

# The SORP Trustee Engagement Strand trustee questionnaire

Feedback report

February 2021

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

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# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

## Contents

<b>Context</b>	<b>4</b>
<b>Executive summary</b>	<b>6</b>
<b>Methodology</b>	<b>9</b>
<b>Detailed findings</b>	<b>10</b>
About you and your charity	10
About your charity and the Charities SORP	18
About the Trustees' Annual Report (TAR)	23
About the financial accounts	38
<b>Concluding comments</b>	<b>44</b>
<b>Appendix A: Survey questions</b>	<b>47</b>

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

## Context

The Charities' Statement of Recommended Practice FRS 102 (Charities SORP) gives a framework for accounting and reporting, designed to:

- help charity trustees meet their legal requirement for their accounts to give a 'true and fair view';
- encourage consistency in charity accounting standards; and
- give recommendations for charity annual reporting.

All charities must use the Charities SORP to prepare their accounts unless the trustees have opted to prepare receipts and payments accounts and their charity is a non-company charity which had an income of £250,000 or less in the reporting period.

The Charities SORP applies to charities generally in the UK unless a more specific SORP is available, for example, further and higher education bodies and registered social housing providers. While the Charities SORP is mandatory for those charities meeting the criteria in England, Northern Ireland, Scotland and Wales, it can currently be voluntarily adopted by charities in the Republic of Ireland.

Each SORP Making Body is approved by the Financial Reporting Council and is responsible for developing the Statement of Recommended Practice (SORP) for its industry or sector in accordance with the FRC Policy on the development of SORPs.<sup>1</sup>

The Charities SORP Making Body currently comprises the Charity Commission for England and Wales, the Office of the Scottish Charity Regulator and the Charity Commission for Northern Ireland with the Charities Regulator for the Republic of Ireland, as an observer.

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<sup>1</sup> [https://www.frc.org.uk/accountants/accounting-and-reporting-policy/uk-accounting-standards/statements-of-recommended-practice-\(sorps\)](https://www.frc.org.uk/accountants/accounting-and-reporting-policy/uk-accounting-standards/statements-of-recommended-practice-(sorps)).

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

Following a governance review in 2018/19, the SORP Making Body undertook to engage more broadly with preparers and users of charity annual reports and accounts. The review recommended that engagement should be an ongoing process not just linked to consultations with views fed in at all stages of the development process. A number of engagement strands were established in 2020 covering:

- Trustees
- Smaller charities and independent examiners
- Professional and technical (x2)
- Larger charities
- Major funders and donors and government and public bodies
- Academics and regulators and proxies for the public interest.

This report focuses on the trustee strand and the work undertaken to engage and understand the issues facing trustees in applying the Charities SORP.

In the exploration phase of the SORP review, the Trustee Engagement Strand (strand) was tasked with:

*Exploring the benefits and constraints of the current Charities SORP from the charity trustee perspective...identifying the needs and emerging issues relevant to trustees and consider any beneficial changes needed to the form and content of the SORP.*

In undertaking the exploration phase, the strand greatly benefitted by including technical experts from a range of backgrounds working in different jurisdictions.<sup>2</sup>

Part of the work of the strand was to survey trustees as to their experiences of the Charities SORP.

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<sup>2</sup> The SORP Trustee Engagement Strand comprised: Denise Copeland, NICVA; Jenny Ebbage, Edwards & Co, Solicitors; Susan Coffey, CIMA; Anne Davis, Institute of Financial Accountants; Mike Farwell, James Cowper Kreston; Jonathan Grosskopf; Anne Knox, Stirlingshire Voluntary Enterprise; Simon Ling, National Almshouse Association; Anne MacDonald; Nicola Silverleaf, Honorary Treasurers' Forum; and Louise Thomson, ICSA: The Chartered Governance Institute. The work of the strand can be found at <https://www.charitySORP.org/about-the-sorp/engage/engagement-strand-membership-trustees/>.

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

## Executive summary

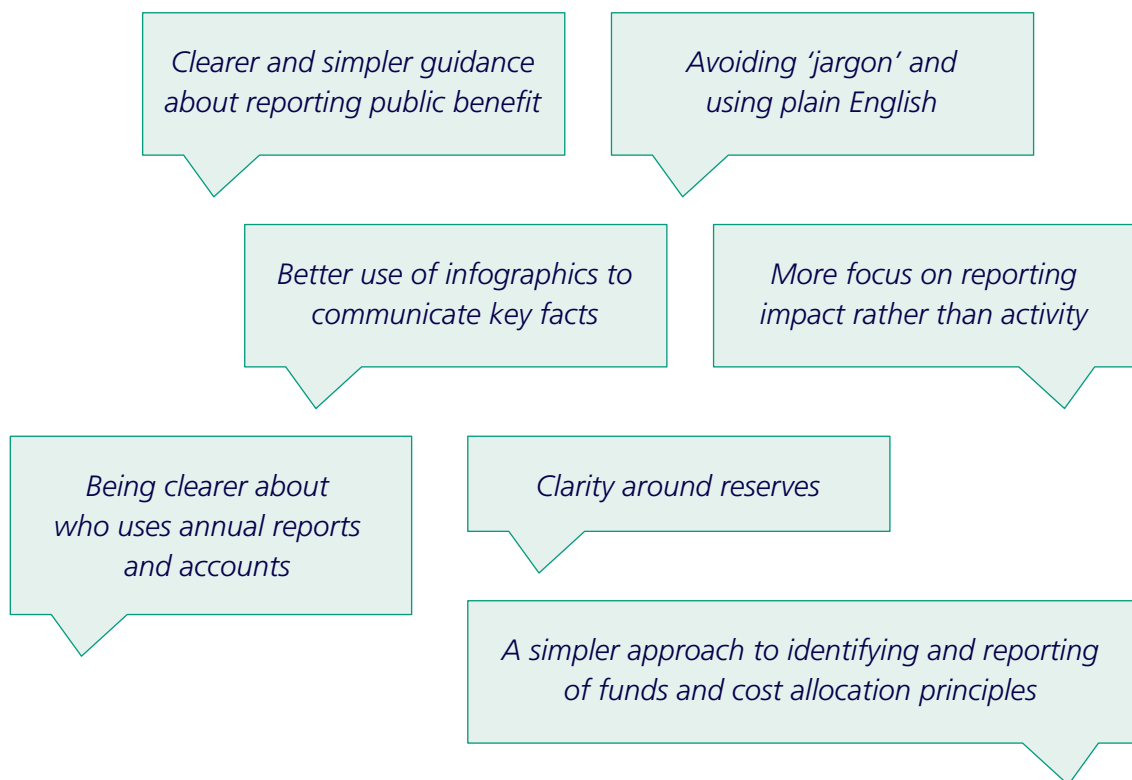
This report provides an analysis of the survey for trustees about their experiences and understanding of the current Charities SORP. The survey ran from 23 October to 7 December 2020.

The following provides an overview of the respondents, the charities they represented and recurring themes of the survey:

- A total of **429** respondents contributed to the survey.
- **81%** of respondents were current charity trustees. **11%** identified as **'other'** and predominantly referred to themselves as financial experts (as the finance director or accountant), others included the Company Secretary or CEO.
- The Charity Commission for England and Wales was the regulator the majority of respondents (**72%**) was registered with.
- **81%** of respondents applied the Charities SORP to their charity's annual report and accounts. The three top reasons for applying the SORP included: it was a legal requirement; the board believed it was good practice, and it provided a 'true and fair view' of the charity's performance.
- There was a slight majority of respondents (**47%**) who reported their charity had an external audit as opposed to an independent examination (**40%**).
- A significant number of respondents appear to come from a financial or accounting background, as identified in the free text entries.
- 56% of respondents represented charities structured as charitable companies limited by guarantee.
- 54% of respondents represented 'small' charities, as defined by the £500,000 annual income threshold.
- Asked what further resources would help trustees prepare the TAR, the overwhelming preference was for a **'checklist'** (210 responses) followed by a simple **'how-to' guide** (189 responses) and **worked examples** (141 responses).

