

Stakeholder Forum

‘The key issues as we see them’

OSCr

Keith Hickey, Chief Executive,
CFDG & Kirsty Gray, Deputy
Chair SORP Committee, OSCR

CHARITY
COMMISSION



The Stakeholder Forum starts the debate:

- What do key stakeholders want?
- How should SORP be changed?
- SORP making bodies compliance experience
- SORP issues already in debate, are they the right ones?
- Stewardship, is it important any more?
- Fair expectations of reporting, a lighter touch for smaller charities?

The ASB see the defining class of stakeholders as funders and financial supporters:

- Should we include beneficiaries, customers and members?
- Do stakeholders want details of:
 - Activities
 - Achievements, performance and impact
 - Money received and spent on activities
 - Fundraising activities
 - Support and governance costs
- What else might they want?

SORP is part of UK GAAP but that said:

- How can we make the SORP more accessible to the small?
- How might complex and large charities best be supported?
- Is a one-stop shop approach valued or should SORP simply signpost to 3500 pages of UK GAAP?
- What needs to go in?
- What could be taken out?

Charity Commission accounts scrutiny programme 06/07 highlighted:

- Improving trend of compliance
- Trustee annual reports quality variable
- Template trustee annual reports & standardised texts
- Inadequate reserves policy statements
- High governance costs
- Misclassifications and other technical errors

OSCR ongoing accounts checks highlight:

- Inadequate trustee annual report

(An under £25k income study & a SORP compliance study planned for Summer 2008)

Technical issues we are aware of:

- Relationship reserves and designated funds
- Recognition and valuing volunteers
- Accounting for capital grants
- Categorising of income
- Accounting for 'heritage assets'
- Accounting for financial instruments

IFRSs place the emphasis on decision making for the future not stewardship:

- Is stewardship now just history?
- Private Companies have minimalist reporting to their owners, are accounts really a private matter?
- Is stewardship a useful discipline or an unnecessary reporting burden?
- If stewardship is important, what do people need to know?

- Do the users of smaller charity accounts have different information needs and how much detail should be required of small charities?
- What is small? (80% can utilise simpler receipts & payments accounting)
- Should larger charities have more demanded of them?
- Does reporting maintain and grow public confidence in charity?
- What should be taken into account in deciding what is fairly expected?
- Is there a trade off between transparency and charity effectiveness?

Today is all about your views:

- We have heard from the perspectives of:
 - Commentators on transparency
 - Donors and financial supporters
 - Small charities
- The afternoon discussion is centred around 4 key questions
- The dialogue will continue with half day roundtables, details of which are in your packs

- 1) Are there key challenges that have not been identified?
- 2) What should be the priority order of those challenges?
- 3) What issues are most important to your constituency
- 4) What suggestions do you have for disseminating best practice?

Plus on “Post It Notes” tell us about SORP:

Yellow for what needs to come out of SORP

Green for what needs to go into SORP

Against your name on the delegate list in your pack is a letter A to E:

- Group A meets in the Convocation Hall
- Group B meets in the Westminster Room
- Group C meets in the Abbey Room
- Group D meets in the Herbert Baker Room
- Group E located in the Council Room

(The room for group A is on this level and the rooms for groups B to D are located on the floor below.)