)
- ▶ [Value Creation Services](#)
- ▶ [Process and Performance Excellence](#)
- ▶ [Project Delivery and PMO](#)
- ▶ [Managing Change](#)
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- ▶ [International Institutions & Donor Assurance](#)
- ▶ [Digital Services](#)



# Introducing BDO Consulting for the Not-for-Profit Sector

## Mark Sykes

### At BDO, we recognise the unique challenges and governance requirements faced by charities and not-for-profit organisations.

Our Consulting team works alongside you to navigate change, embrace technology, unlock growth, and build sustainably, all while remaining true to your mission and values. By combining deep expertise, global reach, and a hands-on approach, we provide practical solutions that help you respond to immediate pressures and plan for long-term success.

Our vision is to provide a comprehensive, coherent service that meets the specific needs of your sector. Consulting is a key area for BDO, and we understand that our experience and capabilities are as important for not-for-profit clients as they are for commercial entities. Central to our offering are Digital Services, Operational Improvement, People Advisory and Sustainability & ESG, these areas are critical for charities seeking to strengthen their back-office functions, respond to climate change, drive efficiency, and uphold remarkable standards of governance.

We deliver a range of consulting services; each aimed at optimising organisational outcomes and supporting your leadership and governance structures. From developing high-performing teams, enabling cultural transformation, improving processes, procurement and contracting and enhancing risk management, to designing contemporary finance functions and embracing digital transformation, our approach is tailored to your needs. Our projects can be scaled to suit any scope, and we offer flexible pricing and support packages to ensure organisations of all sizes can benefit from our approachable team.

Aligned with BDO's vision of supporting communities and helping you succeed; I invite you to discover how our solutions can build resilience and stimulate sustainable growth in your organisation. The following pages outline our services and show how we can work together to reinforce your impact.

Collaborating to Navigate Change, Embrace Technology, Unlock Growth, and Build Sustainably

- ▶ **Digital:** Design, build, and support end-to-end technology solutions, including data analytics, cyber-security, AI, system design and contemporary workplace enablement.
- ▶ **Operational Excellence:** Streamline processes, mobilise strategy, and embed effective change management.
- ▶ **People:** Optimise organisational design, define people strategy, develop leadership, support communications and change, and transform culture.
- ▶ **Procurement and Contracts:** Drive cost savings, increase value, and strengthen resilience across third-party (supply-chain) relationships.
- ▶ **Risk:** Re-designing risk strategy as an enabler for change, helping establish robust frameworks, scenario planning, and internal controls to protect operations and reputation.
- ▶ **Scale-Up:** Unlocking the barriers to growth and redesigning businesses as they grow, providing strategic planning, board and finance support and hands on execution.
- ▶ **Sustainability and ESG:** Develop and implement climate-resilient strategies, net zero roadmaps, and comprehensive ESG performance improvements.

At BDO Consulting, our focus is on working with you, not simply for you. Whatever challenges you face, and whatever the size of your ambitions, we are here to help your organisation stay on track, adapt, and thrive.

Mark Sykes, Partner  
Head of Consulting



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# Forensic and Valuations Services (FAVS)

## Supporting charities to both mitigate their exposure to fraud risk and investigate reports of wrongdoing

### General business need

- ▶ Help understanding where there is exposure to the risk of fraud and bribery
- ▶ Fraud risk management, including fraud and bribery risk assessments, 'failure to prevent fraud' risk assessments, fraud risk registers and fraud policies
- ▶ Support in responding to reports of alleged fraud, accounting 'black holes', regulatory breaches, employee misconduct or other financial crime
- ▶ Post event assurance, root causes analysis and remediation.

### Our solutions

- ▶ Fraud and bribery risk management services
- ▶ Fraud, financial and non-financial investigation services
- ▶ Dispute resolution and expert witness services
- ▶ Corporate intelligence services
- ▶ Forensic technology services, including data recovery and SARs
- ▶ Business valuations services.

### The benefits to you

- ▶ Understanding where you are most exposed to the risk of fraud or bribery, enabling you to maximise limited resources to reduce your exposure
- ▶ Assurance to stakeholders that you are effectively managing the risk of fraud and bribery
- ▶ Thorough response to reports of alleged of fraud, bribery or other wrongdoing, to establish the extent of the issue and recovery
- ▶ Support to recover losses and assets and/or prevent recurrence.

### Issues impacting charities

- ▶ **The new Failure to Prevent Fraud offence introduced by the Economic Crime and Corporate Transparency Act.** Charities may be caught directly or indirectly impacted through relationships with partners or suppliers. Charities will need to demonstrate that they have "reasonable fraud prevention procedures" in place.
- ▶ **Economic pressures:** with current economic challenges there is an increased risk of fraud risk as people become more desperate; at the same time, more people are turning to charities for support and charities are also feeling increased pressure. Charities need to act quickly to preserve and recover losses in the event if a fraud.
- ▶ **Reputation and non-financial impacts:** the impact of fraud is rarely limited to financial loss. Often the most significant impact is the reputational damage. Negative press as a result of a significant fraud or a mishandled investigation can lead to a loss of public confidence which, in turn, can translate into fewer donations.
- ▶ **Cybercrime fears:** respondents to the BDO Charity Fraud Survey 2024 cited cyber-related fraud (including phishing) as one of the biggest concerns.

### Case studies

- ▶ Investigation into misappropriation of funds by a finance team member after a trustee suspected fraud. Assisted in quantification of loss (£0.5 million) of misappropriated funds leading to a criminal conviction and repayment of the funds.
- ▶ Provision of fraud risk management services to a charity to develop and embed a framework for combatting fraud, which complied with regulator expectations.

### Can BDO help? Ask yourself the following

- ▶ Are we caught by and are we prepared for the new 'Failure to Prevent Fraud' legislation?
- ▶ Do we have a fraud risk register?
- ▶ When was the last time we carried out a fraud or bribery risk assessment?
- ▶ When was the last time we delivered tailored fraud and bribery awareness training across the charity?
- ▶ Have we established a clear strategy for managing the risk of fraud and bribery?
- ▶ When was the last time we reviewed our anti-fraud and bribery policy (if we have one)?
- ▶ Do we have a detailed fraud response plan and is it operating effectively?
- ▶ How do we respond to allegations of fraud, and do we have effective whistleblowing arrangements?
- ▶ Have we carried out root cause analysis of misconduct and implemented measures to mitigate issues?
- ▶ Do we carry out due diligence on new employees, partners and suppliers?



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# Mergers & acquisitions

## Delivering strategic advice; leading and executing transactions

### General business need

- ▶ Strategic review
- ▶ Transaction execution and support
- ▶ Review of merger, collaboration or sale opportunities

### Our solutions

- ▶ M&A strategic advice, transaction support and due diligence.

### The benefits to you

- ▶ Opportunity to enhance social impact and focus on beneficiary needs
- ▶ Review and quantification of the combined benefits of merged activities
- ▶ Provision of feedback on performance, benchmarking etc.

### Issues impacting charities

- ▶ **Strategic purpose:** In the current funding and regulatory environment, Charities need to consider their strategic purpose. How can you be fit for the near term and longer-term future? How can you be certain of funding? This is driving consideration of mergers, disposals, and acquisitions.
- ▶ **Disposals - value and benchmarking:** what is the value of “marketable” operations? How these operations benchmark against others.
- ▶ **Mergers - delivering savings:** merging with other culturally similar charities often provides synergies to support the combined entities going forward and, critically, can deliver significant savings (typically head office).
- ▶ **Viability of a transaction:** undertaking any transaction needs careful consideration and a review of the viability, likely proceeds and proposed timetable. We can work with management and trustees to assess this to help ensure a smooth and successful transaction.