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

Following feedback to a question asking how information about their charity could be better presented, the following suggestions were offered:



The questionnaire provided several opportunities for respondents to include more comments on their thoughts of the SORP. General feedback included the following suggestions, as broad themes:

- Developing a standardised format appropriate for most charities;
- Reducing the need to repeat information presented in previous years;
- Cross-referencing and hyperlinking to other documents rather than repeating;
- Creating a clearer link between the narrative and financial aspects of charity's performance;
- Promoting a greater focus on public benefit and impact;
- Minimising the gap between preparing receipt and payment (R&P) and SORP accounts;
- Reducing the regulatory burden on trustees;
- Making it shorter, more concise, jargon and adopt plain English;
- Encouraging the use of more visual information;
- Clarifying/strengthening the reporting of pensions, including deficits; and
- Consider including environmental impact reporting.

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

Satisfaction levels amongst respondents to the Charities SORP ranged from those being comfortable with it to others seeking more fundamental changes. The following anonymous quotes are provided to give a sample of the opinions offered as to where there could be an improvement.

*...Considering what the actual reader needs to know, so perhaps have two versions: one for individuals and another for professional readers.*

*I just think the amount of financial information that has to be provided is too extensive. Note that the entire SORP runs to 203 pages and the index alone runs to 7 pages.*

*It is too long and complicated for a non-financial trustee.*

*The current presentation of financial figures is more difficult for non-financial practitioners who have to work quite hard to get an overall picture. Most non-financial practitioners find it easier to understand traditional profit and loss accounts than the current format.*

*There is a trade off between presenting detailed information and the time and cost of doing so.*

*In conversation, what we do, how we do it, what the risks are and the contingencies all flow naturally. The SORP forces us to write them in an unnatural and disjointed way.*



# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

## Methodology

The SORP Trustee Engagement Strand sought to strengthen its understanding of trustees' experience of the Charities SORP by undertaking a questionnaire of current and recently retired charity trustees in England, Northern Ireland, the Republic of Ireland, Scotland and Wales. A SurveyMonkey questionnaire was hosted by Stirlingshire Voluntary Enterprise and ran from 23 October to 7 December 2020. A press release was published, and the survey promoted widely via the networks of the strand members<sup>3</sup> to reach as wide a range of stakeholders as possible. The survey was promoted in several magazines to a diverse audience.

The survey was run independently of the SORP Making Body to encourage engagement and honesty in the responses provided. The data submitted has not been shared outside of the members of the strand.

The feedback elicited from the survey was initially discussed by the strand on 16 December 2020, and those preliminary findings were included in the strand's report of recommendations to the SORP Making Body in early January 2021. From mid-December to late January, the data were more deeply interrogated to identify meaningful patterns and themes. Those insights contribute to this report.

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<sup>3</sup> <https://www.icsa.org.uk/about-us/press-office/news-releases/charity-sorp-convenor-launches-probe-of-trustees-understanding-of-the-charity-accounting-framework>.

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

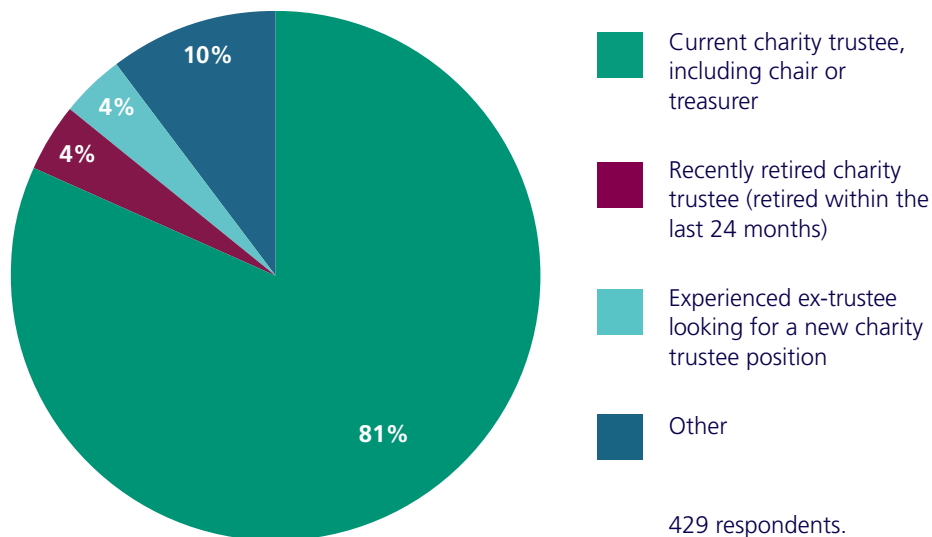
## Detailed findings

This section of the report provides a more detailed analysis of the questions asked and the feedback. It follows the subject headings of the survey and each of the 26 questions asked.

## About you and your charity

### Question 1: What best describes your current position? (please choose one)

The aim of the survey was to engage trustees to ascertain their understanding and application of the Charities SORP. As such the survey specifically asked for respondents to state whether they were a current or recently retired trustee (having retired in the previous two years) or seeking a trustee position, and only one option could be selected.



It is positive to see that the majority of respondents were current or recently retired trustees (85%), with a further 4% claiming to be experienced trustees seeking a new trustee position.

Those respondents who ticked the 'other' option tended to be staff or financial professionals, along with others with an interest or involvement in charity annual report and account production.

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

## Question 2: What is the legal form of your charity? (please choose one)

Given that charitable companies are required to meet the demands of company law, and the differences arising in auditing requirements as a consequence, it was relevant to ask a question about the structure of charities represented in the questionnaire responses.

Organisational structure	% of respondents
Trust (deed or will)	11
Trust (deed or will)	7
Company limited by...	56
Company limited by shares...	1
Charitable incorporated...	11
Scottish charitable...	3
Scheme	1
Royal Charter	3
Act of Parliament	1
Community Benefit Society	1
Don't know	1
Other	4

429 respondents. Only one option could be selected by respondents.

The majority of respondents said they were involved in charities established as charitable companies limited by guarantee (56%), followed by the CIO or Trust (deed or will). The proportion of respondents in the survey representing charitable companies does not reflect the number of charitable companies registered in the various jurisdictions.<sup>4</sup>

Given over half of the respondents were from charitable companies, and the additional reporting requirements placed upon them, it could be suggested that the feedback offered demonstrates a certain degree of familiarity with the Charities SORP and financial reporting in general. This should be borne in mind when considering the broader survey results.

<sup>4</sup> For example, of the 160,000+ registered charities in England and Wales, no more than 30% are established as companies limited by guarantee. This figure does not include academy trusts as these are exempt charities in England and not required to register with the Charity Commission for England and Wales.

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

## Question 3: What is the annual income of your charity? (please select one)

To establish how many respondents were required to apply the Charities SORP, and to gain an insight into the spread of annual incomes of charities represented in the survey, we asked respondents to identify the annual income range of the charities they represented.

Organisational structure	% of respondents
£0–£10,000 (€0–€11,00)	6
£10,001–£25,000 (€11,001–€27,500)	6
£25,001–£250,000 (€27,501–€275,000)	31
£250,001–£500,000 (€275,001–€550,000)	11
£500,001–£1m (€550,001–€1.2m)	11
£1m–£5m (€1.2m–€5.5m)	21
£5m–£10m (€5.5m–€11m)	5
£10m–£20m (€11m–€22m)	3
£20m–£50m (€22m–€55m)	4
£50m–£100m (€55m–€110m)	1
£100m+ (€110m)	1

429 respondents. Only one option could be selected by respondents.

The largest proportion of respondents represented charities with an annual income between £25,000 and £250,000, followed by the £1m to £5m bracket. 74% were positioned between the £25,000 to £5m annual income ranges.

54% of respondents indicated that their charities would not meet the definition of a 'large' charity (£500,000 income), but given the proportion of CLGs represented in the survey results, a significant proportion of respondents may be captured by company law requirements.

