



CHARITIES
INSTITUTE
IRELAND

Carmichael.

**the
wheel**

Stronger Charities.
Stronger Communities.

Benefacts

SORP AND IRISH CHARITIES

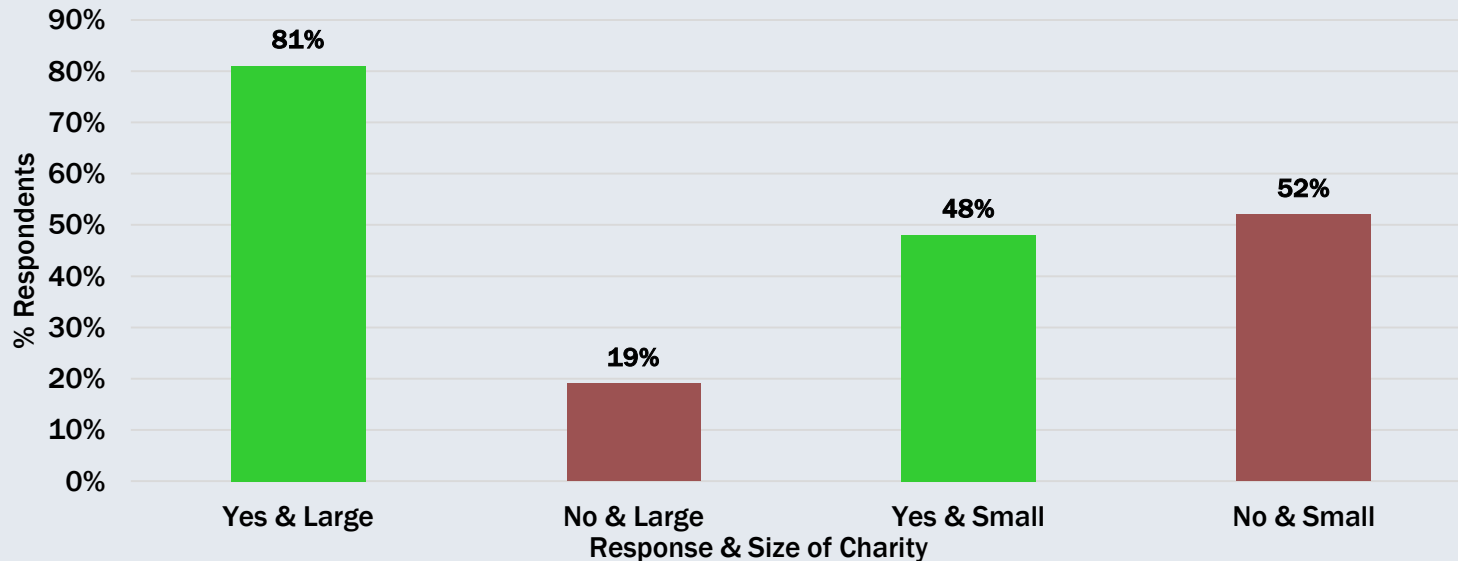
- Survey of charities in the Republic of Ireland
- High level understanding of views of the sector in Ireland about Charities SORP
- Charities and accountants reached via members of following organisations:
 - Charities Institute Ireland
 - Carmichael
 - Benefacts
 - The Wheel
 - ACCA Ireland
 - Chartered Accountants Ireland
 - CIMA Ireland
- 11 questions for those using SORP
- 6 questions for those not using SORP
- Additional Irish charity sector data from Benefacts

- Charities Regulator oversees the Irish charity sector
- Charities SORP is not mandatory
- The pending Charities Amendment Bill is expected to make SORP mandatory for organisations with income in excess of €250K
- Currently the charities register contains 11,370 Irish charities (3,501 schools and 7,869 charities) employing at least 141,000 FTE employees per Benefacts report in May 2020
- For the last complete financial year (2018), Benefacts reported that financial statements were available from a regulatory source for 4,699 charities; but 1,788 (38%) filed abridged accounts with no income and expenditure. The remaining charities financial statements were not published by a regulatory source as the Charities Regulator is not publishing financial statements of unincorporated charities
- In 2018, there were 5,920 charities (excluding schools) that filed income with the charities regulator and using this data:
 - 19% had turnover in excess of €700k
 - 60% had turnover of less than €250k
- Of the 4,699 who filed financial statements with a regulatory source, 683 filed SORP accounts (14%):
 - 8% <€250K
 - 14% €250K to €500K
 - 25% €500K to €1m
 - 35% €1m to €5m
 - 50+% over €5m

