

## FEEDBACK FROM THE STAKEHOLDERS' FORUM HELD ON 25 APRIL 2008

### 1. Background

- 1.1. The SORP Committee agreed to the convening of a forum on 25 April to provide an initial opportunity to open a dialogue with stakeholders. The Committee's view of the challenges ahead was explained by a series of presentations and delegates were asked for initial feedback on the issues to be addressed by the next SORP and to identify issues for future debate.
- 1.2. The delegate invitation list included funders, analysts and media, umbrella bodies, charity account preparers and auditors with over 100 delegates attending on the day.
- 1.3. After the initial briefings given by members of the Committee, the Forum broke up in the afternoon into five groups, each group facilitated by a SORP Committee member, with each group given the same four questions to address.
- 1.4. The Forum concluded with a feedback session and appendix 1 to this paper sets out, by group, the feedback together with the additional information provided by way of post it notes and SORP feedback forms.

### 2. Overview of the Forum event

- 2.1. Event feedback was very positive with 70 feedback forms completed. The typical comment was: 'very well organised and informative' with the main criticism being the lack of time for discussion with a typical comment: 'Too long was spent on context setting, not long enough in debate'.
- 2.2. Only a few analysts, media or funder (particularly government funder) representatives attended and so the weighting of feedback was towards auditors and preparers.
- 2.3. In addition to the group discussion and feedback, delegates submitted 153 pieces of individual feedback offering comment on SORP and charity reporting and accounting issues.
- 2.4. The discussion groups were not asked to consider resourcing issues or to look for a consistency or consensus in their contributions. In this way free thinking was encouraged with the widest possible contributions. Also delegates were not asked to consider the implications of their ideas, for example whether in abandoning UK GAAP 'true and fair' accounting for a form of 'modified accruals', the sector might suffer detriment or loss of reputation.

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### 3. Initial themes emerging from the feedback

- 3.1. The feedback is considered in four parts, the discussion questions, the suggestions for items to be taken out of SORP, the suggestions for additions to the SORP, and suggestions that fall outside of SORP.
- 3.2. Question 1 focussed on whether the SORP Committee had identified all the main challenges. Feedback was varied but themes that were regularly mentioned were: simplification because accounts were become complex and long, the potential for an easier form of accounting for smaller charities which was still a form of accruals, greater freedom in formatting, the inclusion of sustainability (both financial and environmental) and social reporting, consistency with other UK accounting frameworks and a greater emphasis in reporting outcomes and impacts.
- 3.3. Question 2 provoked similar answers to question 1 when delegates were asked what should be the priority order with the main themes, the response was: simplification, greater availability of examples, minimise the required content and provide greater receipts and payments guidance. Delegates also cited the link between the Commission's Summary Information Return and SORP.
- 3.4. Question 3 asked about issues important to their constituency and this provoked a wide range of responses, predominantly reflecting the views of preparers and auditors. There were few common themes. Issues with more than two responses were grant making versus service delivery, how best to consider commercial sensitivity and the accounts, how external funders needs could best be met to minimise additional reporting and simplification of the classification of incoming resources.
- 3.5. Question 4 invited delegates to consider how best the wider sector could be educated in charity accounting and reporting and best practice. This question brought the least number of responses with three main themes: a demand for more examples from the regulators, a clear distinction between mandatory and optional and greater training of professionals and funders. The implicit emphasis was a reliance on the regulators rather than on the sector itself to improve charity reporting and accounting.
- 3.6. The 'post it' note exercise brought 62 'yellow' (what should be removed from SORP) responses with a great range of ideas and suggestions. There were five ideas with frequent mention: reduce complexity, minimise use of technical terms, a controversy over the valuation of volunteers, a recommendation to remove designated funds altogether and the impact on the balance sheet of FRS12 when applied to grant makers.

