Analysis of Research Exercise responses - discussion by the Committee

Committee	Charities SORP Committee
Venue	CIPFA's Offices, Edinburgh
Date	14 March 2017
Author	Secretariat to the Charities SORP Committee
Subject	Analysis of responses to the research exercise for discussion by the Committee

1   Background

1.1   The SORP making bodies published the research consultation on 4 May 2016 with a closing date of 11 December 2016 informed by the discussions of the Committee. The original consultation document can be found at:

http://www.charitysorp.org/media/642814/charities-sorp-consultation-paperv4.pdf

In addition the SORP making bodies and SORP Committee members held a number of consultation events to raise awareness of the consultation and encourage debate, including debate on specific issues raised in the consultation paper.

1.2   At its meeting in December 2016 the Committee received an overview of the consultation responses received which have now been analysed and Paper 2.2 sets out this analysis of responses.

2   Analysis of Responses

2.1   Given the large number of responses received, it is expected that the Committee will want to take more than one meeting to discuss the responses received. It is therefore suggested that the committee consider the research exercise responses in the order set out in Table A overleaf at its March 2017 meeting.

2.2   The Committee is asked to consider the responses received and any advice it wishes to make to the SORP making bodies regarding how the issues raised are taken forward.

TABLE A: Analysis of Research Exercise responses - *Proposed order of discussion*
Meeting: 14 March 2017

Discussion topic	Relevant pages of Paper 2.2
The SORP's structure, format and accessibility	
Question 1 • Do you agree that the new **format of the SORP** meets the needs of all those preparing accounts using the SORP, including smaller charities? If not, what improvements should be made and why?	Pages 6 – 8
Question 2 • Is more **assistance required to help smaller charities**? If so, please explain what is needed and why.	Pages 9 – 13
Question 3 • Is the use of the **terms 'must', 'should' and 'may' successful** in distinguishing between those requirements that have to be followed to comply with the relevant accounting standard and the SORP from those recommendations which are good practice and those that simply offer advice on how a particular disclosure or other requirement might be met? If not, what alternative format should be adopted and why?	Pages 14 – 17 Appendix 1
Question 4 • Given the requirements for financial reporting that are now explained in FRS 102, is the **retention of a SORP still necessary** in the charity sector? Please give reasons for your answer.	Pages 18 – 21
SORP Committee member suggestions for changes to the SORP	
Questions 6 & 7 Reporting by the largest charities	Pages 24 – 30
Question 9 The accounts (financial statements) **A.** SoFA – more specific definitions of support costs and fundraising costs **B.** The mixture in the SoFA between 'revenue' and 'capital' items needs to be considered	Pages 43 – 47 Pages 48 – 50
Question 8 Trustees report / Narrative reporting **A.** Better integration of the report with the accounts **B.** Detail of reporting **D.** Reserves definition and guidance	Pages 32 – 34 Pages 35 – 37 Pages 38 – 41
Implementation issues that require improvements to the SORP & **Your ideas for items to remove, change or add to improve the SORP &**	
Questions 5 & 13 **5.** Do you have any suggestions as to the changes needed to address **issues on implementation** or in meeting the SORPs requirements? If so, please explain what are they are and where possible please give examples. **13.** Are there any items in the report or accounts which could be changed to **improve the information provided to the user**? If so, which items would you change, what would the change be, and how would it improve the information to users of the report and accounts?	Pages 22 – 23 Pages 102 – 103 Appendix 2
Questions 12 & 15 **12.** Are there any **items in the report or accounts** which could be **removed**. If so, what are they and what are your reasons for removing them? **15.** Are there any **disclosures in the notes to the accounts** that you believe can simply be **removed** altogether? If so please state the disclosure, the relevant SORP paragraph(s) and give your reasons as to why this disclosure is not useful to the user of the report and accounts?	Pages 99 – 101 Appendix 3
Question 14 Are there any items you would like to add in to the report or accounts? If so, what are these items and how would their inclusion help the user of the report and accounts?	Pages 104 – 105 Appendix 4