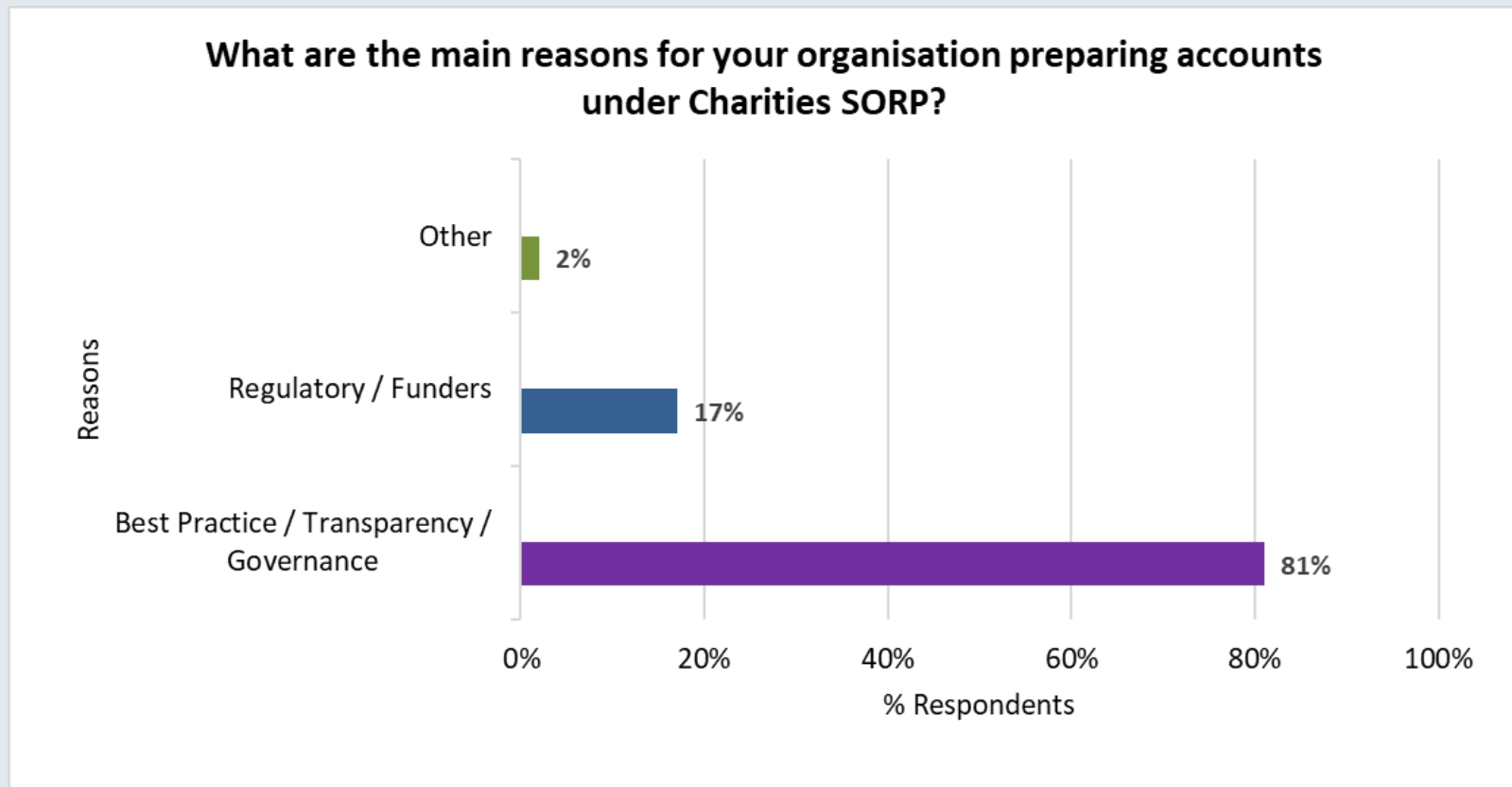
TO SORP OR NOT TO SORP

- 69% of respondents prepare SORP accounts and 31% do not
- 65% of respondents are large (>€500k T/O) and 35% are small (<€500k T/O)
- 19% of large charities do not prepare SORP accounts
- 48% of small charities do prepare SORP accounts

Does your organisation prepare its financial statements according to Charities SORP?