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- 3.7. The 'green' post it notes exercise (what should be added to SORP) brought a great range of ideas with five ideas having more frequent mention: review the classification of income, better signposting of the lighter regime for small charities, think about small charities first, include the examples with SORP, and a greater emphasis on impact and performance reporting.
- 3.8. Certain suggestions fall outside SORP and cannot be taken forward as part of this exercise. The development of the SIR and how it fits with SORP is a matter for the Charity Commission. Similarly the receipts and payments regime which is governed by Regulation in Scotland is not regulated, as to form and content, in England and Wales and this regime falls outside of SORP.
- 3.9. A concern about educating donors was expressed and this issue is broader than the regulators or the SORP and would need to be progressed by the sector through dialogue. Finally the request to opt out of true and fair accruals accounting for smaller charities and opt out of FRS2 cash flow statements for larger charities is a legal issue regarding the Regulations that apply to charity accounting and it is doubtful a SORP that is not based on UK GAAP would be approved by the ASB. Moreover on what alternative standards could such 'modified accruals' accounts be based?

### **4. Way forward**

- 4.1 The proposal is to use the feedback to publicise the work of the Committee and the research project, to provide supporting information to the stakeholder roundtable events.
- 4.2. Following the completion of the series of roundtables a paper will be presented to the SORP Committee summarising the key issues identified. Those issues and matters that determine the future direction of the SORP would be considered by the SORP Committee. Other more technical issues that require research and resolution would be placed on the agenda of the technical sub committee for consideration.

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**Questions:**

- 1. Is the SORP Committee content that the Chair and Deputy Chair offer an article to the sector press with an abridged feedback to set the scene for the next phase of research?**
- 2. Does the Committee agree that the appendix to this paper fairly represents the feedback from the Forum event and it should be included within the resources pack for the roundtables as a briefing for delegates?**
- 3. Does the Committee agree that the findings are valuable evidence which should be considered, along with the outcome of the roundtables, when the development stage on the next SORP is begun?**
- 4. Does the Committee agree that a summary of the findings of the Forum and the roundtables series should be presented to the SORP Committee for review?**

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### Appendix 1: Stakeholder Forum Feedback

#### Discussion group questions

Each Discussion Group was asked to address four common questions. The feedback is provided by discussion group so that participants can check back the reported comments against their own recollections. (In the main paper the feedback is reported thematically by question.)

#### 1. Are there any key challenges that have not been identified? (Refer to the slides from session 1)

- Group A
- SORP compliance not same as readability - superb compliance with SORP can produce unintelligible accounts. This needs to be borne in mind and tackled in the future.
  - SORP compliance equals too many notes - makes reports too long for smaller charities (need a hybrid something bespoke for smaller charities somewhere between full accruals and R&P)
  - Complexity of full accounts is too great for small charities but R&P is misleading.
  - Must do minimum - "Accruals with different rules"
  - Need to identify more clearly the difference between MUST and SHOULD within the SORP.
  - Consider having thresholds defined not just by income but by impact led criteria (E.g. in auditing if there is public interest then you adjust risks at the outset)
  - Grant making charities and those engaged in service delivery are very different animals, perhaps the SORP could reflect this
  - Reporting PE in an annual framework is problematic when long term objectives are involved
  - SORP is too prescriptive and makes it impossible to form a story telling narrative
  - Is comparability really required? Do we really need to compare charities? (The thought was that a more free-form approach would be welcome).
  - Stewardship still a requirement
  - IFRS etc. is strongly related to commercial companies and market competitiveness and therefore a non-sequitur for charities.
  - Provide useful summaries in the accounts
- Group B
- International public sector accounting – public service providers are different and will demand same of charities
  - Social and environmental accounting – performance
  - Service user driven
  - How information finally presented
  - Consistency with other legislation
  - Real evidence that small charities do not know to do audit
  - SORP too complex, perhaps too hard for small professional firms
  - Move to a three type charity regime, receipts and payments, accruals for small charities, accruals for large charities.

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Reorganise SORP with relevant section for all charities followed by specialist sectors  
Environmental reporting – disclosure  
Impact reporting/ public benefit reporting  
Statutory reporting – relevance  
Consistency of SORP with other SORPs  
Consistency of funding body requirements and SORP

