

Benefacts Analytics:  
Phase 2 development,  
testing and trial roll-out  
June 2018 – 2019

Presentation to Benefacts Project Advisory  
Committee meeting #17, June 2018



# Systematic support for public sector governance, compliance and risk management: case statement

- The oversight of governance, compliance and risk represents a consistent feature of the relationship between governmental bodies and nonprofits (community, voluntary organisations, charities)
- Typically, to support their oversight functions public sector bodies have each created their own financial control, internal audit and management information systems (MIS), and managers rely on a mixture of customized reports and standard documents (e.g. annual financial statements)
- The fulfilment of funders' and regulators' reporting requirements represents a source of duplicate administrative effort to nonprofits that engage with more than one government agency; Benefacts goal is to help reduce these transaction costs
- Aside from the work of performance and impact appraisal (which is unique to each public body in terms of its own funding or regulatory purposes), the responsibility for assessing risk and monitoring compliance is managed in variable ways in every government agency although there are some common features:
  - ❖ Multiple public officials are engaged (e.g. grant officers, finance managers, internal audit managers)
  - ❖ Even where there is a MIS, managers in different part of the public body do not always have access to the same information
  - ❖ Little of the information relied on for compliance monitoring is available in digitised formats
  - ❖ Not all public sector managers share the same levels of financial literacy
  - ❖ There is no provision in the public service for routinely sharing data about government's funding to or regulation of nonprofits

# Benefacts Analytics: phase 1 approach

- During 2016/17, Benefacts built, tested and launched the first two releases of Benefacts Analytics - a web-based service for registered users to augment their own MIS, and help them manage their financial reporting, audit and risk functions
- The project was undertaken using an Agile/minimum viable product (MVP) approach: solutions are evolved through collaboration between cross-functional teams, and locally tested with sufficient features to satisfy early adopters. Under this approach, the full set of features is only designed and developed after considering feedback from initial users
- In February 2017 Benefacts released MVP 1 and - based on initial feedback - MVP 2 (with additional functionality) in May. Both releases were designed and built on the principle of 'software as a service', whereby multiple entities were able to access the same database, presented in the structured forms of five "tabs" (see attached screengrabs) with limited capacity for customization and with the same data and functionality available to every registered user.
- Test users were based in the HSE, Kildare County Council, Túsla, the Arts Council, the Department of Employment and Social Protection. In addition, extracts from Benefacts Analytics were provided to the Charities Regulator and the Office of the Comptroller and Auditor General.
- Following the conclusion of the trial in June, some test users especially 70 individuals in the HSE continued to use the service and Benefacts sought (without success) to agree an MoU covering this use at no cost, pending the conclusion of a new funding agreement with its principal funders in DPER and the Ireland Funds.

# Benefacts Analytics:

A web-based service for registered users in central and local government, providing structured access to a unique body of compliance, governance and financial data on incorporated nonprofits derived from their current and prior regulatory disclosures

# Main test outcomes, findings

## Test users

1. liked the service: positive feedback is extensively documented in the test user reports. End-users used the download to Excel more than 30 times; since June 2017, a number of HSE staff have written to Benefacts asking for it to be resumed
2. wanted the flexibility to extend portfolios and create additional ones drawn from the entire database
3. identified data anomalies, for example data on certain entities funded by them were not available either because
  - they are not made public (e.g. accounts of certain S.38 bodies not released by the Charities Regulator),
  - they are not incorporated as companies limited by guarantee (e.g. "Appendix 8 entities controlled by Local Authorities), or
  - they are established outside the State (e.g. in NI or elsewhere). In addition there were concerns about the variability of certain data.

In addition there were other issues/additional requirements. Some users said that they would like Benefacts

- to provide business continuity assurance guaranteeing the future availability of the service
- to include additional (e.g. administrative) data in their service but not to make this available to any other body
- to enable them to track the uses of the service by their employees
- to provide alerts (e.g. dashboard view, email alerts, exception reports) based on their own risk specifications

# Transition to further development and trial 2

- Benefacts 2018-2020 plan provided for further development and trial roll-out of Benefacts Analytics (BA).
- By reference to feedback from existing end-users, further consultation with prospective end-users, and Benefacts mission and values, these key issues were identified:
  - Existing BA software solution does not deliver enterprise application programme (EAP) solution, requires re-development
  - Inclusion of entities not already in scope requires modified database architecture
  - User relationships need to be governed by heads of agreement vis a vis privacy, terms of use, controls
  - New services (dashboard, online and offline reporting) need to be developed case by case,
  - Next phase requires new processes for licensing for trial users and online registration of end-users
- Funding for this phase has been sought from 6 participants in trial: 3 local government and 3 central government partners. As a result of the trial, participants will be able to assess the value of the pilot service in their context, undertake an assessment of the administrative and other implications of adoption, and consider how they wish to procure such a service in the future.

# Benefacts Analytics Development phase 2016/17

## Prospective co-funding partners: briefing at meeting