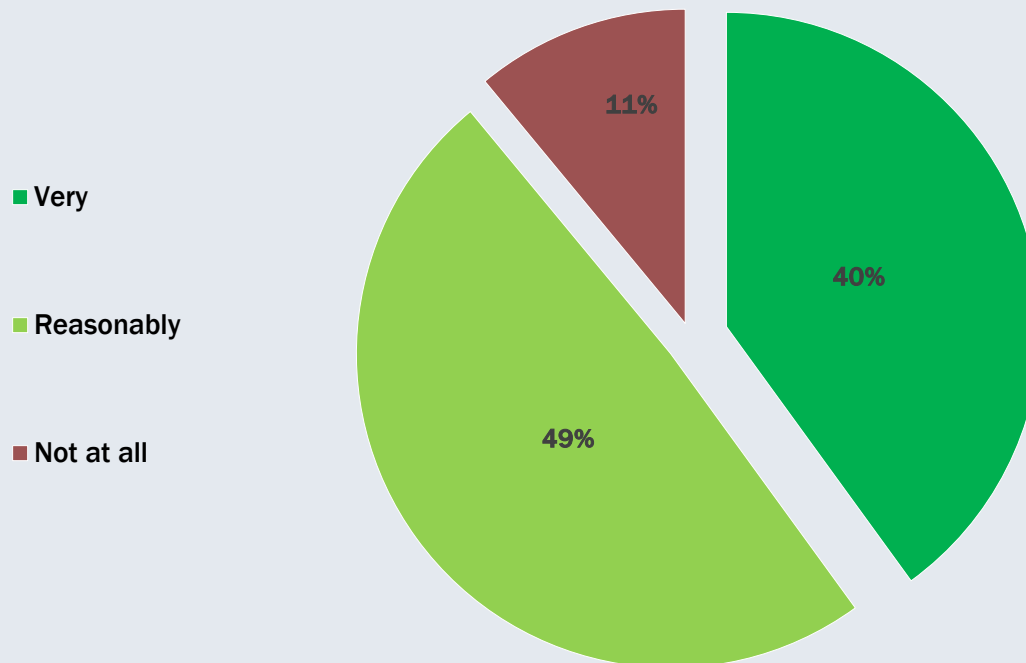


- 81% using SORP for best practice / transparency / governance reasons



- 89% of SORP users stated accounts met stakeholder needs very or reasonably well

**How well do your SORP accounts meet the needs of your stakeholders
(beneficiaries, members, funders, etc.)?**

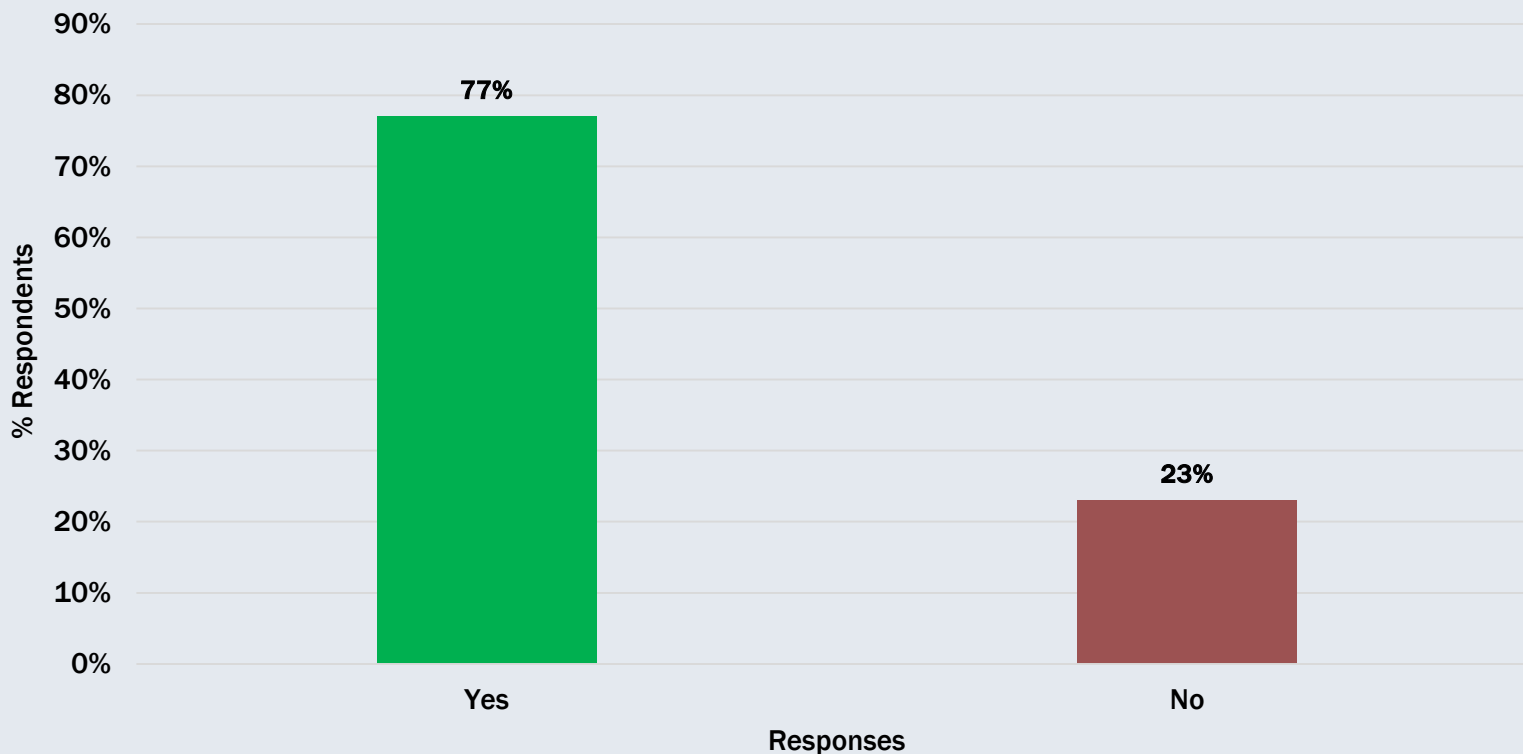


BENEFICIAL FOR CHARITIES USING SORP?