Group C      How much money comes from Government sector & Europe, how much from individual donations?  
How 'annuality' of funding impacts on organisation (where tied into public sector)  
Does one size fit all? Should we start from small and have appendix with add ons?  
What is the purpose of SORP – interpretation, guide to how to?  
Key focus needs to be made clearer, key parts of SORP deal with other than GAAP  
Interaction of accounts and other returns and other publications  
Who is the audience?  
No one other than accountants understand the accounts  
Needs to be requirement for more than just the figures  
Should we have shortened abbreviated accounts?  
We do not need to seek comparisons between organisations where this is impossible  
Guiding the lay reader through accounts – SORP should encourage, helping lay reader to understand information  
Outcomes and results – prime must be clear  
Outputs easy. Outcomes or impacts much more complex at small charity level  
Trustees must consider long term outcomes  
Requirements of 4 regulators- cross border impacts

Group D      Multiple reporting requirements eg CC, Guidestar.  
SORP has encouraged accounts that are large and cumbersome, users, including funders, go to more user friendly sources of advice  
Need to consider relevance of information included in the accounts, make accounts simpler for preparers  
Income recognition is a problem that needs to be looked at  
Deferring fundraising expenditure and matching against income in future years  
Why the predominance of balance sheet over cash flow?  
Sharing ideas from other sectors

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Group E Relationship with other SORPs  
Business combinations (M&As)  
Explanation of funds  
What to do where a charity has no donors? (business emphasis)  
Pension disclosure  
Costs of professional work –valuations of assets  
Volunteers

### 2. What should be the priority order of the various issues identified in the last session? (Refer to the slides from session 5)

Group A Primary purpose, define clearly what is required in financial reporting and trustees' annual report  
Outcomes are very important, so the narrative needs to draw out what the charity has been up to.  
SORP Committee needs to define the purpose of the accounts and identify the audience. A sweeping claim was made here that nobody uses the accounts in their current form.  
There was a worry about reporting Public benefit and it was felt that summarised accounts (and restricted TAR) might be a hurdle to this

Group B Availability of SORP – at no charge  
Receipts and payments – guidance in SORP  
Receipts and payments – lack of compliance  
Help on achievement reporting – CC best practice  
Longer term impact reporting  
Mismatch SORP/ SIR  
SORP to encourage 'one stop' annual report  
Public benefit reporting in SORP  
Examples – separate  
Needs of donors/ financial supporters  
Receipts and payments accounts guidance in SORP  
Receipts and payments accounts lack of compliance  
What charity does – explanation – impact  
SIR – consistency with SORP  
Separate reporting to donors and funders  
Converge trustee annual reports and annual reviews  
Technical issues – low profile and priority  
Public interest reporting in SORP – examples  
Examples timely availability  
Availability of SORP

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- Group C      Accessibility  
                  Stakeholders – who they are, what they want  
                  What is the SORP for?  
                  How can we integrate performance measurement?  
                  One size fits all? (disparity of charity size)  
                  Not enough emphasis on beneficiary perspective  
                  Is there any research on who uses accounts – do we really know?  
                  Integration of writing by trustees for other audiences into trustees' report  
                  Things that have not worked from the last SORP
- Group D      Statutory accounts don't provide what funders want  
                  Applicability of SORP to smaller charities. Difference in requirements/ needs for small and big charities is an important priority  
                  SORP has become more than in interpretation of accountancy standards to become an expression of good practice  
                  Stewardship is important  
                  Transparency does not mean disclosing a lot of information but the right information to suit the needs of the user  
                  Too much disclosure makes it difficult to compete with private sector company  
                  Needs of beneficiaries is paramount (public is a beneficiary)
- Group E      Capital grants  
                  Understandability  
                  Difficulties re fund accounting  
                  Simplification of SOFA (what we did, how we paid for it, what's left over)

**3. What issues do you think are most important to your constituency (membership or public or clients)?**

- Group A      Grant makers: implications of the convergence  
                  Current requirements are onerous for the majority of charities  
                  There is a UK history of gold-plating accounting standards – wastes time!  
                  Foundation charities were concerned about how investments are shown within an annual reporting framework  
                  Is there a middle way through IFRS? (SME charities covered by the SORP Committee?)  
                  Grant making vs service delivery  
                  Divulging commercially sensitive material – risk of disclosures  
                  How to value volunteers  
                  Treatment of capital grants – SSAP4 etc.  
                  How to educate Funders not to enforce higher standards of reporting than the legal minimum  
                  Onerous requirements to keep revaluing properties  
                  More information needed about sustainability issues  
                  Categorisation of income