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

## Question 4: What is the main focus of your charity's activities?

The nature of the charitable purposes represented was deemed to be of interest to the strand. As such, a question about the range of charitable purposes was included in the survey, to cover the legislation of England and Wales, Northern Ireland, the Republic of Ireland and Scotland.

Charitable purpose <sup>5</sup>	% of respondents
Prevention or relief of poverty or economic hardship	12
Advancement of education	13
Advancement of religion	8
Advancement of health	13
The saving of lives	1
Advancement of citizenship or community development	8
Advancement of the arts, culture, heritage or science	8
Advancement of amateur sport or participation in amateur sport	0.5
Advancement of human rights, conflict resolution or reconciliation	1
Advancement of peace and good community relations	1
The promotion of religious or racial harmony	0.5
The promotion of equality and diversity	2
Advancement of environmental protection or improvement	3
Relief of those in need by reason of youth, age, ill health, disability, financial hardship or other disadvantage	13
Advancement of animal welfare	1
Promotion of the efficiency of the armed forces of the Crown	0
Promotion of the efficiency of the police, fire and rescue services or ambulance services	0
Provision of recreational facilities or the organisation of recreational activities, with the object of improving the conditions of life for the persons for whom the facilities are primarily intended	3
Other charitable purposes, please state	12

429 respondents.

<sup>5</sup> The list includes all the charitable purposes covered by legislation applicable to England and Wales, Scotland, Northern Ireland and the Republic of Ireland. Not every purpose listed is a charitable purpose in each of the jurisdictions mentioned. For a full list of charitable purposes for a specific country, please refer to the relevant legislation.

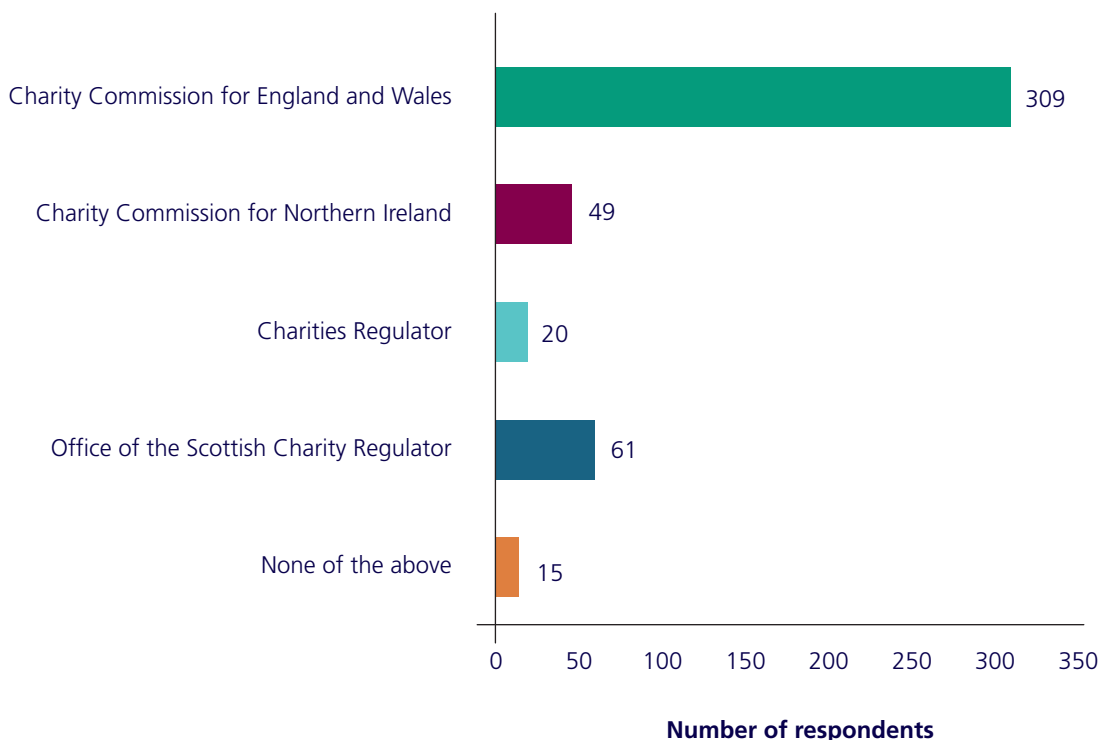
# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

The advancement of education, health and the relief of those in need were the leading charitable purposes of respondents, closely followed by the relief of poverty.

Of the 50 respondents who selected 'Other', responses included infrastructure bodies and other activities that would come under the headings provided (such as social housing, environmental activities, vulnerable children and educational activities).

## Question 5: Which charity regulator(s) is your charity registered with (tick all that apply)

The strand was interested in the regulatory body respondents' charities were registered with.



429 respondents. Respondents could select more than one option in response to this question.

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

The predominant regulator, in terms of the survey responses, was the Charity Commission for England and Wales, followed by OSCR. From the responses, it was possible to identify that 19 respondents represented charities that had multiple regulators. The following table provides further information.

Total number of charities	Number of regulators	Regulatory combinations	Number of charities
17	Registered with two regulators	CCEW & OSCR CCEW & CCNI	16 1
1	Registered with three regulators	CCEW & CCNI & OSCR	1
1	Registered with four regulators	CCEW & CCNI & CR & OSCR	1

CCEW = Charity Commission for England and Wales

CCNI = Charity Commission for Northern Ireland

CR = Charities Regulator (Republic of Ireland)

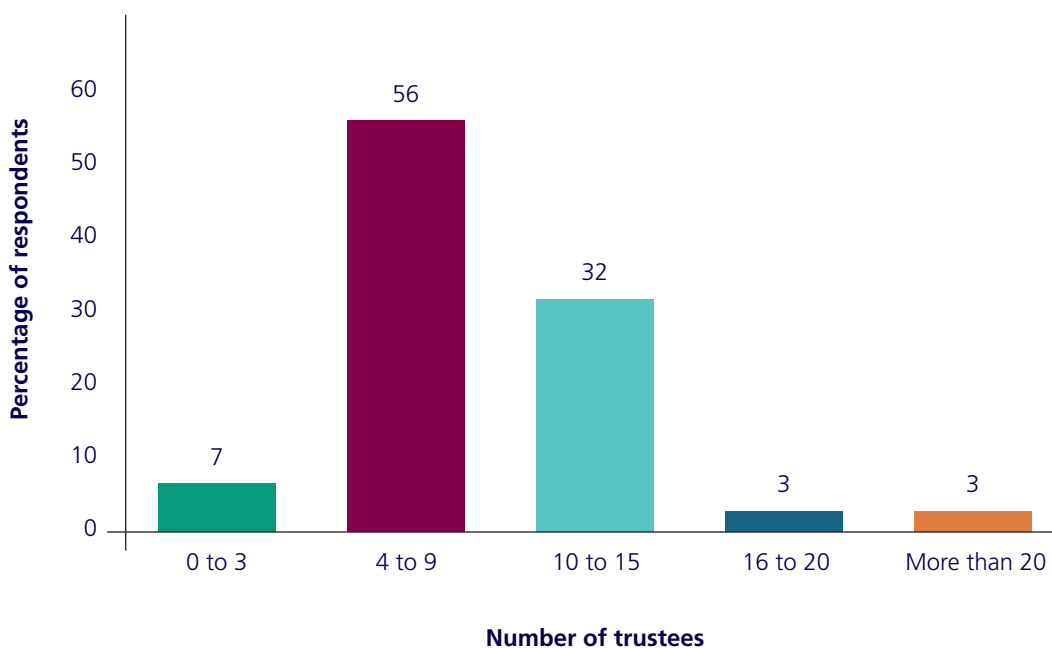
OSCR = Office of the Scottish Charity Regulator

Of the 15 who answered 'None of the above' many mentioned the Department for Education (DfE) and/or the Education and Skills Funding Agency as the regulator (the DfE is the principal regulator for academy trusts and further education corporations in England). Others mentioned the housing regulator or said that they were currently unregistered or exempt from registration.