- 77% preparing SORP accounts find it beneficial for their charity

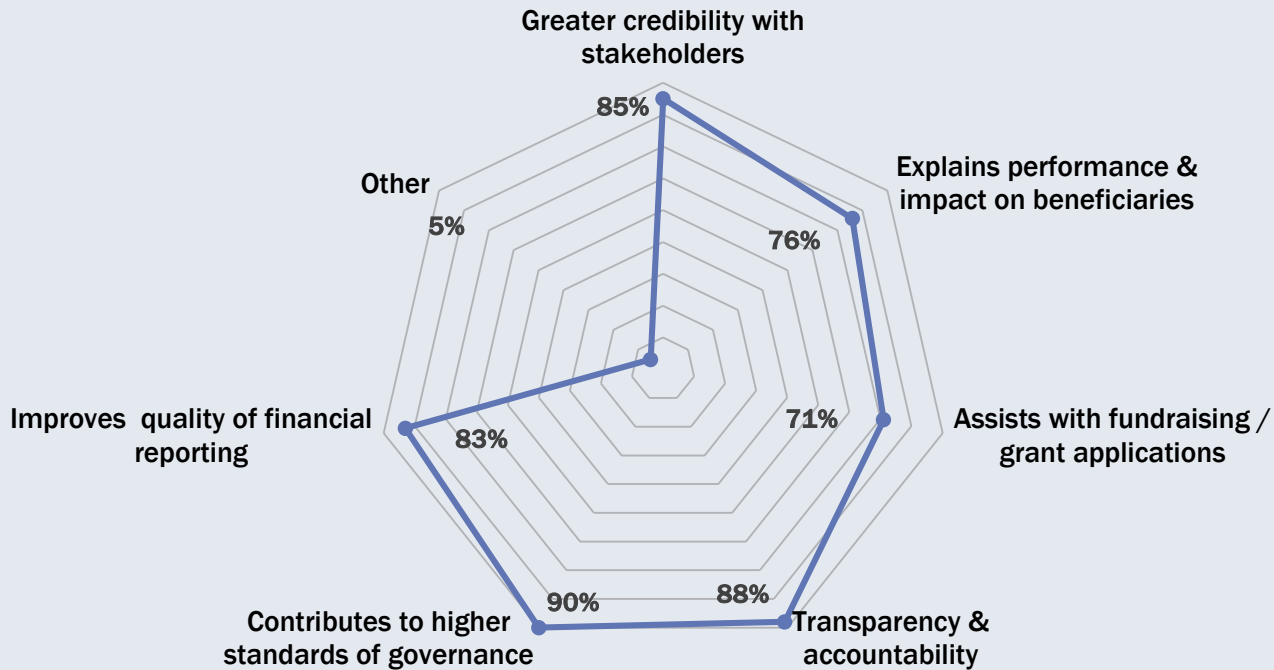


Is the preparation of SORP accounts beneficial for your organisation?



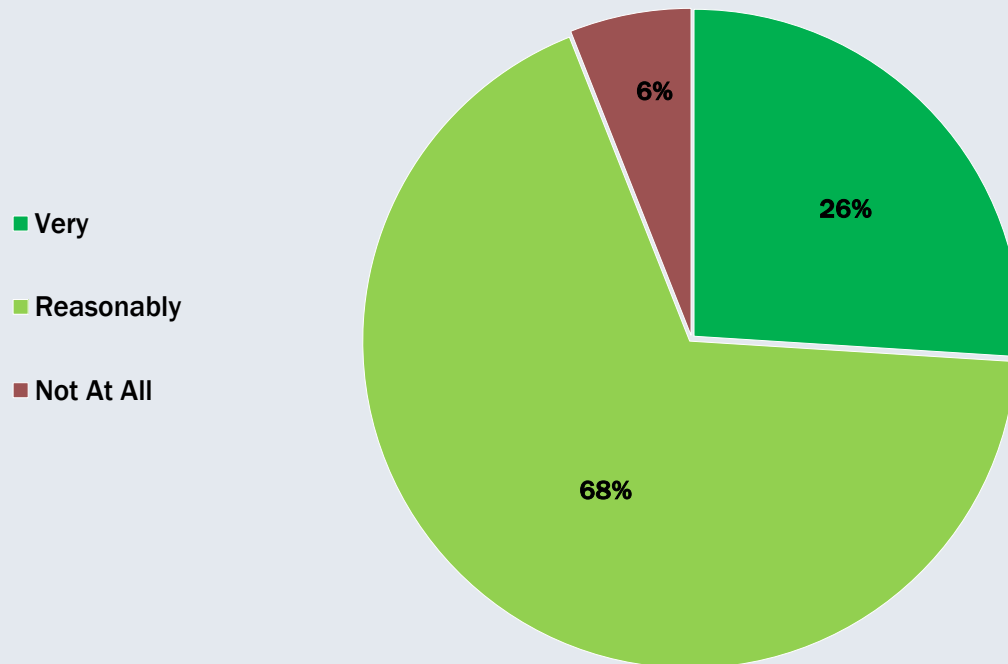
- Multiple benefits from having SORP accounts