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- Group B      Common reporting  
Accessibility to SORP – http links, word search, query  
And re-order with index at the front. Signpost mandatory and content. Plain English and definitions  
Feedback from CC about accounts quality score out of 10  
CC increased resources  
Omission cost of generating grants and contracts  
Total return accounting
- Group C      Clarity and simplicity  
Where money comes from and where it is going  
Grant accounting – reserves accounting (grant making)
- Group D      Charities' members and general public want to understand what the charity is doing. Need to link the narrative to the numbers. Some users don't care about the accounts themselves but want someone else to look at them. Therefore accounts are important to them.
- Group E      Conduit funding (lead funders)  
Pension fund deficit  
sustainability

### **4. What suggestions do you have about educating the wider sector about best practice in charity accounting and reporting?**

- Group A      Charity Commission to publish more examples and to do it sooner  
CC publicly advertising good practice  
Communicate via umbrella bodies  
Clarify within the SORP what is mandatory and what is optional  
Take out full page adverts in press to disseminate the examples, which are well done but not well known
- Group B      Examples  
Umbrella body – training
- Group C      Better model accounts and pro formas  
Meeting with charities to explain why SORP is as it is  
OSCR done a good job – focus, good web site  
Accounts made simple guide  
Encouragement to produce receipts and payments accounts
- Group D      Public's view on cost ratios are a concern. We need to develop benchmarking norms for measurement of charities.  
Has SORP got governance costs right?  
CC should promote SORP compliance in the right way eg mandatory for larger charities and not the smaller ones.  
Distinguish mandatory and relevant practice from best practice

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Group E      Steering donors to ask the right questions (10 questions you should ask)  
Professional accountancy training – simple approach  
Improvement in funding umbrella bodies (to relate to people/places – OSCR example)  
'Education budget'

### Suggestions for SORP changes

Delegates were invited as part of the discussion groups to use post it notes to provide additional comment on the SORP with items to be removed noted on a yellow post it note and items to add to SORP noted on a green post it note. In addition to 62 yellow and 83 green post it notes collected, 8 delegates provided additional feedback using the "SORP suggestions forms". A total of 153 pieces of feedback were received.

### Items to be removed from SORP

#### Yellows A:

Remove restricted funds from SOFA (but retain in balance sheet)  
Remove designated funds from face of SOFA and balance sheet  
Do not add in greater requirements re 'valuing' volunteers  
Reduce notes to accounts which breakdown costs  
Remove detailed analysis of costs  
Mark 'must do' rather than 'may do' ie transfer of capital reserves to unrestricted reserves once restrictions met  
Investment Policy  
The requirement to either have receipts and payments or accruals – need something in between for small charities  
Performance review  
Don't force charities to give a £ value to volunteers  
Reserves policy  
Valuing volunteers don't do it!  
Grant dispensations – be more definite about when it is applied  
Functional buildings belonging to religious organisations clarity valuations eg churches, manses

#### Yellows B:

The cash/ funds flow statement  
Requirement for a trustees' statement on risk management. This is often meaningless, in small charities it is onerous and in large charities the summary is too brief  
Change order/ jargon  
All charity specific terminology – SOFA, incoming resources, designated funds  
The two dimensional breakdown of activity based reporting (para 191)  
Breakdown on functional basis within activities (para 194)  
Opt for one or other basis (functional or activity) not allow both, at least for charities up to £5m  
Too much technical jargon  
Information overload o the trustees' report – not enough clarity

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Functional analysis of expenditure, too subjective, too sensitive  
Analysis of support costs – too much detail

### Yellows C:

Over complexity re restricted grant giving and grant receiving vs. contracts for services

Trying to link charitable income with charitable expenditure

Information that is the same each year – does this need to be repeated? Is there a requirement for a statutory document and another results focussed document, what does the audience want?

With receipts and payments accounts, the requirements for assets and liabilities in the notes

Reserves policy requirement in the trustees' annual report

Public benefit clause unnecessary

Detailed breakdowns (including large charities)

Requirement to account for grant as cash even if the spend is in the following year, distorts the picture

Have 2 SORPs, large and medium. In large take out anything that's already in accounting standards and make large SORP an interpretation of special sector issues which can be added to in between revisions by a quasi UITF process (perhaps managed by the SORP Committee)

Revise trustees' report into plain English with achievements and outcomes as part of it

The indexing by paragraph number rather than page number drives me crazy

Take out pension reserve from balance sheet

Take out mandatory activity analysis where below £1m

Take out any obligation for notes if under £100,000 even if doing accruals

Ceaseless positive spin

Meaningless explanations of income streams in SOFA eg inspire, engage.