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

## Question 6: How many trustees do you currently have?

The size of a charity's board can be critical to good governance, with the aim that boards should not be so unwieldy as to make decision making difficult. While different regulators and governance codes overseeing such a diverse sector differ in what is deemed to be an optimum size, 12 is generally seen as the upper limit. For charities registered in England and Wales, the Charity Commission generally does not feel the number of trustees should drop below three.



429 respondents. Respondents could only choose one option from the five choices.

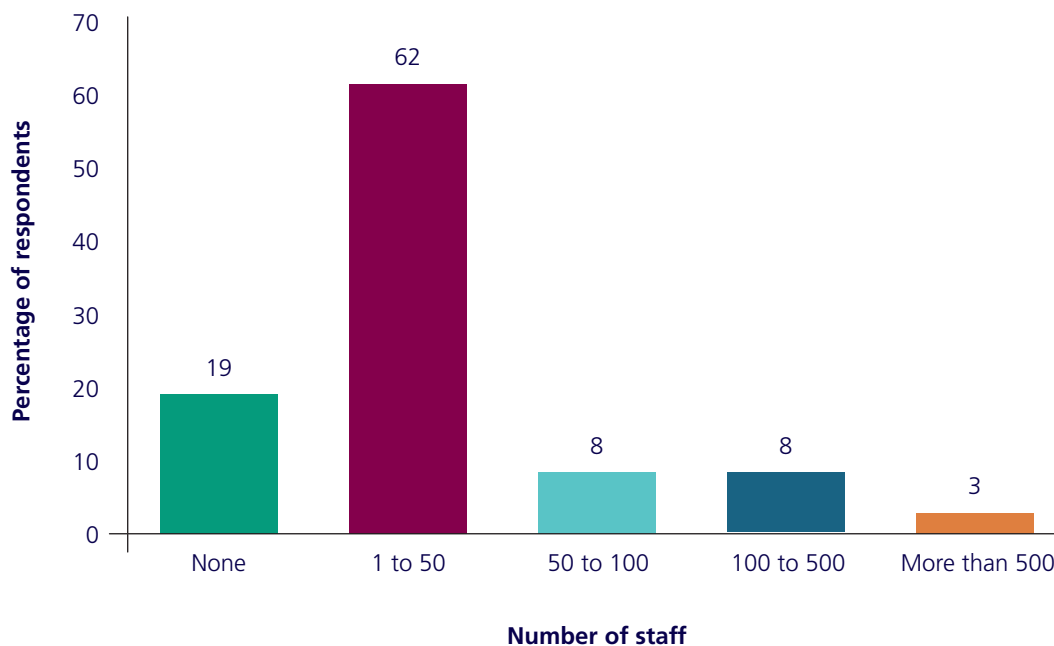
It is a concern that some charities (13% of respondents) have a trustee range which would not meet agreed governance standards or regulatory expectations, such as having too large a board or too few trustees to ensure effective decision making and accountability.



# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

## Question 7: How many staff does the charity employ?

The overwhelming majority of charities in the different jurisdictions covered in the work of the strand are volunteer-led and run. As trustees tend to be volunteers, and that it is a trustee responsibility to prepare (the function may be delegated, but the responsibility can not) and sign off the annual report and accounts, the survey tried to ascertain the level of staff support available to respondents.



429 respondents. Respondents could select one option from a predetermined range.

The majority of respondents (81%) represented charities which employed staff. Given that 90% of registered charities in England and Wales do not employ staff, the survey findings do not necessarily reflect the wider sector. But as identified earlier, given the structure and income of many charities represented by survey respondents, they are more likely to be familiar with the formal financial reporting requirements of the Charities SORP.

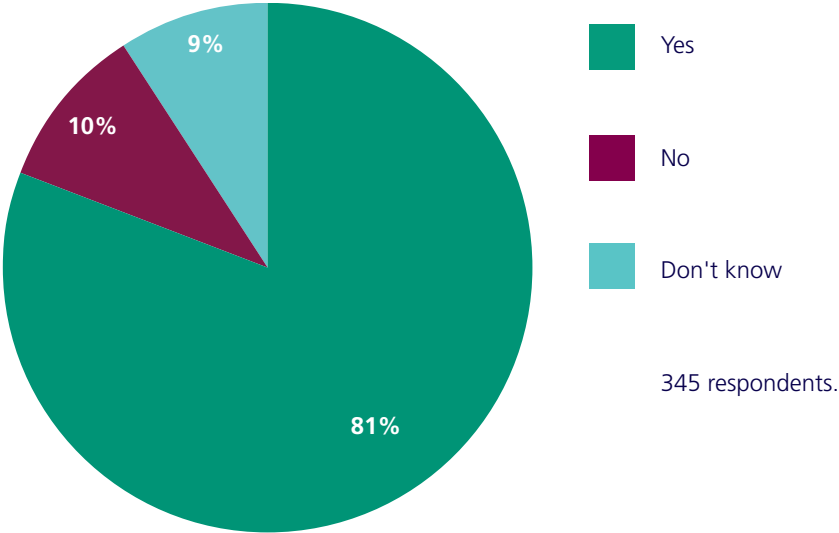
Respondents are also more likely to call on charity staff to help with the production of annual reports and accounts.

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

## About your charity and the Charities SORP

### Question 8: Does your charity apply the Charities SORP to its annual report and accounts?

This direct question sought to identify the number of respondents who represented charities applying the SORP.



Overwhelmingly, 81% of respondents said they applied the Charities SORP. Given the organisational structure of the majority of respondents, it is unsurprising that the majority of respondents answered this question positively.

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

## Question 9: If you apply the Charities SORP, what is the reason for doing so (select all that apply)

There can be various reasons as to why a charity applies the Charities SORP. The following questions sought to understand the full range of those reasons and rationale.

Reasons for applying the SORP	Number of respondents
Legal requirement (charity or company law)	213
Regulatory requirement	117
Requirement of the charity's governing ...	34
Requirement of a funder	21
To provide a 'true and fair' view of the accounts	121
Trustee board believes it is good practice	131
Independent examiner/auditor advised that it is ...	79
£Senior member of staff told us it was compulsory	4
Senior member of staff said it was good practice	8
Not sure, we thought that all charities had to ...	10
Don't know	33
Other	26

345 respondents. Respondents could select more than one option in response to this question.

The top three reasons stated by respondents for applying the SORP were:

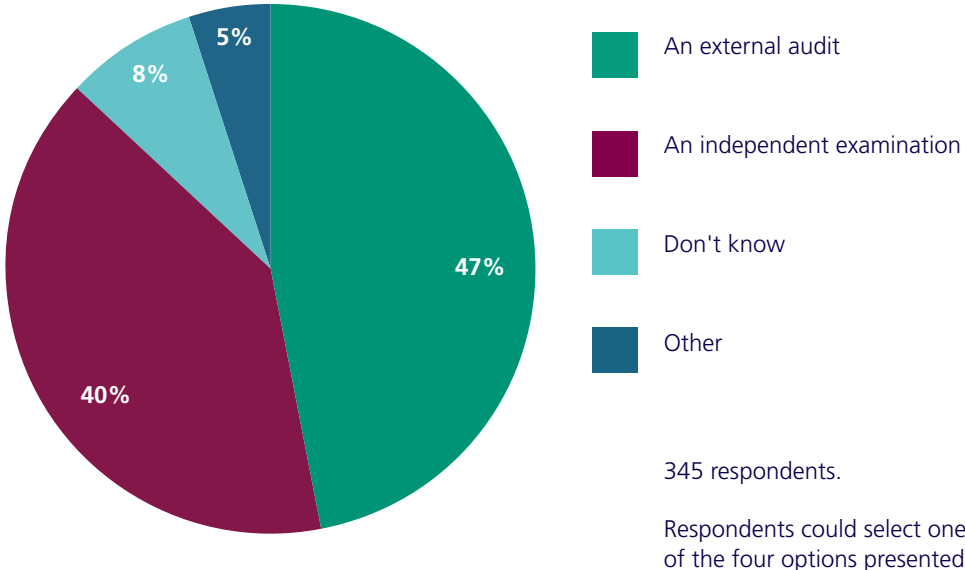
- It was a legal requirement
- The board believed it reflected good practice
- It provides a 'true and fair' view of the charity's performance.