Please select all benefits that having SORP accounts provides your organisation

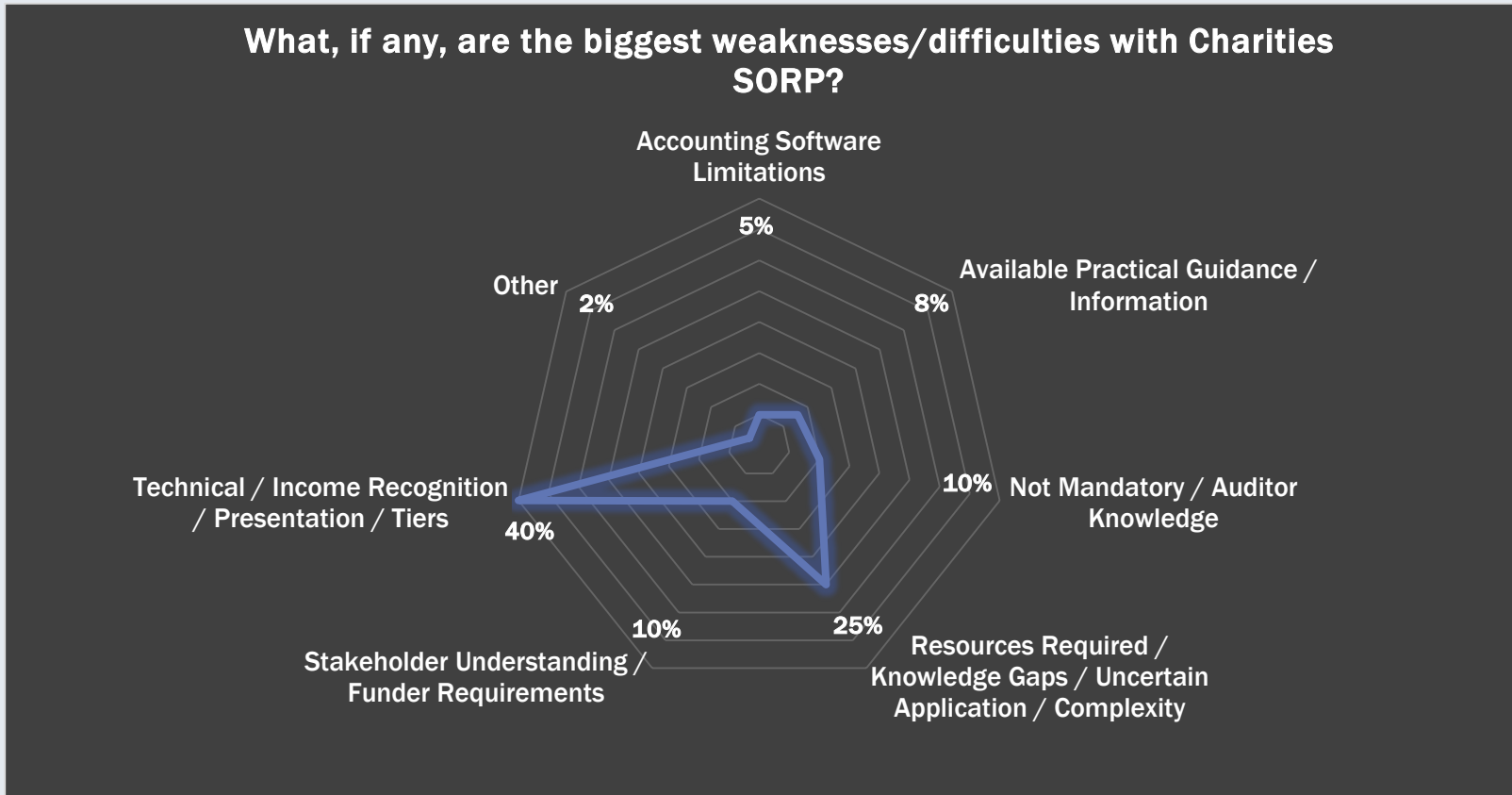


- 94% of charities preparing SORP accounts find it very or reasonably straightforward

How straightforward is it for your organisation to prepare SORP accounts?