Clarify descriptions of income streams

Income categories

Jargon

Complexity

### Yellows D:

Allow charities to decide how to get their message across to relevant stakeholders

Governance costs

Detailed interpretation out of main body of SORP into an appendix (this would slim down SORP)

Simplify base reporting for smaller charities and tighten core definitions eg income categories to improve consistency

Income/ expenditure mismatches eg non recognition of future grant income but recognition of future grant expenditure

Accounting treatment of volunteers – contribution of volunteers should be qualitative part of narrative report

Make SORP shorter, go through each sentence and add the word not or prefix un and if sentence makes no sense delete it.

Voluntary income/ income charitable activities split

Governance

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Stop trying to make trustees report a one stop shop. Split into clearer sections ie standing data, policies, achievements etc

Take all the charities below the audit threshold out of the SORP (CIOs should be able to have R&P accounting and limited liability)

Reduce what is mandatory

Prescriptive detail (nitty gritty of governance)

Too much in SORP already

**Yellows E:**

Over prescription

Simple Finance summary sheet in trustee report

Analysing income by charitable activity/ outcome

No such thing as designated funds (SORP almost there but not quite)

Current disclosure requirements on cash flow statement

Removal of designated and restricted funds from the SOFA in its current form

Take out cash flow statements

Remove restricted funds on the face of SOFA if they are below material value

Designated funds – too much room for manipulation

The SOFA ie the functional classifications (income and expenditure statement should be allowed for all bands with income treated the same as at present)

Requirement to show investment manager's fees

Too much on trustees' report –over prescriptive, should be principles based

**Items to add into the SORP**

**Greens A:**

Ask churches to disclose how much land they hold (in hectares)

Break SOFA into individual statements eg P&L and STRGL

Practical examples for smaller charities

A simplified summary to be included in the trustees' report

Discuss designation of funds in trustees' report only

Assurance that the guidance for trustee reports is not a strict template to be adopted by all so that charities can tell their story in their way

Standardisation of approach across Charity Commission and OSCR in all matters

Fundraising costs line under charitable activities to disclose costs of non 'generated funds'

Better description of sources of income

Voluntary income is too broadly drawn

Clear segregation of levels of information for charity sizes

Accruals report with different rules for small charities

Outcome, output, indicators would be useful

Consider a multidimensional definition of large and small charities – more than income!

Non financial thresholds

Reporting requirements – recognition of the peculiar nature of churches as charities (e.g. could be small in every respect except income)

Easier signposting of small charity exemptions i.e. don't hide them in appendix 5.

Either clearer descriptions on SOFA of income types or a very simple SOFA more like a commercial organisations

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Clarify the definition between voluntary income and fundraising income so that charities follow consistently

### **Greens B:**

Examples

Clarify governance costs in terms of whether or not to allocate a proportion of staff time, especially in relation to strategic planning (current wording is very vague)

Environmental reporting and accounting

Statement on human capital – reporting on the level/ experience and quality of staff available to deliver charitable activity

Structure the SORP around three regimes, receipts and payments accounts, simplified accruals accounts for charities below audit threshold, full SORP with full SORP with subsidiaries consolidated

Do not value voluntary contributions

Keep it simple

Need to have examples

Specific examples for difficult income recognition criteria/ grey areas eg employing someone, taking on a lease, buying an asset

Signposting with an emphasis on smaller charities

Guidance on public benefit reporting in trustees' report

Examples as a separate booklet maybe

Road map upfront to signpost people to relevant places in SORP or outside eg receipts and payments

Emphasis on public benefit

Summary of SORP use at the beginning

### **Greens C:**

A set of guidance which reflects the needs of all regulators across UK, reflects the various charities legislation and that of financial accounting