Thirty-three respondents did not know why they applied the SORP. Of the 26 who opted for 'other', many stated they did not have to apply the SORP and therefore did not produce Charities SORP-compliant accounts.

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

## Question 10: If the charity applies the Charities SORP, does it undertake (please select one)

The strand was keen to establish the number of charities producing Charities SORP accounts whether they undertook an external audit or independent examination.

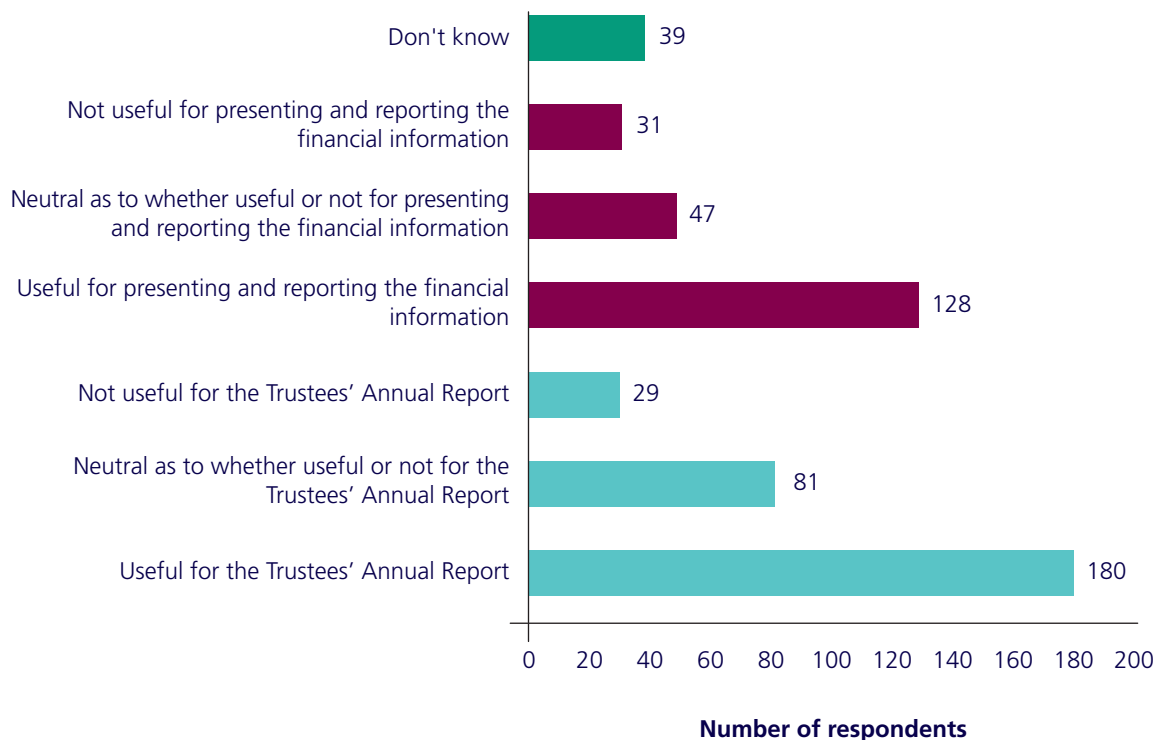


The difference between those charities applying the SORP who have an external audit or an independent examination was seven per cent, with the former more prevalent than the latter.

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

## Question 11: As a trustee, do you think that the Charities SORP provides a useful framework for a) the Trustees' Annual Report and b) presenting and reporting the financial information of a charity? (please select all that apply)

A primary aim of the work of the strand was to reflect the charity trustees' perspectives of the Charities SORP. We were keen therefore to gather insights and understanding of how useful the Charities SORP is for trustees in preparing the Trustees' Annual Report and the financial accounts.



345 respondents. Respondents could tick more than one of the options offered to respond to this question.

The majority of respondents (52%) found the SORP a useful framework for the TAR, however, the satisfaction levels drop (to 37%) with regard to the usefulness in presenting a charity's financial information.

17% said they did not find the SORP a useful framework for presenting the TAR and/or the financial information of a charity.

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

The following anonymous quotes provide additional insight into the respondents' opinions of the Charities SORP, especially the TAR and the financial information.

*Answer the question 'who reads the TAR' and 'what do they do with it?' and then provide simple, sufficient information for that task. Don't let the accountants and regulators decide but ask those who work in the sector.*

*Much clearer guidance on format would help ensure consistency between charities to help guide the reader through the report – the standard headings would be a good start (like for the SoFA).*

*The regulator should do more to encourage good reporting: emphasise that the TAR represents an opportunity...*

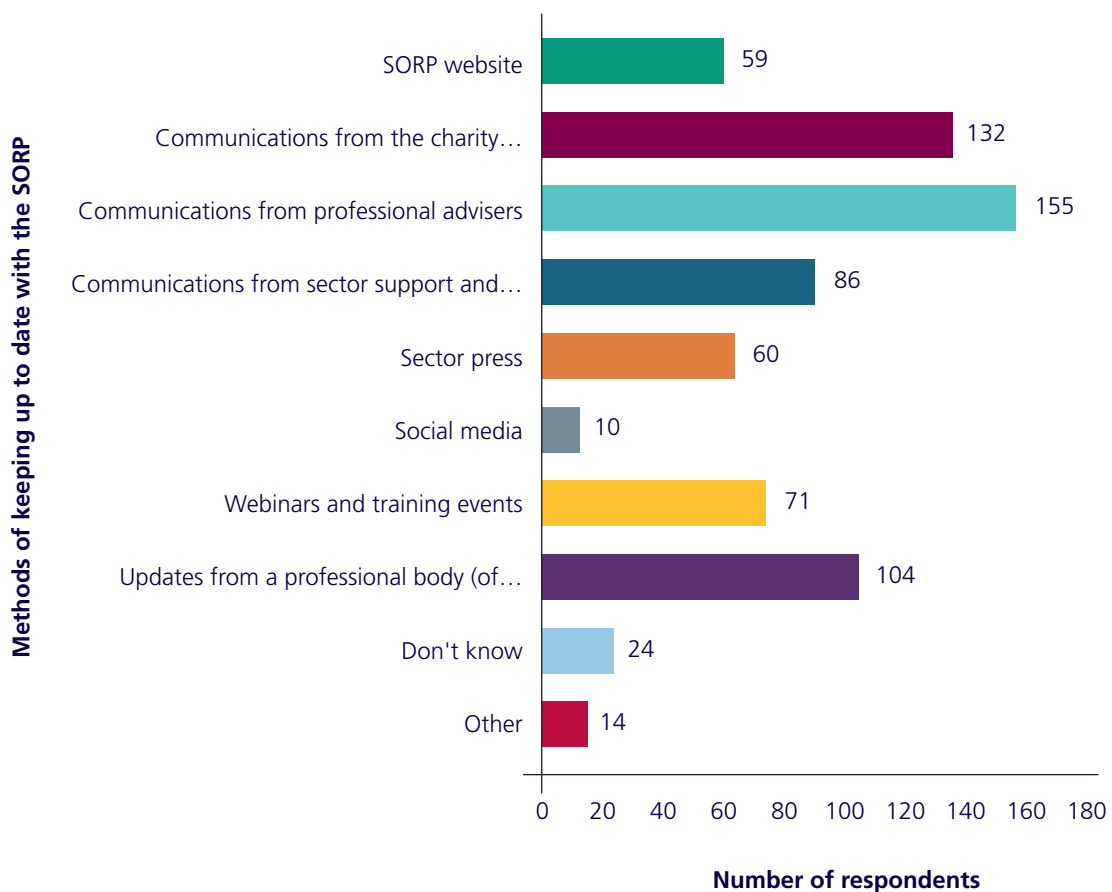
The satisfaction levels are interesting and may require further research to establish the level of familiarisation with the Charities SORP by respondents, especially given that previous answers suggest a quite broad understanding of the SORP.