### Can BDO help? Ask yourself the following

- ▶ What are our charity’s near and medium-term strategic plans and vision? What do we want to look like in 2026/27 and beyond?
- ▶ How much cash is generated from our operating businesses vs the head office support they receive?
- ▶ Have we considered disposals as a mechanism to support funding going forward?
- ▶ Would the board benefit from understanding broader M&A market conditions and commercial operator’s concerns to assist decision-making?
- ▶ Would we be stronger combined with another organisation with similar purpose and culture? What steps and due diligence would be required?
- ▶ Have we identified any potentially significant changes in our operating environment and funders?

### Case studies

- ▶ Sale of a large healthcare organisations’ care services
- ▶ Sale of trade and assets of schools for multiple Trusts
- ▶ Sale of a subsidiary of a large charitable organisation in the compliance sector
- ▶ Sale of a subsidiary of a large charitable organisation in the leisure sector
- ▶ Strategic reviews for charities across a number of sectors, including education, healthcare and compliance.



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# Value creation services

## Supporting charities with performance improvement & optimisation

### General business need

- ▶ Facing significant deficits or declining operational surpluses with underperforming operating models
- ▶ Support with implementing growth initiatives
- ▶ Strategic, operational or turnaround reviews of trading activities
- ▶ Understanding the operational impact of mergers or associations.

### Our solutions

- ▶ Supporting clients with operational improvement and excellence, working capital enhancement and driving value.

### The benefits to you

- ▶ Identification of opportunities to enhance performance, working capital and value
- ▶ Quantifiable, deliverable cost improvements and risk management.

### Issues impacting charities

- ▶ **Funding deficits:** High inflation, rising costs, and pressure on donations are resulting in many organisations facing funding deficits. Like many sectors, charities will want to take action to stabilise their cost base to ensure they can continue to operate.
- ▶ **Unstructured operating model:** Growth through adding services or merged operations over an extended period can often result in less structured operating models.
- ▶ **Inefficient operating model:** Operating models that haven't been challenged for several years may not be as effective or efficient as they could or should be.
- ▶ **Digitalisation:** Adopting and improving technology may seem daunting, but proven results include efficiencies and streamlined operations
- ▶ **Post-covid operations review:** Trustees and leadership teams should review their operations and embed resilience. Expedited virtual working, use of technology and the furloughing of many employees has allowed charities to scrutinise their Target Operating Models.

### Case studies

- ▶ Supporting a larger charity to address a funding deficit. A prioritised plan was produced targeting £m worth of cost savings over the next 18-24 months
- ▶ Supporting a charity with a strategic review of their underperforming trading business
- ▶ Supporting a high growth transport charity to convert their strategic vision of significantly increasing their charitable spend into an operational delivery plan.

### Can BDO help? Ask yourself the following

- ▶ Do we often face a budget deficit, so salami slice without addressing our core Target Operating Model?
- ▶ Do we have trading or non-core operations? How are they performing?
- ▶ Has there been significant change or mission creep to our charitable aims or strategy?
- ▶ Have we grown substantially without considering our Target Operating Model?
- ▶ Do we have the internal capability to implement change across the organisation?
- ▶ How does our overhead base / support cost structure compare to other charities?



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# Process & Performance Excellence

## Helping charities to deliver excellence through efficiency

### General business need

- ▶ Charities often face resource constraints; optimising processes helps reduce waste, streamline workflows, and free up time for mission-critical activities
- ▶ Clear performance metrics ensure charities can demonstrate outcomes to funders and stakeholders, strengthening trust and future funding opportunities.
- ▶ By embedding continuous improvement practices, charities can scale their operations effectively without compromising quality or compliance.

### Our solutions

- ▶ Business Process Optimisation
- ▶ Performance Improvement
- ▶ Organisational Design & Operating Model Transformation
- ▶ Finance Transformation
- ▶ Performance Measurement & KPI Frameworks
- ▶ Continuous Improvement Programs

### The benefits to you

- ▶ Streamlines workflows to reduce duplication and manual effort
- ▶ Lowers operational costs, enabling more funds to go toward charitable programs
- ▶ Enhances service delivery speed and quality for beneficiaries
- ▶ Aligns structure and roles with strategic objectives for greater agility
- ▶ Modernises financial processes for better transparency and compliance
- ▶ Enables data-driven decisions
- ▶ Embeds a culture of ongoing efficiency and innovation
- ▶ Scalability to support growth

### Issues impacting charities

- ▶ **Resource Constraints:** Limited budgets and staff make it challenging to deliver services efficiently and scale operations.
- ▶ **Inefficient Processes:** Manual, outdated, or fragmented workflows lead to wasted time and higher operational costs.
- ▶ **Difficulty Measuring Impact:** Lack of clear performance metrics and reporting systems makes it hard to demonstrate outcomes to funders and stakeholders.
- ▶ **Compliance and Governance Pressures:** Increasing regulatory requirements and donor expectations create complexity and risk.
- ▶ **Technology Gaps:** Underutilised or outdated systems hinder automation, data insights, and overall productivity.

### Case studies

- ▶ We implemented Business Process Optimisation and introduced automation tools to reduce duplication and improve workflow efficiency for a large charity was struggling with inefficient manual processes.
- ▶ An international aid charity with multiple income streams faced outdated financial processes, causing compliance risks and inaccurate forecasting. We led a Finance Transformation project, introducing modern systems and training staff on best practices.
- ▶ A mid-sized energy charity lacked clear KPIs and struggled to demonstrate impact to funders, risking future grants. We designed a Performance Measurement & KPI Framework, aligned with strategic goals and reporting requirements.



### Can BDO help? Ask yourself the following

- ▶ Are our current processes causing delays, duplication, or excessive manual work?
- ▶ Could automation or digital tools significantly reduce administrative burden?
- ▶ Are we meeting our service delivery targets consistently?
- ▶ Do we know which areas of our operations are underperforming?
- ▶ Are roles and responsibilities clear across the organisation?
- ▶ Do we struggle with forecasting or managing multiple income streams?
- ▶ Are decisions driven by reliable data or assumptions?



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# Project Delivery & PMO

## Helping charities to deliver projects on time, on budget, with impact

### General business need

- ▶ Charities often run critical projects (e.g., new programs, technology upgrades, fundraising campaigns) but lack structured project management, leading to delays and cost overruns.
- ▶ Charities operate with limited budgets and staff. Strong project delivery ensures resources are allocated efficiently, maximizing impact.
- ▶ Stakeholders expect transparency and assurance that projects are managed properly.

### Our solutions

- ▶ Project Assurance
- ▶ Enterprise Portfolio Management Office (EPMO)
- ▶ Project Management Office (PMO)
- ▶ Project Management Resourcing and Training (short/long term secondments)
- ▶ Business case development

### The benefits to you

- ▶ Independent oversight to ensure projects stay on track, within scope, and deliver intended outcomes.
- ▶ Builds confidence with trustees, donors, and stakeholders through transparent governance.
- ▶ Prioritisation and resource allocation across multiple initiatives.
- ▶ Access to skilled project managers without long-term hiring costs.
- ▶ Clarifies expected benefits, costs, and risks for informed decision-making.

### Issues impacting charities

- ▶ **Operational change:** making operations, better, faster or more cost effective, for example process improvement.
- ▶ **Benefits and value:** delivering the expected strategic goals, realising benefits within the expected timeframes and providing the return on investment.
- ▶ **Maximising impact:** pressures of getting the business case right to obtain funds, keeping objectivity and continuously testing viability to drive change and achieve optimal results.
- ▶ **People skills and expertise:** timely access to project management, project support and subject matter experts.
- ▶ **Change management:** bringing together people, process and technology to facilitate successful change through projects and creating a healthy balance between control and pragmatism.