Separate very brief SORP for smaller charities

Greater focus on what beneficiaries rather than donors are wanting to know

Social responsibility reporting eg ethical and environmental policies

Describing, evaluating the impact of annual public funding on charities that rely on this source of funding: eg notice to staff where future funds (beyond 90 days) not secure, living hand to mouth, not able to effectively future plan, fast changes in public sector funding priorities

A requirement that charities talk sensibly i.e. in more detail about their risk management policy

Clear simple guidance and direction to enable charities to fulfil their governance duties to themselves reporting what they have done with money received to fulfil their obligations

Further consideration of how the 'total reporting package' works as a whole bearing in mind that financial statements cannot capture the important elements of charity performance and anything which does is likely to be less objective and more of a 'story' than information usually contained in financial statements

An indication of who funds the charity eg individuals/ trusts/ government

Admission of failures/ more realism

Glossary of terms

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Income sources

Honest summary of performance and prospects

Executive financial summaries

Progressive reporting structures – small charity requirements first

References to monitoring measures

Thresholds for mandatory cash flow/ audit/ accruals SORP application I line with external reference points such as Companies Act. Generally increase these thresholds

Make it mandatory that trustees are taken through an accounts made simple guide provided by the regulator before signing off accounts

More emphasis on reporting on impact as the primary concern ie superior to financial and therefore an emphasis on simplicity in financial statements and notes

Clear signposting of what applies to which size charity – starting with the smallest

Where the money comes from eg general public donation, local authority grant or contract, trust or foundation, large donor etc

Develop trustees' report (check synergy to SIR produced) to next stage – results focus, what difference does this charity make and how is this achieved? (5 minute conversation with a potential donor approach)

SORP re-engineered for think small first

Prominence of receipts and payments

Put the extra requirements for large charities I an appendix

Clearer position on grant accounting – both grant making and receiving

**Greens D:**

Distinguish donated income from statutory funding of services (whether grant or contract)

Mandatory performance reporting in narrative

Making charities accountable to give general public reassurance and encourage them to give/ get involved

Differentiation between 'gift' income and 'earned' income

Statutory income category

Simplified reporting for smaller charities

Make stewardship reporting top priority in the SORP

Risk management

Review of income recognition

Rewrite the SORP for trust law compliance and explain it more fully

More detail and guidance with regard to reserves and development of policies

Make a distinction between reporting effectiveness in using gift – fundraising and efficiency in trading (confidentiality issues)

Keep and develop trustee report on charity's effectiveness

Page 1 should address the trustees i.e. this is what you as trustee need to do and outline exemptions for small charities

Make the SORP the charity sector equivalent of the corporate code – to be complied with in detail by charities over £1m income but in principle only for smaller charities

Exemptions for small charities from compulsory SORP adoption and small charities should be aligned with the audit threshold

Sector benchmark material easily available from accounts

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Reserves policy

Individual directors' salaries should be disclosed (as for listed companies) for large charities only

More comparability – income recognition and classification

### **Greens E:**

Add nothing

Simplification of the FRS17 note to the accounts -Is this a SORP or accounting standard requirement?

Business combinations – how to identify a merger/ acquisition in a not for profit situation – see RSL SORP

Conduit funding

More variability in SOFA headings

Statement of environmental policy

Charity SORP to take precedence over all other SORPS (eg housing) and is recognised by other regulators as such

Some recording of volunteer input

### **'SORP suggestion' forms**

1) Training/ advising funders of implications of the wording within agreements – contracts versus grants

2) I think it's time to address the inclusion of some sort of formal volunteer information – may be not to the extent of a valuation in the accounts figures but a 'statement' showing the volunteers' input into activities which could be by hours may be attributed a value. This could be the same format as the SOFA activity headings in the summarised form.

Don't condense the SOFA into one line.

3) Remove 'designated funds' from face of the SOFA and balance sheet – these should be discussed in trustees' report only as they do not relate to the income/ expenditure or balances of the charity in the reporting period.

Remove 'restricted funds' from the SOFA but retain in balance sheet; include income/ expenditure disclosures in notes to the accounts. This will improve readability of the primary statement.

Break SOFA into two statements – equivalent to P&L and STRGL, this would help differentiate gains in the year from what could be called capital contributions and thus provide a better understanding of the ongoing sustainability of the charity.

