

MONEY & MISSION

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EDITORIAL: WOMEN BOOST COLLECTIVE INTELLIGENCE

By R. Paul Goodyear, Financial Secretary

If a group includes women, its collective intelligence rises. This is the conclusion of a research study reported in the Harvard Business Review. Researchers found that there is little correlation between a group's collective intelligence and the IQs of its individual members, unless women are included on the team.

In the study, subjects aged 18 to 60 were given standard intelligence tests and then randomly

assigned to teams. Each team was asked to complete several tasks, including brainstorming, decision making, visual puzzles and solving a complex problem. Teams were given intelligence scores based on their performance. Though the teams that had members with higher IQs didn't earn higher scores, teams that included women did.

According to this research, it is important to have a mix of genders on a team for it to achieve optimal results. I'm pleased to be able to say that eight of seventeen managers in the finance department are women, and they are making a stellar contribution to our mission, both individually and collectively. Our department is stronger and the contribution we make as trusted partners in the mission is enhanced because of them.

WHY HAVE AN AUDIT COMMITTEE?

By Patricia O'Malley, Audit Committee Chair

Articles in previous issues of *Money & Mission* described generally what the Army's new audit committee does and provided brief backgrounds on its members. But, given the size and sophistication of the Army's financial operations, it may not be obvious what such a committee could add to the quality of those operations.

In my view, an audit committee's prime contribution to any organization is to provide independent oversight of the entire financial reporting process and, in particular, of the relationship between its management and auditor. Why is independence so important? Because the management of the organization generally has considerable influence in the selection of the auditor and works closely with the auditor to produce the audited financial statements, people may perceive that the auditor may not insist on strict adherence to accounting standards. Confidence in the fairness of the financial statements is important to the Army's funders and donors. The existence of an independent audit committee is one important way that the Army can signal its commitment to produce financial reports that can be relied on.

To enhance the independence of both the internal and external auditors, at each meeting the committee meets with them without members of management (including the ex officio members of the committee) present. This provides the auditors with on-going opportunities to give the committee frank and open feedback on their perceptions of the performance of the financial reporting function.

In addition to providing independent oversight, the audit committee contributes to the effectiveness of the Army in other ways. All the external members have been and/or are currently involved in the governance of other not-for-profit organizations. This experience is shared to bring new perspectives on best practices and ideas that may be applicable to issues the Army is considering.

In future issues, I will be reporting on the matters the audit committee is working on. I intend to eventually cover all the areas of our mandate to illustrate how financial processes are essential to achieving the Army's mission.

FISCAL STRATEGY 2020

By R. Paul Goodyear, Territorial Financial Secretary

The Territorial Management Board has approved a four-pronged strategy for fiscal 2020. In its report, issued on September 14, 2018, the Board concludes that while the financial position of the Territory is strong overall, the financial stability of a large number of individual units is questionable, with symptoms such as inadequate working capital, cash overdrafts, operating deficits and in some cases, infrastructure deficits.

At the same time, the Board recognizes that the Army must not solve these problems on the backs of its staff. Officers' allowances and benefits and employees' remuneration are forecasted to grow, both as a result of legislated minimum wage increases and ensuring that the Army is making sufficient provision for its officers and to bring remuneration closer to market comparators.

As a result, there will be four emphases in budgetary planning for 2020:

1. Continuing to emphasize programs and projects that will help achieve measureable outcomes related to the Territory's priorities: spiritual health; leadership development; social justice; children and youth; integrated mission; the Gospel and transformation; and discipleship.
2. Compensation of officers and employees. The former should raise costs to ministry units by 8% as a result of the work of the Officer Allowances & Benefits Task Force, and the latter should raise the average ministry unit's costs by about 3%.
3. Addressing the infrastructure deficit. Many units have not been able to adequately maintain their buildings due to operating funding issues. Consequently, when issues arise, they are struggling to stay afloat financially and undertake critical maintenance, such as roof repairs.
4. Financial viability. We must ensure that all of our operations are truly financially viable, e.g., adequate working capital (equal to at least 90 days' operating expenses) and containing expenses within the overall revenue available.

For further details, see the Fiscal Strategy Report, which is available from your divisional headquarters or on the Lotus Notes Notice Board.

THE FINANCIAL STEWARDSHIP BIBLE

In the May 16, 2018 issue of *Money & Mission* we had a succinct "Did You Know?" item about *The Financial Stewardship Bible in Contemporary English*:

"There are over 2,000 Bible verses related to stewardship, provision and trust. Those who want to pursue this emphasis will find *The Financial Stewardship Bible in Contemporary English*, published by the American Bible Society, an invaluable resource."

It should be noted that the focus is on financial stewardship – not stewardship of time or other resources, although the Bible has much to say about these too. Also, while “Stewardship” is not defined, it is usually understood to mean something like “the job of supervising or taking care of something, such as an organization or property” and often is used in a context in which one stewards or manages resources on behalf of the owner.

As the title indicates, the translation used is a modern one: the Contemporary English Version, which was published in 1995.

Some of the stewardship verses, which are all highlighted in green, are very familiar. Indeed, those from the teachings of Jesus may appear in more than one of the Gospels. For example, “.. it’s easier for a camel to go through the eye of a needle than for a rich person to get into God’s kingdom” appears in the Gospels of Matthew, Mark and Luke. (This verse will be the subject of a future editorial in *Money & Mission*.)

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