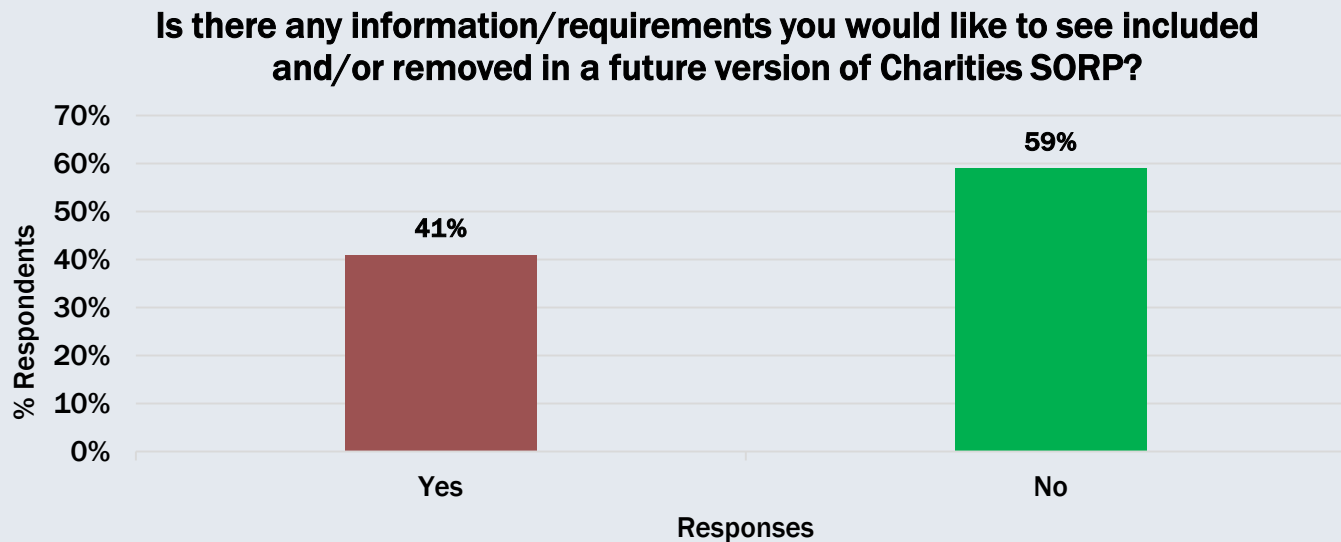


- 40% using SORP have their biggest weaknesses or difficulties categorised under technical issues / income recognition / presentation of accounts / insufficient tiers



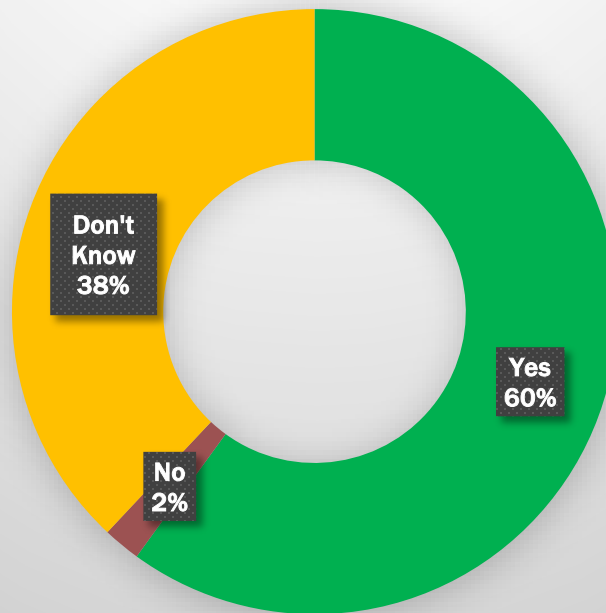
DO YOU SORP USERS WANT CHANGES?

- 59% of SORP users did not want changes
- 41% suggested variety of changes
 - More options for tiers/size of charities
 - Reduce requirements of fund accounting and SOFA
 - Income recognition – allow amortisation of multi-annual and capital funding/grants



- 60% of SORP users were satisfied with modular structure, but 38% didn't know

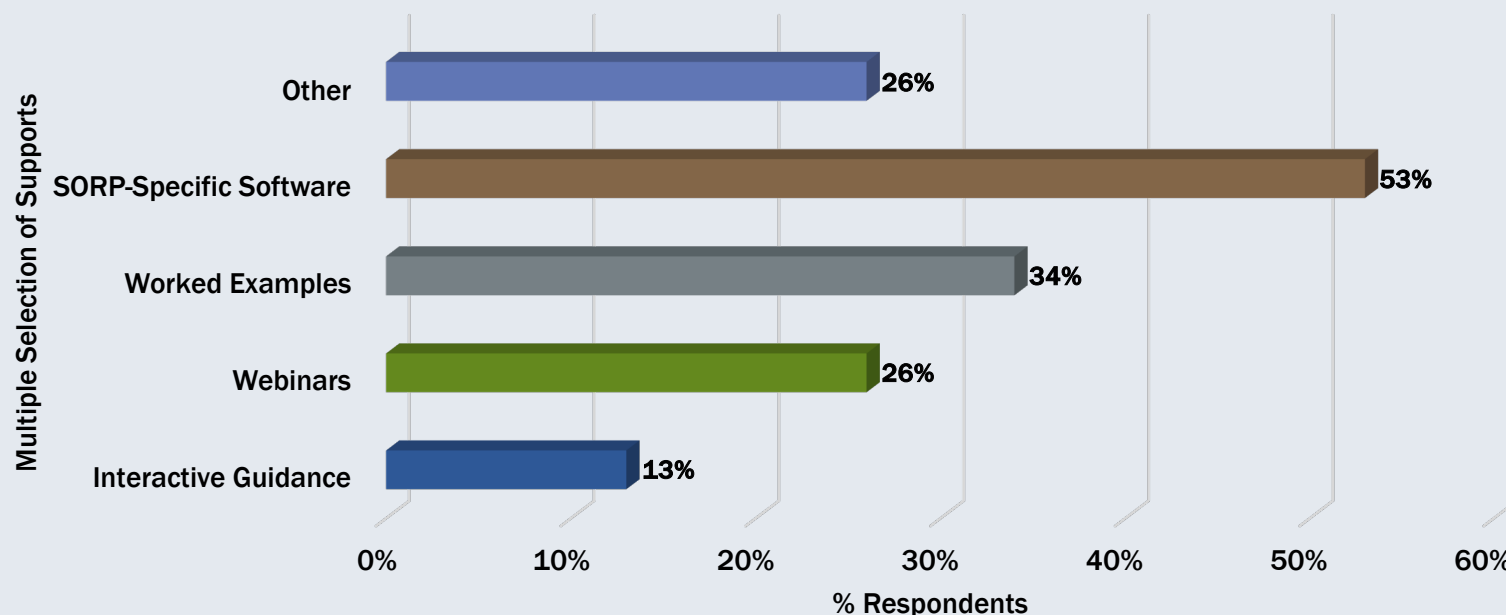
Are you satisfied with the modular structure of the SORP?