### Case studies

- ▶ We provided Project Assurance, conducting independent reviews at key milestones and implementing risk mitigation strategies for a major health charity.
- ▶ A global charity had multiple overlapping projects with no central oversight, leading to resource conflicts and missed deadlines. We set up an EPMO to align projects with strategic priorities and improve resource allocation.
- ▶ A children's charity lacked skilled project managers. We provided short-term secondments of experienced project managers and delivered tailored training programs for staff.

### Can BDO help? Ask yourself the following

- ▶ Are there challenges in the day-to-day operations of the finance team?
- ▶ Do we struggle with the preparation of the financial statements?
- ▶ Upon a review of the financial statements as a part of the audit, is there a lack of SORP compliance where additional support is needed?
- ▶ Do we have the right skillset in the finance team to be equipped for the impending changes to the Charities SORP in respect of revenue and leases?
- ▶ Does our finance team have the correct level of expertise when it comes to complex accounting issues?
- ▶ Do we have a clear approach to forecasting, planning and building strategic direction?



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# Managing Change

## Helping charities to lead change with confidence and clarity

### General business need

- ▶ Charities often face major transformations. They need structured change management to ensure these initiatives stick and deliver intended benefits.
- ▶ Change fails when staff and leadership aren't aligned. Charities need support to engage teams, shift behaviours, and build a culture that embraces change.
- ▶ Charities need a clear roadmap and communication plan to keep operations running smoothly while implementing new ways of working.

### Our solutions

- ▶ Change Strategy & Roadmap Development
- ▶ Leadership Alignment & Coaching
- ▶ Stakeholder Engagement
- ▶ Communication Planning
- ▶ Cultural & Behavioural Change
- ▶ Training & Capability Building
- ▶ Change Impact Assessment & Risk Management

### The benefits to you

- ▶ Increase stakeholder confidence through transparent communication and governance.
- ▶ Improve service delivery by minimising disruption.
- ▶ Enable long-term adaptability so the charity can respond to future challenges effectively.
- ▶ Ensure new processes and strategies are adopted quickly and effectively.
- ▶ Keep people informed and engaged to reduce uncertainty and stress.
- ▶ Embed lasting change by building capability and reinforcing behaviours.

### Issues impacting charities

- ▶ **Funding Uncertainty:** Charities face unpredictable income streams due to economic pressures, donor fatigue, and reduced government grants.
- ▶ **Rising Demand for Services:** Increasing social needs put pressure on charities to deliver more with limited resources.
- ▶ **Compliance and Governance Challenges:** Stricter regulations and reporting requirements create complexity and risk for charities.
- ▶ **Digital and Technology Gaps:** Limited investment in technology hinders automation, data insights, and online engagement with donors and beneficiaries.
- ▶ **Talent and Skills Shortages:** Difficulty attracting and retaining skilled staff, especially in areas like finance, digital, and project management.

### Can BDO help? Ask yourself the following

- ▶ Are we planning a major change (e.g., new systems, operating model, or strategy) without a clear roadmap?
- ▶ Do staff and volunteers understand why the change is happening and what it means for them?
- ▶ Is leadership aligned and prepared to champion the change?
- ▶ Do we have a plan to manage cultural and behavioural shifts?
- ▶ Are we confident we can minimise disruption to services during the transition?
- ▶ Do we have the internal capability to sustain the change long-term?



### Case studies

- ▶ A large charity was introducing a new operating model but faced resistance from staff who were unsure about the changes. We developed a Change Strategy and Roadmap, aligned leadership, and delivered tailored engagement sessions to build trust and clarity.
- ▶ The charity was rolling out a new CRM system but lacked a structured approach to manage the transition and train staff. We provided Stakeholder Engagement, Training Programs, and Change Impact Assessments to ensure smooth adoption.
- ▶ A charity needed to embed new safeguarding practices but struggled to shift behaviours. We implemented a Behavioural Change Program, combining training, communication, and reinforcement strategies.



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# People advisory solutions

## Empowering Charities to Harmonise Mission and People Strategy

### General business need

- ▶ Attracting, developing and retaining talent with the right skills now and for the future
- ▶ Developing the right culture to deliver great customer, stakeholder and employee experience
- ▶ Addressing the lack of confidence in organisational design and shape of the workforce
- ▶ Building effective leader and manager capability able to deliver organisational strategy
- ▶ Having the right people strategy and HR practices in place to optimise performance
- ▶ Ensuring your HR function is fit now and for the future, the right priorities and the right capabilities to deliver
- ▶ Building an understanding of how to anticipate and mitigate people risk
- ▶ Improving cross functional and leadership collaboration

### Our solutions

- ▶ Talent advisory: how to attract, recruit, retain, develop, manage, engage and exit talent
- ▶ Culture diagnostics and transformation
- ▶ EDI diagnostic and transformation
- ▶ Workforce planning
- ▶ Organisational design
- ▶ Change management
- ▶ Leadership effectiveness, assessment & development
- ▶ Succession planning
- ▶ Creating high performing teams

### The benefits to you

- ▶ Improved employee attraction, retention and engagement thus positively impacting performance
- ▶ Right sized workforce, now and for the future.
- ▶ Achieve cost savings & efficiencies from improved talent processes.

### Issues impacting charities

- ▶ **Recruitment & retention:** Charities often operate with limited budgets; therefore, it is imperative that charities fully leverage their employee value proposition to improve attraction, retention and engagement of staff.
- ▶ **Skill gaps:** Rapid changes in technology and the evolving landscape of the sector can lead to skills gaps, particularly in digital, fundraising, and governance competencies.
- ▶ **Cultural issues:** Organisational culture has far-reaching impacts, in terms of how your employees and volunteers feel, perform and make decisions as well as how resilient your charity is in times of change and uncertainty. Diversity, Equity & Inclusion: While the charity sector is often at the forefront of advocating for diversity and inclusion, it still faces challenges in creating truly diverse and inclusive workplaces.
- ▶ **HR:** In times of societal crisis, the pressure on charity workforces increases significantly, particularly on the HR functions ensuring they have the right capability and capacity to support the workforce is key.

### Case studies

- ▶ Conducted a culture review for a Charity to identify barriers to collaboration, innovation and decision making, resulting in a detailed road map to enhance the organisational culture.
- ▶ Worked with an NFP organisation to assess their EDI approach based on BDO's inclusion and belong framework, provided a detailed road map to enhance their EDI approach and supported with the change journey including facilitating Board learning workshops.
- ▶ Helped a national public body to assess skills match of their current staff with a new operating model and advised on gap closing strategies.

### Can BDO help? Ask yourself the following

- ▶ Are we effectively retaining and attracting staff?
- ▶ Have we conducted an assessment of our organisational culture?
- ▶ Are we clear on our purpose and how to harness it as our core strength?
- ▶ Do we understand why people like working here? Do we understand why people leave?
- ▶ Are our leaders actively shaping and nurturing the desired organisational culture?
- ▶ Are we prepared for the workforce changes that AI and the green revolution may bring?
- ▶ Do we know what skills and roles we have in our organisation?
- ▶ Is there a consensus on leadership behaviours and performance expectations?
- ▶ Are we truly embodying diversity, equity, and inclusion principles?
- ▶ Does HR have the right capabilities and capacity to support our workforce?
- ▶ Do we have barriers to collaboration which are negatively impacting our performance?