Emphasise receipts and payments option for small charities; have a FRSSSE equivalent for medium charities; have full SORP for large charities.

Remove governance costs from primary statement; disclose in notes to the accounts and discuss in the trustees' report.

4) Have huge concerns about how the issue of valuing volunteers is to be addressed. For an organisation like ours with 28,000 volunteers, specialist advisers, solicitors etc we cannot have volunteers valued in the same way as many other charities. It will be impossible to come up with a basis that can be consistently applied, and the cost to the charity of gathering the data to accurately arrive at a valuation will be too great.

5) Beneficiaries are the key primary audience for charity reporting – not funders (although they are obviously important). A report that provides useful, relevant, accessible information to beneficiaries will be helpful for funders.

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The interests of researchers in the sector should not be forgotten, but are often in conflict with other interests. For example in the debate around flexibility vs standardisation.

6) In addition to working towards the next SORP in about 2010, there is a need for a 'route map'; through the convergence process to be developed and shared with the sector.

7) Most of SORP 2005 is clear. The language is much better than previous SORPs. The glossary is excellent.

Don't change things for the sake of it – especially for medium sized charities.

Don't make any unnecessary changes to SOFA and balance sheet.

Avoid fudges where the SORP sits on the fence. Where there are two ways of doing something make a clear decision. (A charity where the normal approach is wholly inapplicable can still continue to depart if needed to give a true and fair view.)

8) To question 1 SORP compliance is not the same as readability. Annual reporting does not support long term objectives. Stewardship is important.

Recognising liabilities – particularly for grant making charities.

To question 2 Purpose of financial statements and purpose of trustees' report.

Simplified reporting for lay members.

To question 3 is the charity financially sustainable? Impact reporting (but very difficult). Simplified reporting. Commercial sensitivity of some information.

Valuing volunteers' time is a waste of time.

To question 4 Charity Commission should write to trustees reminding them of their responsibilities and run annual competition on reporting and publish the results very widely (whole page adverts in all newspapers). Simplify SORP and publish summary financial statements. Infrastructure organisation providing support and training. Differentiate mandatory from discretionary requirements.

### **Overall ratings from the Stakeholder Forum Feedback forms**

An opportunity was provided on the Stakeholder Forum Feedback Forms for additional comments. 55 Feedback forms were completed together with 15 Church House forms (mainly venue focussed).

The Church House feedback indicated the venue was highly rated (scores of good or excellent) overall. Our own feedback forms also rated the venue, including catering, as very good. The reservation and registration process were also highly rated overall.

The average rating for all presenters was good, but within this marking system, Debra was the most highly rated. Similarly although the content of all the presentations was rated on average good or excellent, Debra's presentation on "Life needs to be simpler" was the most highly rated of all.

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**Overall comments from the Stakeholder Forum Feedback forms**

**a) About the day**

"Wrong balance between information processing and listening to stakeholders. Perhaps in future some of the context setting and briefing can be given out in advance"

"No chance of questions to the main speakers"

"Surprised by lack of focus on beneficiary needs. It all seems to be very driven by donor requirements, and in my experience they are not using what we produce today."

"A very useful event"

"Good chance to meet and feedback to CC"

"Too long was spent on context setting, not long enough in debate"

"What's the point of the final plenary – write it all up and circulate it"

"An excellent worthwhile day"

"Various speakers have said the day is about hearing delegates' views. Why have you, therefore, given such little time"

"Opportunity to feedback views, this did not add much to this event"

"A very useful forum – lots of interesting discussion"

"Better to have more time for discussion"

"Feedback session not particularly useful"

"Very well organised and informative"

"Very good and valuable day"

**b) About other matters**

"Discussion groups needed initial introductions so we could know what/ where people were coming from"

"Delegate packs were confusing"

"It was a missed opportunity not to give more information on how the SORP Committee is working"

"Slides in handout difficult to follow"

"Plenary feedback is always difficult – became rather long winded and tedious"

"There is an education exercise that needs to be addressed to funders. There are funders, particularly local authorities that are insisting on audited accounts from charities way below the threshold because they don't know any better"

"Feedback to delegates in due course to show what difference this event has made to the SORP Committee's thinking, please"

"I didn't get information about where the meeting was"