SUPPORTS FOR PREPARERS OF SORP ACCOUNTS?

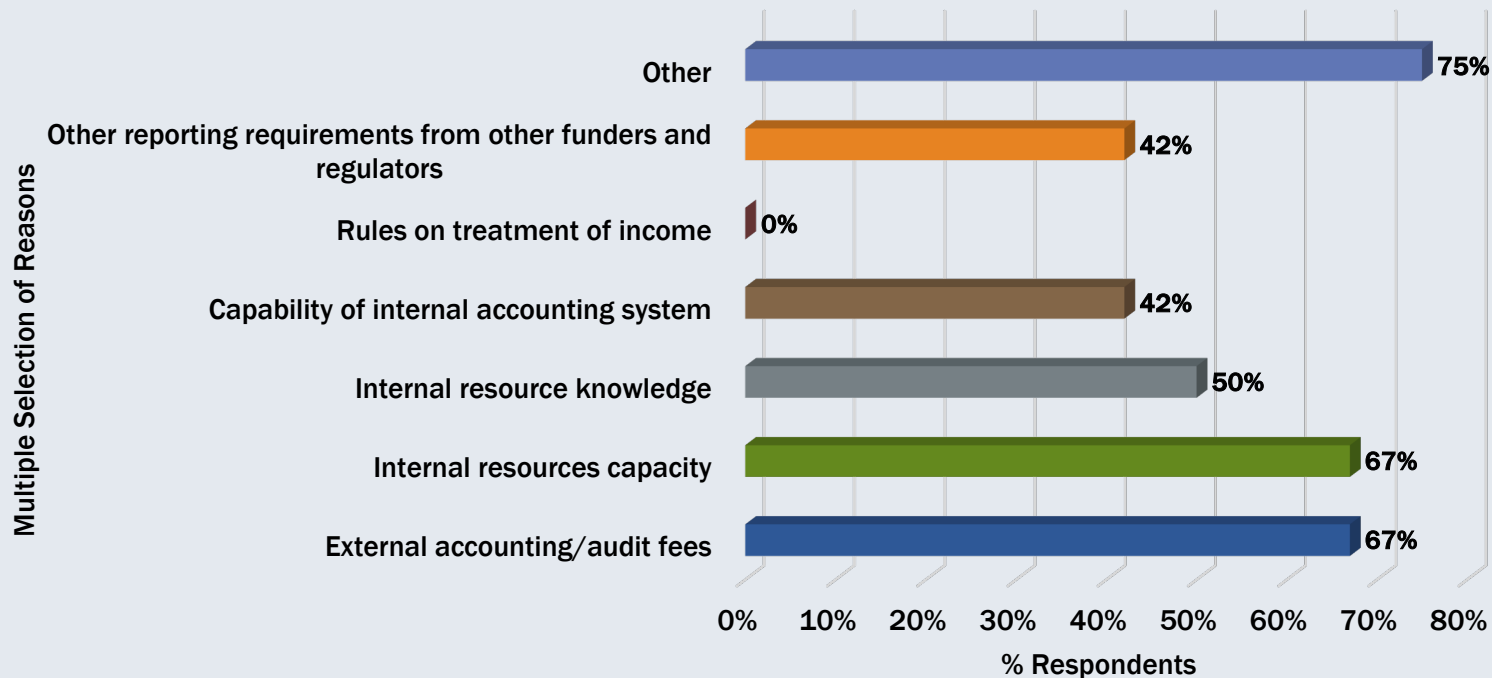
- 53% of SORP preparers would like to see SORP-specific software
- 34% would like more worked examples, including Irish examples
- 'Other' category includes auditor training and consistent auditor guidance

What new supports would you like to be available to assist your organisation in preparing SORP accounts?