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

## About the Trustees' Annual Report (TAR)

### Question 12: As a trustee, how do you stay up to date with developments in the Charities SORP? (please select all that apply)

As detailed in question 7, most registered charities do not have staff to help trustees with information and support. The strand was keen to identify different sources of information trustees used to stay up to date with developments in the Charities SORP.



297 respondents. Respondents could choose more than one option of the predetermined choices available.

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

The top three methods respondents say they use to stay up to date with the Charities SORP included:

- Communications from professional advisers (52%)
- Communications from the charity (46%)
- Updates from a professional body of which a trustee is a member (35%).

It is interesting that 20% referenced the Charities SORP website and this suggests more effort could be made to promote this resource more widely to charity trustees. The reliance on professional advisers in supporting the board with regards to the application of the Charities SORP is notable and suggests that more could be done to target advisers when convening changes to the SORP or other good practice related to charity accounts and annual reports.

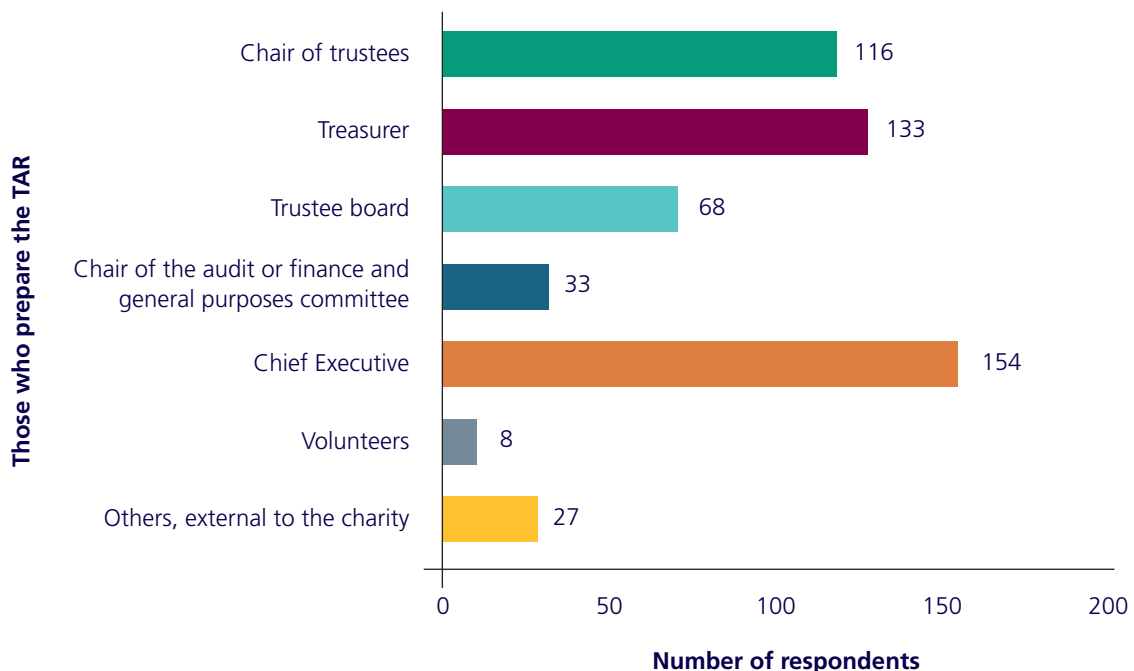
Of the 14 who selected 'other', the responses included: staff updates; auditor/treasurer/accountant provides updates; and updates from sector support bodies.



# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

## Question 13: Who prepares your charity's Trustees' Annual Report (TAR)? (please select all that apply)

As previously noted, trustees may delegate the function of preparing the Trustees' Annual Report to an individual or group of individuals (such as a committee). This question sought to identify the main sources of support actions for the TAR.



297 respondents. Respondents could select more than one option in response to this question.

The majority of respondents, 52%, identified the CEO as the principal individual involved in the preparation of the TAR. This was followed by the treasurer (45%) and the chair of the trustees (39%).

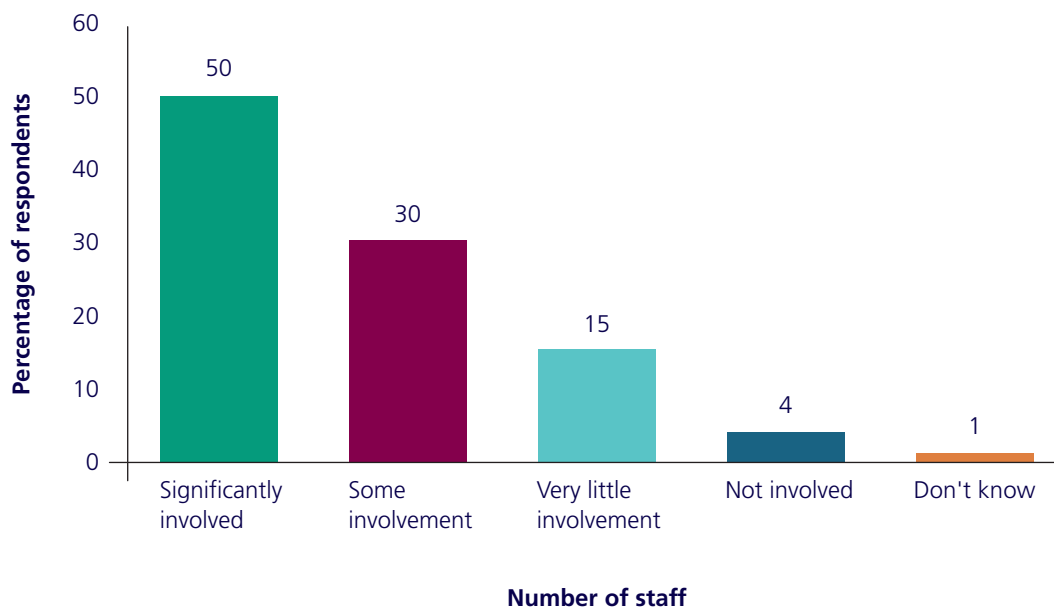
The majority of those identifying an external person or body preparing the TAR listed a finance professional as the source of help. A minority mentioned the governance professional or a member of staff who was not the CEO (such as the finance director).

It should be noted that those charities with more resources are likely to depend on staff and external advisers to help with the preparation of the annual report and accounts, with the trustees approving and signing off the final version. In smaller charities, committees of the board or individual trustees may play a greater part before reporting to the whole board for approval and sign off.

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

## Question 14: As a trustee, how involved are you in the preparation of the Trustees' Annual Report? (please select one)

Given that trustees of charities employing staff are likely to delegate some of the activity of preparing the TAR, the strand was interested to understand how involved trustees are in the process.



297 respondents. Respondents could only select one option from the five available.

Half of the respondents said they were significantly involved in the preparation of the TAR, with a further 30% saying they had some involvement. A minority of respondents claimed not to be involved in the process. As noted previously, the degree of involvement by the individual trustee responding could be impacted by a range of factors, including the size of the charity and the support resources available, the level of financial expertise on the board or in committees of the board and the input of external advisers.

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

## Question 15: What guidance do you refer to when preparing the Trustees' Annual Report? (please select all that apply)

Trying to understand what trustees refer to when preparing the TAR is useful for informing future supporting resources of the Charities SORP. An awareness of what is popular now can help to highlight where to target limited resources in the future.

Annual income	Number of respondents
Charities SORP (frs102	164
Guidance from charity regulator(s)	139
Guidance from charity umbrella ...	50
Guidance from external advisers ...	160
Guidance from professional bodies	54
Example trustees' annual reports	86
Don't use any	9
Don't know	23
Other	18

297 respondents. Respondents could select more than one option.