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# Reward, recognition and the broader employee deal

## Strategic reward and people advisory services to create a compelling employee value proposition

### General business need

- ▶ Higher than usual employee attrition
- ▶ Difficulty in recruiting key skills
- ▶ Employee engagement lower than desired benchmark

### Our solutions

- ▶ Supporting you to optimise your “employee deal” - to attract and retain key talent and increase discretionary effort.

### The benefits to you

- ▶ Lower overall cost to employ, but with higher value placed on the deal by employees
- ▶ A better understanding by all stakeholders of why an employee should want to join, stay and go the extra mile
- ▶ Higher employee engagement - leading ultimately to improved performance.

### Issues impacting charities

- ▶ **Rising costs and lower income:** Rising staff costs, driven by inflation, scarcity of key skills, and an increasing tax and regulatory burden require every charity to consider how to optimise their overall cost to employ.
- ▶ **Enhanced employee mobility:** Increasing mobility of employees between the charity and commercial sector, and across geographical borders has made shifting jobs easier than it has ever been. Using every tool available to keep key talent makes good business sense.
- ▶ **Changing employee expectations:** Post pandemic, employees are demanding different things. For example, flexibility in terms of where, when and how they work. A more dynamic career pathway. Greater transparency of how much people are paid and why. Planning a response to these changes creates competitive advantage. Failing to respond to them leads to talent attrition.

### Can BDO help? Ask yourself the following

- ▶ What is your “mission discount” as an employer? Base pay in a charity will typically always be less than we can find in the private sector. You need to know (and be clear) what your mission discount is
- ▶ Have you created maximum competitive advantage by introducing flexibility into your employment offer? Remember, that flexibility is high impact and low cost
- ▶ Your career pathways are your secret weapon. You should be aiming to offer accelerated experience and career progression compared with the commercial sector - what does the best 5-year career at your charity look like?
- ▶ Your purpose is front and centre of your employee deal. But it can't work magic. Are you expecting too much in terms of employee goodwill from purpose alone?



### Case studies

- ▶ We re-designed the employee deal for a very large charitable education institution. Our work spanned the organisation from top to bottom and covered every aspect of the employee proposition
- ▶ Our project centred on an innovative way to refocus spend on the specific areas employees valued. We also re-set the brand of the employee deal and used the re-set to increase transparency and better align the reward message with the strategy of the institution.



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# Supporting your sustainability and ESG journey

## Services to help you maximise your positive environmental and social impact

### General business need

- ▶ Expectations around managing and reporting environmental and social impacts
- ▶ Complexity of managing material climate and nature-related risks
- ▶ Increasing scrutiny surrounds charities' environmental and social credentials and their use of donations
- ▶ Managing competing material ESG issues
- ▶ Digital transformation and data management

### Our solutions

- ▶ Climate-related risk and scenario analysis
- ▶ Integration into ERM systems
- ▶ Climate resilience and adaptation
- ▶ Carbon accounting - Scopes 1, 2 and 3, greenhouse gas footprint and inventory calculations
- ▶ Climate action planning, net zero roadmaps and costing

### The benefits to you

- ▶ Demonstrate your values to donors
- ▶ Encourage corporate organisations to partner with you
- ▶ Understand your key climate and nature related risks and how to mitigate them
- ▶ Futureproof your organisation, e.g. maintain "licence to operate" in a low carbon economy
- ▶ Improve employee engagement and retention, and attract top talent
- ▶ Better sustainability and ESG performance contributing to reduced environmental impact, positive impact on society and increased trust in institutions.

### Issues impacting charities

- ▶ **Stakeholder scrutiny:** Donors and other stakeholders want assurance that their donations support charities with positive impacts across a range of both environmental and social topics.
- ▶ **Corporate partnerships:** Corporate partners increasingly require organisations they partner with to demonstrate environmental and social credentials.
- ▶ **Climate risks:** The climate crisis and transitioning to a lower carbon society presents risks for all organisations including charities. Mitigating these risks can be costly if not effectively managed early.
- ▶ **Rising costs:** Rising energy costs require every charity to consider how to optimise their overall efficiency.
- ▶ **Minimise transition costs:** Through effective CAPEX planning, organisations that act early can minimise the costs associated with a world transitioning to net zero.
- ▶ **Competing material issues:** Material ESG issues affecting charities require a coherent strategy that is integrated into the wider operating model.

### Case studies

- ▶ We collaborated with a major UK museum to craft a Climate Action Plan (CAP) that will steer the museum towards net zero by embedding climate action across all departments and functions.
- ▶ Our work has helped the organisation to update its net zero targets and understand how current plans will impact emissions. Through extensive engagement with stakeholders, we have explored and planned additional climate action to enable the organisation to achieve its targets over the next 10 years.
- ▶ The CAP provides a robust framework for monitoring, managing and delivering actions that tackle all the museum's key emission sources whilst maintaining the highest levels of collection care.

### Can BDO help? Ask yourself the following

- ▶ What do your corporate partners require of you with regards to environmental and social impact? Meeting these needs and demonstrating responsibility for positive environmental and social impact across your entire value chain could be key to continued support
- ▶ How might a changing climate impact the services we provide? Importantly, the number of service users and their needs may change as increasingly significant effects of climate change materialise
- ▶ Do we need help understanding your carbon emissions and how you might address these over time?
- ▶ Can we realise a financial benefit through improving energy efficiency and increasing resilience to rising costs?
- ▶ How might changing climates, nature loss and economies transitioning to net zero affect our supply chains, services and wider operations? How do we manage these risks?
- ▶ Do we have a plan to address the ESG reporting expectations of SORP 2026?



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# Supporting your transition to net zero

## Carbon advisory services to help you succeed in a net zero world

### General business need

- ▶ Expectations around managing and reporting environmental and social impacts
- ▶ Complexity of managing material climate and nature-related risks.

### Our solutions

- ▶ Helping you to succeed in a world transitioning to a net zero by measuring and managing environmental risks.

### The benefits to you

- ▶ Demonstrate your values to donors
- ▶ Encourage corporate organisations to partner with you
- ▶ Understand your key climate and nature related risks and how to mitigate them
- ▶ Futureproof your organisation, e.g. maintain “licence to operate” in a low carbon economy
- ▶ Improve employee retention.

### Issues impacting charities

- ▶ **Stakeholder scrutiny**: Donors and other stakeholders want assurance that their donations support charities with positive impacts across a range of both environmental and social topics.
- ▶ **Corporate partnerships**: Corporate partners increasingly require organisations they partner with to demonstrate environmental and social credentials.
- ▶ **Climate risks**: The climate crisis and transitioning to a lower carbon society presents risks for all organisations including charities. Mitigating these risks can be costly if not effectively managed early.
- ▶ **Rising costs**: Rising energy costs require every charity to consider how to optimise their overall operational efficiency.
- ▶ **Minimise transition costs**: Through effective CAPEX planning, organisations that act early can minimise the costs associated with a world transitioning to net zero.

### Case studies

- ▶ Working in collaboration with a large professional services firm, we helped them to understand what their key physical and transitional climate risks were and how these could be managed
- ▶ Subsequently we mapped out pathways to net zero demonstrating how they could achieve ambitious carbon targets and continue to meet client and partner expectations. The pathway has informed the development of actions across the firm
- ▶ Our project focussed on collaboration with relevant stakeholders to set the foundation for real change.

### Can BDO help? Ask yourself the following

- ▶ What do your corporate partners require of you with regards to environmental and social impact? Meeting these needs and demonstrating responsibility for positive environmental and social impact across your entire value chain could be key to continued support
- ▶ How might a changing climate impact the services you provide? Importantly, the number of service users and their needs may change as increasingly significant effects of climate change materialise
- ▶ Do you need help understanding your carbon emissions and how you might address these over time? Developing a clear plan for tackling emissions is crucial for ensuring that your planned intervention meets your strategic sustainability goals
- ▶ Can you realise a financial benefit through improving energy efficiency and increasing resilience to rising costs?



