

DID YOU KNOW?

AN INFORMATION SHEET FOR ST. JOHN AMBULANCE MEMBERS



ACCOUNTABILITY DEFINED

August 1998

Vol. 5 No. 8

☛ **DID YOU KNOW** that Accountability means more than supplying answers on financial issues? It means looking at your organization's mandate with a view to truly being able to deliver, and it begins with clarifying the organization's purpose.

The Panel on Accountability and Governance in the Voluntary Sector was established in October 1997 to research, review and make recommendations to the sector itself, to governments, to corporations and to citizens at large. In May, Ed Broadbent, Chairperson for the Panel, launched and presented an overview of the Panel's discussion paper on accountability. This included recommendations for the voluntary sector, the corporate sector, and all levels of government. In summary, the following recommendations were presented:

1. **Enhance organizational governance through effective board stewardship.** The emphasis is on disclosing the organization's style of governance, and on self-accreditation.
2. **Achieve transparency.** Communicate frequently with various audiences; make information about the organization available to the public; and clarify and modernize charitable tax receipts regulations.
3. **Promote assessment of program outcomes.** Conduct outcome-based assessments based on goals and objectives; show that the voluntary sector does in fact make a difference.
4. **Promote ethical fundraising and financial management.** Adopt a code of ethical conduct and financial management. Limit practices considered unethical by the public. Ensure commercial fundraising companies are registered and bonded.
5. **Federal Government to modernize and clarify criteria of charitable status.** Provide a definition of "Charity" that represents Canadian society and contemporary Canadian values. Amend the Income Tax Act, with adoption of the same new definition by all provinces.
6. **Create a new agency with expanded responsibilities.** Create a new agency, beyond Revenue Canada, to determine who qualifies as a charity, to monitor charitable activities, to ensure easy access to information, and to enhance the capacity of the voluntary sector. It would be accessible by charities and known by the public.
7. **Improve Regulation of Voluntary Organizations.** Provide different reporting mechanisms for large and small organizations, and codify acceptable business principles (eg. profits by organizations doing unrelated work, with no voluntary labour, and of a purely commercial nature would be taxable). Introduce fines for charities making only minor infractions of the rules.
8. **Refine Legal Aspects of Charities.** Retain but reform the current three types of organizations (non-profit, charitable, trusts). Limit the personal liability of board members, by capping liability to a reasonable maximum.

These recommendations are not final. The Panel is consulting with voluntary groups across the country. If you have comments pass them on to your Council or National Headquarters.

See the next issue of *DID YOU KNOW?*
for the Canadian public's views on accountability and charities.

A publication of St. John Ambulance National Headquarters