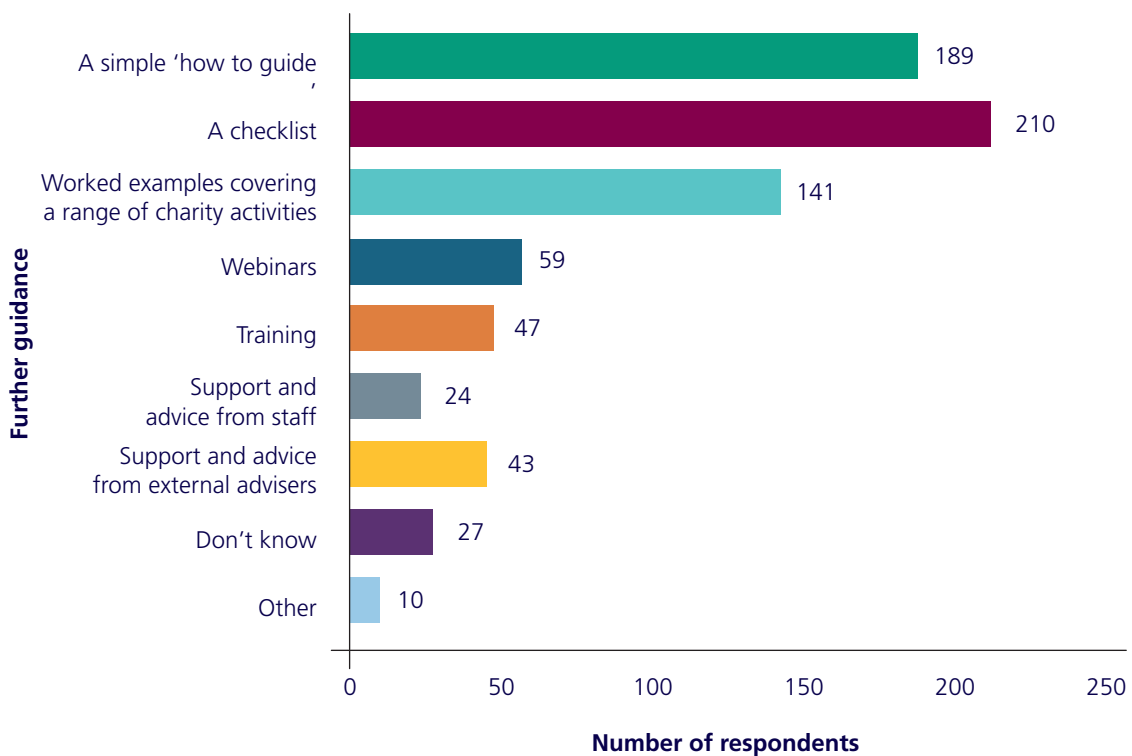
The most popular resources referred to by respondents when preparing the TAR are the SORP itself and guidance from external advisers. This is interesting because responses to question 12 suggested that just 20% of respondents used the SORP website.

The 18 'other' sources identified ranged from people drawing on their 'day job' experience to depending on the external auditors, using the previous year's TAR as a template or accessing the guidance offered as being part of a larger charity within a branch or group structure.

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

## Question 16: What further guidance would help you in preparing the Trustees' Annual Report? (please select all that apply)

This question supplements the previous one to ascertain what gaps there currently are in the resources available to trustees to help them with the TAR.



297 respondents. Respondents were encouraged to select all options that applied to their experience or situation.

The option of a 'checklist' and a 'how-to guide' for respondents were the most popular additional resources identified, followed by worked examples covering a range of charity activities. This information will be of interest to those organisations supporting charities.

There was no single common 'other' guidance identified, but the range included more templates, feedback from funders and information on reporting impact.

The second half of the questionnaire provided respondents with an opportunity to provide more free form text. It was hoped open-ended questions would add a richer detail to the overall survey.

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

## Question 17: How could information presented about your charity’s mission, objectives, activities, achievements, performance and public benefit be improved from your perspective as a trustee?

The following themes and comments were provided in the 169 substantive responses received. There were over 30 individual themes identified in the responses. The most popular themes are covered in the table below, ranked by the number of times they are mentioned by respondents. Each suggestion was supported by at least two respondents.

It should be noted that some respondents made several suggestions within their response.

Theme	Ranking
Simplify the information (and the process)	1 (30 responses)
Improve impact reporting	2 (25 responses)
Make more inviting (use of graphics, increase flexibility and less ‘tick box’ in approach)	3 (23 responses)
Shorten reports/statements	4 (14 responses)
KPIs/benchmarking	5 (11 responses)
More support resources (templates, checklists, examples)	6 (9 responses)
Remove public benefit reporting	7 (5 responses)
Reduce repetition	= 8 (4 responses)
Introduce standard questions (board prompts to address specific issues)	= 8 (4 responses)
Improve ‘storytelling’ by the charity	= 10 (3 responses)
Introduce a standardised format	= 10 (3 responses)
Include in-year/more up to date information (not just historical information)	= 10 (3 responses)
Clarify restricted/unrestricted funds	= 13 (2 responses)

Forty respondents believed the current information requirements were satisfactory and did not need changing.

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

*It can be quite dry and impersonal  
which isn't engaging a read as  
an impact report.*

*It is perfectly adequate  
as it is.*

*The SORP version is highly  
specified and unintelligible to most  
supporters and beneficiaries, though  
very useful to major funders.*

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

## **Question 18: How could the information presented about your charity's principal risks and uncertainties and how they are managed be improved from your perspective as a trustee?**

The pandemic has challenged the sector in a way previously rarely considered and has impacted more broadly on recognising and managing risks, both internal and external, to the way the charity undertakes its activities.

The 133 substantive responses to the question were very diverse, with few consistent themes emerging and often competing in positions taken.

The table below pulls together the broad themes recognisable within the responses received.

More detail should be provided, including: more up to date information; greater honesty (a balanced account of the situation); list risks; link to risk appetite; and highlight risk mitigation(s).	Simplify the process and introduce a standard simple statement.	The use of graphs, tables, heat maps and other visual information to explain risks.
Use less technical language and ensure consistency in the use of terminology.	Make explanations of risks more tangible by linking to the ability to deliver charitable purposes.	Greater resources and support to help trustees, such as templates, case studies, checklists and examples.

Within the 133 responses, 25 respondents clearly stated they were happy with the current arrangements.

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

*I think there is a tendency to make reasonably meaningless statements in the TAR regarding risks because commercially or financially sensitive risks are worded in a more careful way to ensure they don't inadvertently do harm.*

*Greater honesty and balance between the document as a PR tool promoting the charity and a realistic account of the challenges.*

*I think we state our risks and uncertainties very clearly and even more so for 2020 with the COVID-19 pandemic.*



# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

## **Question 19: How could the information presented about your charity’s approach to reserves and the reserves policy (including any explanation as to any difference between planned and actual reserve levels) be improved from your perspective as a trustee?**

The reporting of risk has been subject to Charity Commission for England and Wales research in the past with a conclusion that there is a need to improve this area of charity reporting.

Twenty-seven respondents did not feel the presentation of information about reserves could be improved, from their perspective. The table below provides a ranking of the themes emerging from the substantive responses received (128). Each theme was suggested by more than one respondent, and many respondents had more than one suggestion.

Theme	Ranking
Greater detail as to the purpose of reserves, how they are calculated and why there may be a difference between intended and actual reserve levels.	1 (27 responses)
Clearer guidance and explanations as to designated reserves, unrestricted reserves, free reserves, capital etc. and what can be included in a reserves policy.	2 (21 responses)
More resources for trustees, such as: worked examples, case studies, training, guidance and glossary.	3 (17 responses)
Simplify the process and presentation required.	4 (14 responses)
Use plain English and avoid the use of technical language or ‘jargon’	4 (13 responses)
Provide a better link between reserves and the risks of the charity	= 5 (7 responses)
Develop a standard methodology for calculating reserves for charities to use	= 5 (7 responses)
The use of a tabular format for presenting the information	7 (6 responses)
Greater standardisation of the information presented	8 (5 responses)

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

*Using a much plainer explanation and avoiding the usual technical terms which are not meaningful to the person on the Clapham omnibus.*

*A clear definition of what the reserves policy needs to cover and how it relates to strategic and operational risks.*

*Can already be adequately explained within the existing framework.*

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

## Question 20: How could the information presented about your charity's future plans and lessons learnt be improved from your perspective as a trustee?