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# Risk advisory services

## Supporting charities to manage and mitigate risk to safeguard their objectives

### General business need

- ▶ Assurance or advice required over your control, governance and risk management framework
- ▶ In need of co-source or out-sourced internal audit to provide specialists support and support with CC8 requirements
- ▶ Implementing global assurance programmes and need support in creating consistency and development plans, including COSO framework assessments.
- ▶ Corporate governance support to assess compliance against the refreshed Charity Governance code.

### Our solutions

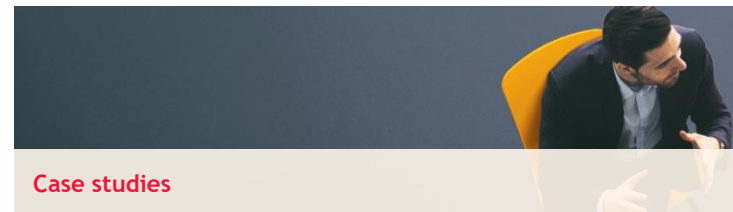
- ▶ Internal audit services (co-source and out-source)
- ▶ Governance and Board Effectiveness reviews
- ▶ Clinical assurance
- ▶ Ethical frameworks support
- ▶ Training and workshops
- ▶ Third party assurance
- ▶ Rhiza - risk management software
- ▶ International health check (subsidiaries or funded entities)
- ▶ Control Maturity assessments
- ▶ COSO frameworks
- ▶ Safeguarding advisory support
- ▶ Grant assurance.

### The benefits to you

- ▶ Trustee assurance and protection of reputation
- ▶ Safeguarding of organisational assets and objectives
- ▶ Improvements to operational efficiency
- ▶ Greater external stakeholder confidence
- ▶ Management insights and value add.

### Issues impacting charities

- ▶ **Public scrutiny:** Charities need to keep pace with increasing public expectations, regulation and scrutiny.
- ▶ **Compliant and efficient operations:** Trustees need to gain assurance that operations are working in a compliant, efficient and effective manner to protect and discharge their legal responsibilities. Organisations independent of the charity can help provide that assurance.
- ▶ **Managing emerging risks:** Management have huge responsibility. They need to consider and manage emerging and new risks, while delivering their objectives and ensuring value for money. Risk management software can help streamline and make this much easier.
- ▶ **Cultural issues:** Organisational culture has far-reaching impacts, in terms of how your employees and volunteers feel, perform and make decisions and how resilient your charity is in times of change and uncertainty. The right focus and regular monitoring is crucial.

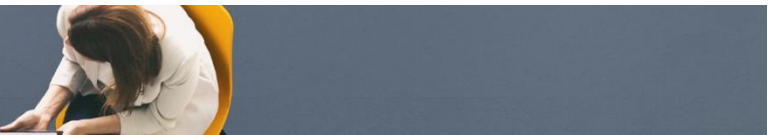


### Case studies

- ▶ A large charity was introducing a new operating model but faced. Conducted a culture review for a Charity to identify barriers to collaboration, innovation and decision making, resulting in a detailed road map to enhance the organisational culture.
- ▶ Worked with an NFP organisation to assess their EDI approach based on BDO's inclusion and belong framework, provided a detailed road map to enhance their EDI approach and supported with the change journey including facilitating Board learning workshops.
- ▶ Helped a national public body to assess skills match of their current staff with a new operating model and advised on gap closing strategies.

### Can BDO help? Ask yourself the following

- ▶ Do we have internal audit/assurance or compliance & risk management functions?
- ▶ When was the last governance review? Have we undertaken a cultural assessment?
- ▶ Do you think you are up to date with current changing laws and regulations?
- ▶ Have you had any significant safeguarding incidents or concerns?
- ▶ Do you think you are currently financially well controlled and sustainable?
- ▶ Are we currently undertaking or planning any capital or change/transformation projects?
- ▶ Do we have major contracts with third parties?
- ▶ Do we have international projects, programmes or subsidiaries - do we have oversight of these?
- ▶ Do trustees and management receive data-driven insights?
- ▶ Is our risk register up to date and is it a useful tool for Board decision making?



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# Business services & outsourcing

## Supporting charities with their strategic and financial reporting needs

### General business need

- ▶ Financial reporting support (management accounting and year end accounts)
- ▶ Interim secondments and resource for finance function
- ▶ Review of the organisation's strategy and forecasts
- ▶ Ad-hoc advisory including support on the updated Charities SORP following the FRS102 amends.

### Our solutions

- ▶ Financial statements
- ▶ Supporting finance functions
- ▶ Strategic workshops
- ▶ Support with accounting matters.

### The benefits to you

- ▶ Reduce the pressure on smaller finance teams to remain experts in all the latest technical developments
- ▶ Reduce the compliance and regulatory burden with a more cost-effective solution.

### Case studies

- ▶ Strategic workshops delivered for large research charity and a theatre with multiple income streams
- ▶ Forecasting support for a national charity and its branches
- ▶ Financial reporting for many charities, ranging from smaller regional to larger national entities with consolidated results
- ▶ Lease advisory for a regional museum preparing for SORP 2026
- ▶ FRS102 amendments support for revenue and leases

### Issues impacting charities

- ▶ **Financial statement deadlines:** Charities are required to submit compliant financial statements in line with the Statement of Recommended Practice (SORP) to the Charity Commission and Companies House (if applicable) within the deadlines.  
This can be very time pressured for organisations, as they undergo their year-end statutory audit.
- ▶ **Resource constraints and access to specialist skills:** A common challenge for charity finance teams. Through secondments, interim arrangements or outsourcing solutions we can augment and support inhouse finance teams.
- ▶ **Unreliable forecasting impacting decision making:** Decision making is often based on assumptions or unreliable information, rather than clear, up-to-date data. Our finance solutions include three-way forecasting which can help produce reliable budgets which can be flexed through changing assumptions and help charities improve decision-making.
- ▶ **Developing a strategic mindset:** A lack of resource and specialist strategic skills can impede the development of a strategic mindset. External support through advisory boards, workshops and facilitated working sessions can help shape an approach tailored to your charity.
- ▶ **A streamlined transition to the new Charities SORP:** Charities are required to apply the new Charities SORP incorporating the amendments to FRS102 for periods beginning on or after 1 January 2026. The main impacts relate to leases and revenue recognition.

This will be a challenge for some charities and there may be time constraints and lack of technical knowledge within the finance team to ensure that the transition is seamless.

Our solution is to work with the charity from initial impact assessment and scoping to a fully built out time lined approach to complete the financial disclosures for the financial statements.

### Can BDO help? Ask yourself the following

- ▶ Are there challenges in the day-to-day operations of the finance team?
- ▶ Do we struggle with the preparation of the financial statements?
- ▶ Upon a review of the financial statements as a part of the audit, is there a lack of SORP compliance where additional support is needed?
- ▶ Do we have the right skillset in the finance team to be equipped for the impending changes to the Charities SORP in respect of revenue and leases?
- ▶ Does our finance team have the correct level of expertise when it comes to complex accounting issues?
- ▶ Do we have a clear approach to forecasting, planning and building strategic direction?