- 75% had various reasons, including it's not mandatory in Ireland and SORP is confusing/not user friendly
- 67% indicated accounting/audit costs and also lack of resources as reasons

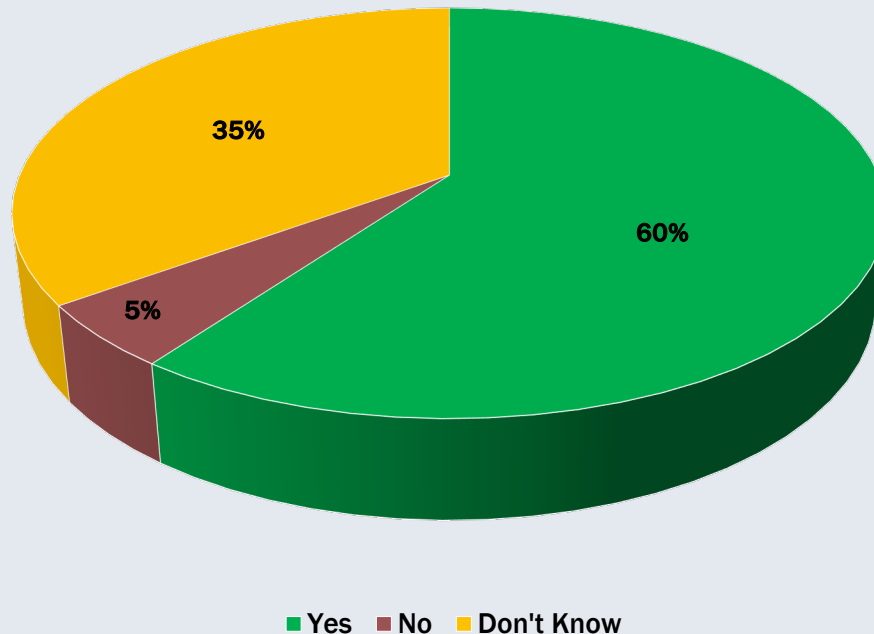
What are the main reasons for not preparing accounts under Charities SORP?



ARE SORP ACCOUNTS BENEFICIAL?

- 60% of those not preparing SORP accounts believed they are beneficial
- Only 5% believed they are not beneficial

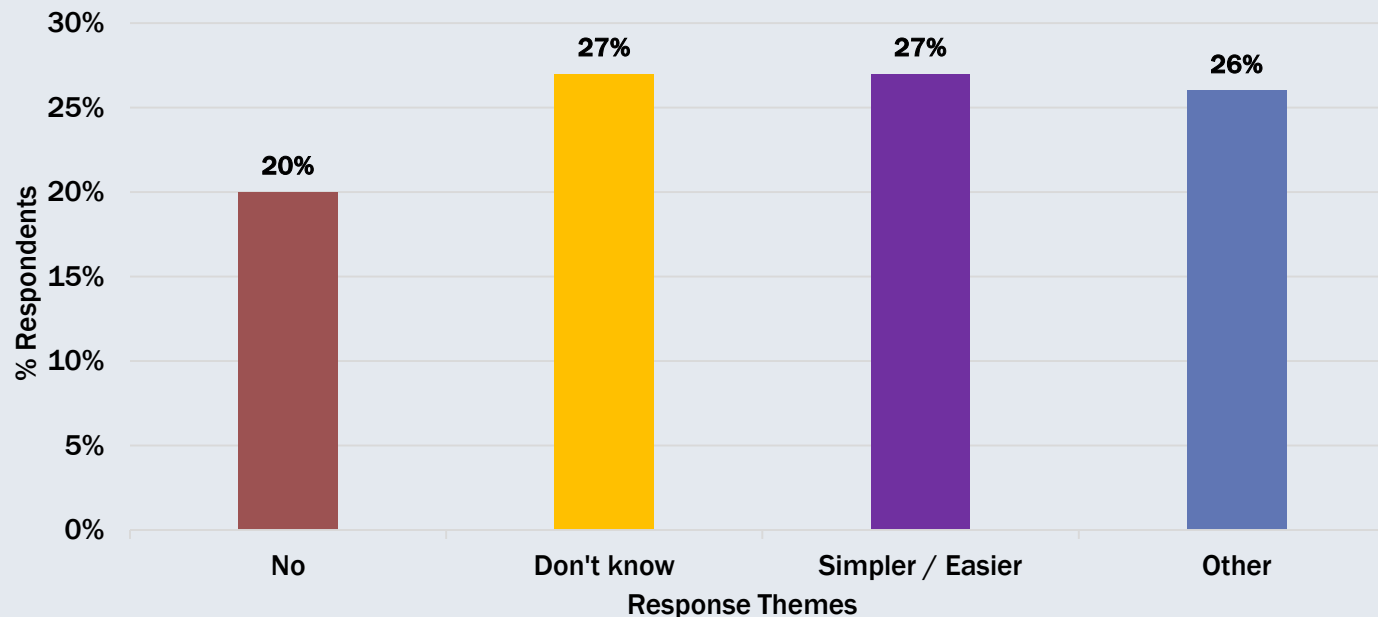
Do you believe that accounts prepared under Charities SORP are beneficial to charities?



CHANGES THAT WOULD ENCOURAGE USING SORP

- 20% indicated there are no changes that would encourage them to use SORP
- 27% didn't know
- 27% wanted to see simpler or easier requirements for smaller charities

Are there any changes to Charities SORP, that if implemented, would encourage your organisation to use SORP?



SUPPORTS THAT MAY RESULT IN MORE SORP USERS

- 53% would like SORP-specific software
- 37% would like more worked examples
- 37% 'Other' responses were mainly related to training

Are there any new supports that, if introduced, would be likely to result in your organisation preparing SORP accounts?