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# Business restructuring

## Helping charities to be ‘fit for their purpose’

### General business need

- ▶ Cash flow challenges or considering optimisation of resources
- ▶ Stakeholder management and / or creditor strategy support required
- ▶ Crisis management and insolvency threats
- ▶ Solvency review and solvent liquidation planning / implementation
- ▶ Considering restructuring operations, group structure or entity balance sheets
- ▶ Assessing options for funding growth projects or turnaround strategies
- ▶ Review of real estate portfolios and related advice, from supporting consensual negotiations to implementing formal restructuring tools
- ▶ Support with pension obligations or covenant advice required.

### Our solutions

- ▶ Support, in often challenging situations, with finding and implementing practical solutions to achieve the best outcome.

### The benefits to you

- ▶ Assurance that complex issues have the appropriate expert advice
- ▶ Assurance that your regulatory compliance obligations are being met when challenges arise
- ▶ Pragmatic, solutions-driven advice and support focused on critical areas of need - being a ‘critical friend’.

### Issues impacting charities

- ▶ **Economic challenges impacting finances:** The operational and economic challenges of the last couple of years, coupled with the current pressures from embedded inflation, cost of living crisis and talk of recession has resulted in large numbers of charities recording financial deficits, reduced levels of reserves and new debt arrangements to manage.
- ▶ **Managing and responding to financial risk:** Financial planning is paramount in identifying, quantifying and managing risks and appropriate responses. We help Trustee and management boards to identify and understand issues; and work with them to provide credible solutions that are supportable by internal and external stakeholders.
- ▶ **Trustee responsibilities:** Trustees have a duty to manage the charity’s resources responsibly. Being a sustainable, responsible organisation is high on Boards’ agendas.

### Case studies

- ▶ Restructuring, cash flow and stakeholder management support for a large, multi-jurisdiction charity to successfully deliver sales, returns to creditors and managed closure of the charity and group entities without impacting service users
- ▶ Short and medium-term strategic financial review and options analysis, to enable the charity to restructure its liabilities for a sustainable future
- ▶ Financial review and detailed implementation planning for the solvent liquidation of a regulated entity and charity with multiple corporate share- holders, enabling safe release of trapped capital.

### Can BDO help? Ask yourself the following

- ▶ Do I get all the financial information needed as a Trustee to comply with my Trustee and Director duties? Is it presented in a useful, timely way for decision making?
- ▶ Is our level of free reserves in line with our reserves policy? Is the policy sufficient? If not, are we addressing it?
- ▶ Considering all our commitments - including current trading and intended projects - do I understand the risks in our working capital assumptions?
- ▶ With embedded inflation and higher interest rates, do I have concerns about the viability or sustainability of our operations, financing and longer-term strategy?
- ▶ Do we understand the risks of financial / operational reliance on third parties and what to do if they terminate?
- ▶ Do we have contingency plans for if we face a serious problem - financial or operational? What help is available?
- ▶ Is our DB scheme in deficit or impacting our strategy? Do I agree with plans to repair the deficit?



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# International Institutions & Donor Assurance

Supporting grant-makers and recipients of grant funds in managing associated risks, no matter where in the world work is delivered

## General business need

- ▶ Helping grant-makers manage the risks (financial, programmatic, fraud, compliance and reputational) associated with their portfolio of grantees/programs
- ▶ Helping recipients of funds demonstrate that donor funds have been appropriately reported and/or will be appropriately managed.

## Our solutions

- ▶ Grant Audits/ Agreed Upon Procedure reviews of project financial statements
- ▶ Pre or Post-Award assessments of grantee capacities for managing donor funds
- ▶ Forensic audits and special audits relating to the potential misuse of funds
- ▶ Training for donors/ grantees in best practice for managing donor funded programs
- ▶ Value for money evaluations
- ▶ ESG assurance - grant-making
- ▶ Grant Management
- ▶ Counter Fraud
- ▶ Risk advisory for grant-making.

## The benefits to you

- ▶ Assurance over the appropriate application of grant funds.
- ▶ Assurance over value for money.
- ▶ Comfort that risks of fraud and mis-use of funds are being properly managed in a timely manner.
- ▶ Aligns grant-making with ethical, legal and sustainability standards.
- ▶ Provides insights to inform strategy, improve governance and optimise results.
- ▶ Builds trust with stakeholders through transparency, consistent delivery and ethical governance, enhancing reputation and resilience.

## Issues impacting charities

- ▶ **Funds used appropriately:** Charities must ensure that funds they have received / have granted to others are used in accordance with the terms of prevailing grant agreements and in accordance with their stated charitable purpose complying with legal, regulatory, and internal requirements.
- ▶ **Risks associated with grant-making portfolio:** There are many reputational, compliance and financial risks. Without clear control systems and policies, and effective monitoring and evaluation, they risk fund mismanagement, reduced impact visibility, and loss of public and donor trust. Strengthening these areas is essential to protect resources and maintain credibility.
- ▶ **Grantee due diligence:** There is a need to assess the capacities of current/ potential grantees based around the world by assessing their financial and operational systems, as well as their registration, and using open-source data searches to check for reputational risks.
- ▶ **Stewarding donor funds:** Charities should strengthen financial/ operational capacities supported by clear governance within their organisation/ their grantees to ensure they are better stewards of donor funds.

## Case studies

- ▶ Undertaking annual assessments of a grant-giving foundation's global grantees since 2016, assessing reported financial information and building partner capacities by identifying opportunities for improving financial/ operational controls.
- ▶ Certifying accuracy of reported financial information for the purposes of donor reporting with respect to a humanitarian program implemented in Ukraine.
- ▶ Performing due diligence assessments for a grant-giving foundation of applicants for funding based around the world.

## Can BDO help? Ask yourself the following

- ▶ Do we implement activities and / or fund partners / activities across multiple jurisdictions?
- ▶ Do we get involved with significant grant-making activities (e.g. granting funds to other organisations which include grants of a significant value (\$100,000+) and at significant scale (more than 20 active projects)?
- ▶ Do we assess grantees either pre- or post-award to ensure they have sufficient capacities to appropriately manage funds?
- ▶ Do we receive significant grant funding? If so, do we demonstrate compliance to the terms of prevailing grant agreements and have appropriate systems for managing donor funded projects?
- ▶ How can we build long term sustainability to strengthen financial and operational capabilities, enabling greater transparency and building confidence for donors and recipients?
- ▶ Do we have suitable processes for dealing with fraud /corruption issues?
- ▶ Do we have effective mechanisms by which such issues can be raised?



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# Digital Services

## Supporting charities by maximising the resilience, value, and compliance of their IT, security, and transformation programmes

### General business need

- ▶ Leveraging technology to responsibly further the charity's mission - while also securing sensitive data, maintaining compliance, and leveraging digital enablement to maximise resource capabilities.

### Our solutions

- ▶ Strategic AI readiness, enablement, and optimisation
- ▶ Cyber security implementation, management, monitoring, and testing
- ▶ Digital transformation assurance, compliance, and due diligence
- ▶ Microsoft managed services, business applications, and affordable CSP licensing (including grant eligibility support)
- ▶ Cloud and data infrastructure implementation and migration
- ▶ Business continuity, disaster recovery, and cyber resilience
- ▶ IT governance and strategy support
- ▶ Internal IT auditing services

### The benefits to you

- ▶ Systems, security, data, and transformation assurance for trustees
- ▶ Maximise the value of the IT estate through right-sizing, enablement, and resource allocation
- ▶ Optimised, secure, and impactful AI adoption and strategy
- ▶ Develop crisis management frameworks, conduct attack simulations, and enhance threat intelligence
- ▶ Confident, technology-driven compliance

### Issues impacting charities

- ▶ **Value-Driven Use of AI:** Charities are actively exploring the potential benefits of AI in service delivery, data analysis, and enhanced marketing efforts. Success, however, depends on risk mitigation, secure implementation, AI up-skilling, and a dedicated strategy.
- ▶ **Resource Limitations:** Charities continue to operate with limited resources, often unable to source, implement, and manage the digital solutions that could ultimately remedy such limitations.
- ▶ **Security & Data Protection:** As well as securing sensitive donor, client, and service user data, charities must also protect themselves against severe cyber security threats across a sprawling attack surface that includes employees, volunteers, and service users.
- ▶ **Responsible Transformation:** Trustees must ensure digital transformation projects and solution implementations are delivered within budget, have a measurable impact, and are strategically aligned to the charity's purpose.

### Case studies

- ▶ Providing ongoing cyber assurance to a national care charity, with periodic follow-up work on how this is managed in their disaster recovery plans.
- ▶ Supporting a full digital transformation life cycle - from strategy development to benefits realisation - informed by in-depth business analysis.
- ▶ Delivering various technology solutions for several social housing providers.
- ▶ Delivering business analysis to inform and deliver the technology-enabled improvement of a charity's processes.

### Can BDO help? Ask yourself the following

- ▶ Do we hold and process sensitive data/information?
- ▶ Are we using AI to improve our service offerings in a secure and strategic manner?
- ▶ Are we reliant on IT to deliver critical business processes?
- ▶ Are we reliant on IT for service delivery?
- ▶ Are any digital/change programmes hindered by financial or resource constraints?
- ▶ Have we had any data breaches recently or IT system failures?
- ▶ Do we understand our current cyber and IT posture?
- ▶ Are we using technology in an efficient manner?
- ▶ Can we consolidate systems and applications and ultimately reduce costs?
- ▶ Are we effectively leveraging technology to ensure, support, and simplify our compliance requirements?



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# Tax

- ▶ [Corporate Tax](#)
- ▶ [Employment Tax](#)
- ▶ [Tax Dispute Resolution](#)
- ▶ [Value Added Tax](#)



# Corporate tax

## Supporting management to manage tax effectively

### General business need

- ▶ Ensuring compliance obligations are met
- ▶ Maximising the use of available reliefs
- ▶ Understanding the place of tax in the wider commercial environment.

### Our solutions

- ▶ Income stream exemption reviews
- ▶ Structuring of transactions and new income streams
- ▶ Embedding tax governance within the organisation
- ▶ Gift aid reviews
- ▶ Membership benefit reviews

### The benefits to you

- ▶ Reduce risk and exposure to unintended tax consequences
- ▶ Proactive ability to plan for the impact of changes in legislation and maximise opportunities for tax planning

### Issues impacting charities

- ▶ **Charities don't have full exemption:** Charities do not have complete exemption from corporation tax. Each income stream and transaction should be considered to establish the correct tax profile.
- ▶ **Annual review:** Charities have an obligation to review and document their tax position on an annual basis, even where no tax return is required.
- ▶ **HMRC penalties for non-compliance:** HMRC's evolving approach to monitoring requires charities to embed tax decision making at a high level. Charities are subject to the same penalty rules as other corporates for non-compliance.
- ▶ **Risks in group structures:** Group structures should be regularly reviewed to ensure they remain fit for purpose as the organisation evolves. The interaction between group companies (transactions, funding etc) is a risk area, where care is needed to ensure compliance.
- ▶ **Donor income streams:** The economic climate means charities are looking at ways to attract more members / donors.

### Case studies

- ▶ Supported the charity with a review of Gift Aid processes to identify and mitigate risk areas. Disclosure of errors to HMRC to seek to manage the risk of penalties on repayment
- ▶ Structuring to support the disposal of a division of the organisation to mitigate tax risks and ensure the tax profile of the assets was attractive to purchasers
- ▶ Review of income streams to identify tax risks and structure non-charitable activities through a trading subsidiary.
- ▶ Review of changes to memberships and the costs of providing them and the impact on gift aid eligibility.

### Can BDO help? Ask yourself the following

- ▶ Have we undertaken new income streams/activities recently? Have these been reviewed?
- ▶ Have we (re)negotiated funding recently?
- ▶ Have we acquired or disposed of assets recently?
- ▶ Do we document our tax compliance? When was the last time an income stream review was performed and documented?
- ▶ Do our subsidiaries have cash and reserves available?
- ▶ How are intercompany balances managed? Do we document ongoing investment decisions?
- ▶ Do we claim Gift Aid on individual giving? What processes are in place to manage the risk of invalid claims? Have the claim values been benchmarked against sector expectations?
- ▶ Do we have a membership scheme upon which gift aid claims are made? If so, have we refreshed the membership offering? Have we recently reviewed whether it still qualifies for gift aid?



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# Employment tax

## Helping you to support employees whilst remaining tax compliant

### General business need

- ▶ An opportunity to review the management of increasing wage costs, retain and attract employees.
- ▶ Remain compliant, be and be seen to operate good governance and avoid HMRC challenge.



### Our solutions

- ▶ Benefit reviews to ensure that the reward package is structured efficiently with no tax wastage.
- ▶ Support in preparation for mandatory payrolling of benefits
- ▶ Employment tax compliance reviews and advice on meeting HMRC challenges and correcting any errors.
- ▶ Guidance and training on off payroll policies and processes.
- ▶ Advice in connection with potential reviews by the Fair Work Agency from 2026
- ▶ National Minimum Wage (NMW) workshops to identify and address potential risks.

### Issues impacting charities

- ▶ **Compliance:** There is a growing focus on employer tax compliance responsibilities. Charities will be conscious that stakeholders, including donors, expect a focus on good governance despite more limited resources than other employers.
- ▶ **Reward strategy:** Charities can face considerable challenges when seeking to offer competitive remuneration. An innovative approach to rewarding employees, focusing on what they value, facilitates this without material increases in costs.
- ▶ **Minimum wage:** The technicalities of NMW mean it is easy to fall foul. Charities often have to manage compliance along with cost pressures. The roles that some volunteers perform can add other complications. Significant penalties can be charged for non-compliance and being included in an NMW “name and shame” published list may taint the charity’s reputation.
- ▶ **The mandatory payrolling of benefits from April 2027 represents a significant challenge for all employers in terms of employee communication, updates to systems and potential cash flow issues.** A review of your payroll and data collection systems should be undertaken now to ensure that you are ready, and employees have been informed prior to a move to the mandatory system.

### Case studies

- ▶ Reviewed existing benefits, identifying new opportunities at minimal cost to charity
- ▶ Full employment tax review for national charity, helping to prepare for HMRC review, and supported with new policies and processes
- ▶ Bespoke National Minimum Wage workshop to identify any ‘at risk’ employees and correct underpayments, which helped the charity avoid penalties and naming and shaming.

### Can BDO help? Ask yourself the following

- ▶ Do we have a high turnover of staff and struggle to recruit new?
- ▶ Do we provide any benefits to staff beyond salary. Do we know what we need to be ready for payrolling and have we done it?
- ▶ Have we considered tax efficient alternatives and/or the green agenda?
- ▶ Do we have volunteers working with the charity?
- ▶ Do we monitor NMW to ensure that we remain compliant and avoid adverse publicity?
- ▶ Have we had any employment tax related questions from HMRC, or a compliance review?
- ▶ Do we use off-payroll workers or agency workers?
- ▶ Have we considered the potential impact of the cap on pensions salary sacrifice?



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# Tax dispute resolution

## Working with you to effectively address any historic irregularities and regulator intervention

### General business need

- ▶ Ensuring full compliance with all the charity's tax obligations
- ▶ Ensuring a robust governance framework is in place, including appropriate policies and procedures, specifically relating to tax compliance and when operating internationally
- ▶ Having an awareness of the relevant regulatory expectations to avoid a regulatory intervention.

### Our solutions

- ▶ Support in the event of an HMRC and/or Charity Commission enquiry or intervention
- ▶ Get the best tax and penalty outcome for the charity
- ▶ Use tax mediation to accelerate resolution of long-running or stalled disputes.

### The benefits to you

- ▶ Using tax dispute specialists helps minimise the adverse consequences of an enquiry, by reducing the demands on management time and taking control of the process
- ▶ Working collaboratively with the regulators to address their concerns and reach a positive conclusion.

### Issues impacting charities

- ▶ **Increased scrutiny by HMRC and the charity commission:** Both regulators apply a risk-based approach to commencing interventions.
- ▶ **Adverse reports to the Charity Commission:** The Charity Commission receive intelligence and/or reports from disgruntled beneficiaries, employees or members of the public. These are routinely followed up as appropriate by the regulator.
- ▶ **Trustee responsibilities:** Trustees must understand their governance obligations and identify and report any failings through a voluntary disclosure to HMRC or Serious Incidence Report, depending on the failing.
- ▶ **Corporate criminal offence:** Charities are bound by the same legislation as corporates and have an obligation to put in place reasonable processes and systems to identify fraud in their charity or their supply chain.

### Case studies

- ▶ Advice to Charity with an HMRC enquiry into various purported tax governance failings. Used mediation, ADR, to arrive at a settlement. HMRC withdrew their assessments of c.£2m
- ▶ A health check for a UK charity making payments of c.£20m pa to an overseas charity. A report to evidence that the Trustees were taking reasonable steps to discharge their monitoring and evaluation obligations
- ▶ HMRC imposed a tax charge on a charity for various failings. We raised assessments for tax on non-charitable expenditure and advocated for the charity to get a reasonable settlement and saving of £500k+.

### Can BDO help? Ask yourself the following

- ▶ Do we have an open enquiry from HMRC or the Charity Commission?
- ▶ Do we make donations overseas?
- ▶ Have we reviewed our governance framework and policies and procedures in the past 1-5 years?
- ▶ Are we comfortable that our systems are sufficiently robust to pick up any fraudulent behaviour by our staff or suppliers?



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# Value added tax

## Ensuring HMRC compliance and optimising vat cost and reliefs

### General business need

- ▶ Reducing cost and maximising income
- ▶ Ensuring compliance with changing VAT requirements
- ▶ Monitoring VAT risk on high-value/profile transactions
- ▶ Improving knowledge and processes.

### Our solutions

- ▶ VAT reviews (e.g. liability and compliance)
- ▶ Assistance with HMRC enquiries
- ▶ Risk management
- ▶ Group restructuring (efficiency, M&A)
- ▶ Training for finance, procurement and fundraising staff
- ▶ VAT system and process review.

### The benefits to you

- ▶ Assurance that exposure to unexpected VAT liabilities and penalties are minimised
- ▶ Optimisation for opportunities to maximise VAT recovery.

### Issues impacting charities

- ▶ **Growing income and funding streams:** Charities need clarity on the tax treatment of income and funding streams (commercial, partnerships, fundraising and grants).
- ▶ **HMRC guidance:** Charities need to be aware of all the latest HMRC guidance, including guidance on business/non-business issues and approaches to fundraising and patron schemes.
- ▶ **VAT treatment of material transactions:** All large transactions, especially those involving property, should be reviewed from a VAT perspective to ensure appropriate VAT treatment that reliefs are claimed and there is clear visibility on costs.
- ▶ **No special treatment for charities:** HMRC do not have a “special leniency” towards a charity’s VAT compliance failure. If a charity is found not to be compliant, they will face the same consequences as any organisation in the same situation.
- ▶ **VAT impacts even if not VAT registered:** Charities that are not VAT registered should still consider VAT a risk (particularly on overseas purchases).

### Case studies

- ▶ Removal of VAT cost of £1.3m on a property disposal
- ▶ Designing a new partial exemption method resulting in an additional £1.7m for the charity annually
- ▶ Recovery of VAT on £1.6m of capital expenditure
- ▶ Supporting the charity to appeal HMRC decision challenging fundraising exemption
- ▶ Achieved a zero-rate ruling from HMRC on “village hall” saving £300k
- ▶ Advice to an Audit & Risk Committee on work required to reduce errors, improve knowledge and processes, following a VAT risk review.

### Can BDO help? Ask yourself the following

- ▶ Are we VAT registered - should we be?
- ▶ Do we review contracts for grant or commercial funding from a VAT point of view?
- ▶ Do we have new income streams or are we looking to partner or collaborate with another party?
- ▶ Do we have, or could we benefit from having, more than one entity?
- ▶ Have we considered a VAT Group?
- ▶ What rate of VAT recovery do we achieve?
- ▶ When did we last review our cost base?
- ▶ When was the last time we had any contact with HMRC?
- ▶ Are we selling or acquiring a business, planning or currently going through an acquisition/merger?
- ▶ Are we planning an office relocation or refurbishment?
- ▶ Are our systems and processes compliant with new HMRC requirements
- ▶ Am I prepared for a VAT compliance visit?



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# Audit

▶ [External audit](#)



# External audit

## Providing trustees high-quality assurance that delivers value and trust

### General business need

- ▶ Legal requirement for larger charities (typically income > £1 million)
- ▶ Business and sector insights provided
- ▶ Audit up for tender due to longevity of incumbent, growth/complexity of activities or more added value and insights expected by stakeholders.

### Our solutions

- ▶ Robust, high-quality, data-led and transparent external audit
- ▶ Looking forwards and raising awareness of issues impacting financial reporting.
- ▶ Preparation for the transition to SORP 2026

### The benefits to you

- ▶ Independent assurance
- ▶ Underpinned by pragmatic advice
- ▶ Use of data analytics to provide business insights, as well as deliver an effective, high-quality audit.

### Issues impacting charities

- ▶ **Charity regulations:** The Regulatory environment requires all organisations, including charities, to ensure robust assurance is in place.
- ▶ **Added value when funding is tight:** Where funding is tight, it is even more important that the audit adds value and delivers the highest quality output that stakeholders trust.
- ▶ **Dealing with complex, large data sets:** Charities deal with complex data, and the audit process needs to apply the most sophisticated techniques to be able to interrogate large data sets and ensure that information is flowing accurately from subsidiary systems through to the financial statements.

### Case studies

- ▶ A Top 200 Charity came to us after recognising that they had 'outgrown' their existing auditor. As the charity had grown and operations became more complex, the charity required advisers that could provide support based on real commercial insights and advice
- ▶ Our vast sector knowledge and extensive experience with similar clients, proved to be invaluable to the charity which cited a significantly improved audit from their local firm which had little charity experience
- ▶ The charity values our risk-based and tailored approach to the audit, as well as our regular updates to ensure they are not only receiving value on their audit, but they are aware of all that is going on in the sector that they should be aware of.

### Can BDO help? Ask yourself the following

- ▶ How is our relationship with our current auditors - do they provide regular updates outside of audit season?
- ▶ When was the last time we put our external audit out to tender? When will we do so again?
- ▶ Are any of our operations regulated? (Financial services entities in the group for example)?
- ▶ Have we experienced significant growth, having outgrown our current auditor?
- ▶ Does our current auditor have specific charity credentials and expertise?
- ▶ Does our auditor use data analytics in ways which not only enhances the assurance, but also provides insights into our operations?
- ▶ Have we got a plan for assessing the impact of SORP 2026 on leases and income recognition?
- ▶ Have we had feedback on the transparency of our annual report?
- ▶ Have our auditors fed back on developments in best practice with regard to both narrative and financial reporting?



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