This question was asked of large charities only, however, responses were received for some not representing a large charity, but which have not been included in the following overview. Consequently, the number of respondents answering this question substantially dropped to 88, with 15 stating they did not think this information could be better presented. Of the remaining responses, the following themes were the most prevalent (listed in descending order):

- Encourage more honesty in the reporting of lessons learned, at present, there is insufficient encouragement to adopt a 'warts and all' approach (commercial sensitivity, attracting funder/donors etc.);
- More resources for trustees to help them deliver this information in a meaningful manner;
- Greater detail to include background information/context, financial impact of plans and timescales; and
- Link the statement to risks, finances, including 'going concern' issues, strategic plan and impact delivered.

*The lessons learnt areas seems often overlooked.*

*Tension between reporting ambition for the future and a realistic assessment of what can be achieved in a year – different audiences for the accounts.*

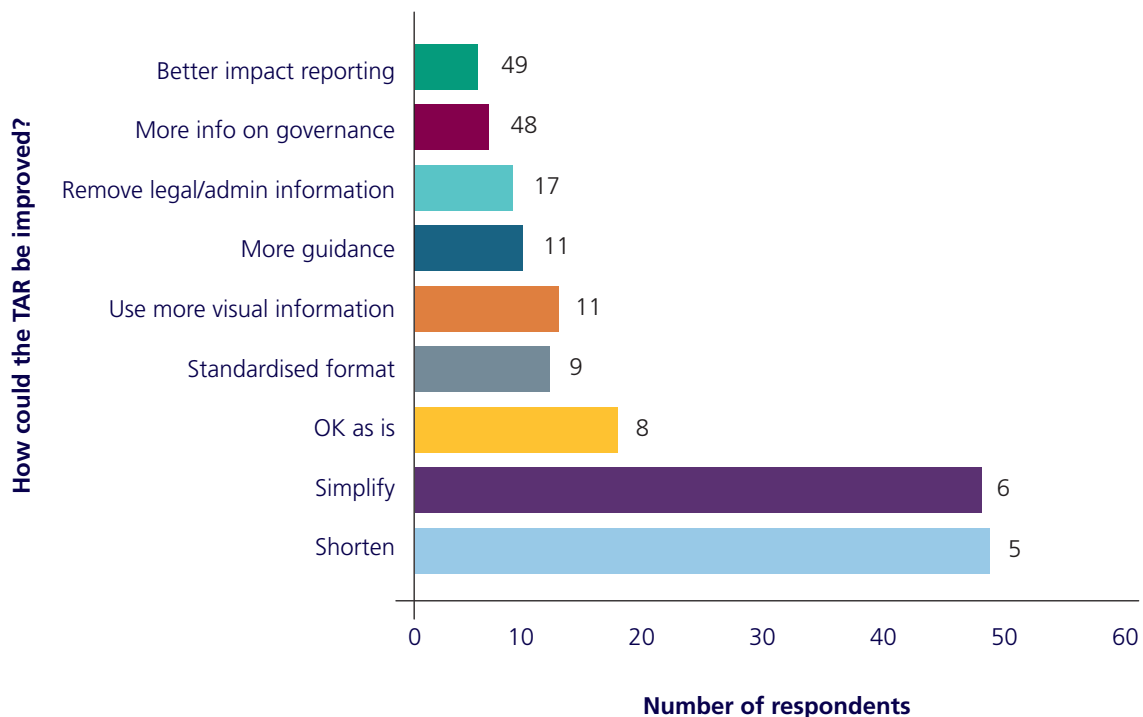
*I think we do a good job. The SORP gives you flexibility to do it.*

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

## Question 21: Thinking about the Trustees' Annual Report, what, if any, suggestions do you have for its improvement, e.g. reduction in information required, issues not currently included, simpler presentation of information etc.?

The TAR is the opportunity for a charity to explain what it does and should be of interest to a wide range of stakeholders, including potential funders, staff, volunteers and beneficiaries. It should tell readers about the charity's activities, where the charity's money comes from and how that money has been spent in the previous 12 months. It is therefore, one aspect of the annual report and accounts which should help to tell the story of the charity in fulfilling its charitable purposes and providing public benefit. However, responses to the survey suggest trustees are not as supportive of the current format as they are with other aspects of the annual report and accounts.

The most popular themes identified in the 163 substantive responses received are covered in the graph below.



However, the results from question 11 highlighted over half of the responses received supported the current TAR framework.

Within the feedback to this question a recurring theme related to who reads the TAR. This mirrors responses to other questions asking who the intended audience for annual reports and accounts is.

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

*I very much doubt that external stakeholders spend much, if any time, reviewing this information.*

*As a trustee, I am more concerned about how these issues are considered and addressed in the regular meetings rather how they are reported in a document few people read.*

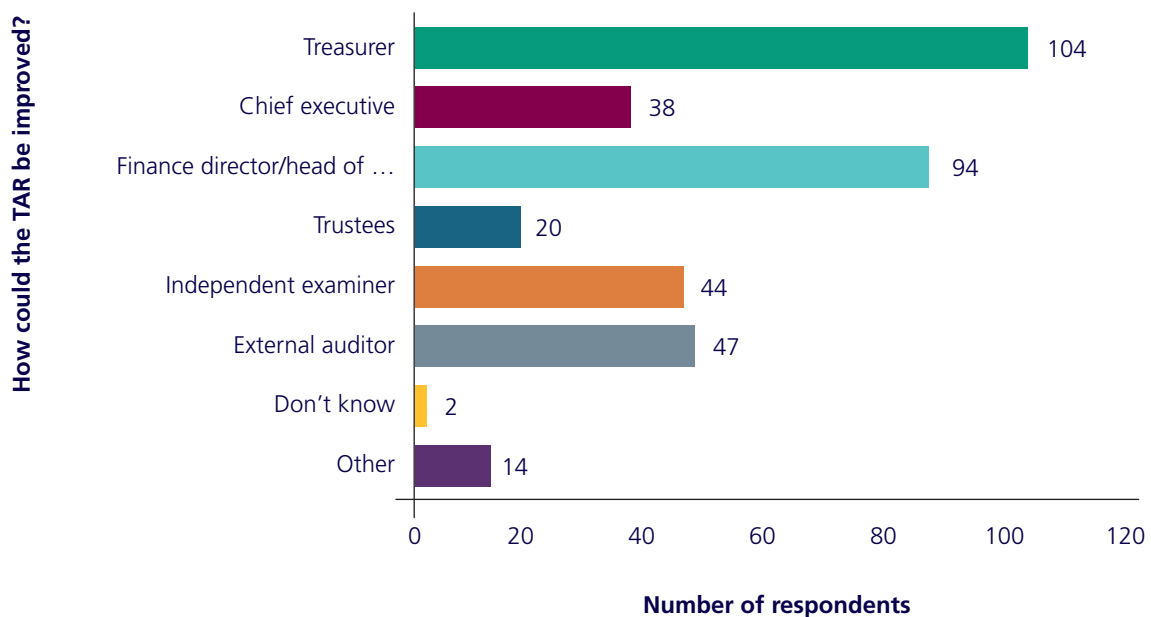
*There is a lot of stuff that doesn't add anything and in a digital age could be picked up elsewhere (trustees, legal advisers, administrative information). The report and accounts don't need all this extra stuff!*

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

## About the financial accounts

### Question 22: Who prepares the financial statements (defined for these purposes as the accounts and accompanying notes) in your charity? (please select all that apply)

As raised in question 13, trustees may delegate certain functions to an individual or group of individuals (such as a committee), including the preparation of the charity's financial statements. This question sought to identify the main sources of support actions for the preparation of financial accounts.



218 responses. Respondents were encouraged to select all options that applied.

The treasurer (48% of respondents selected this option) and the finance officer (43%) were identified as the two primary leads in preparing the financial statements.

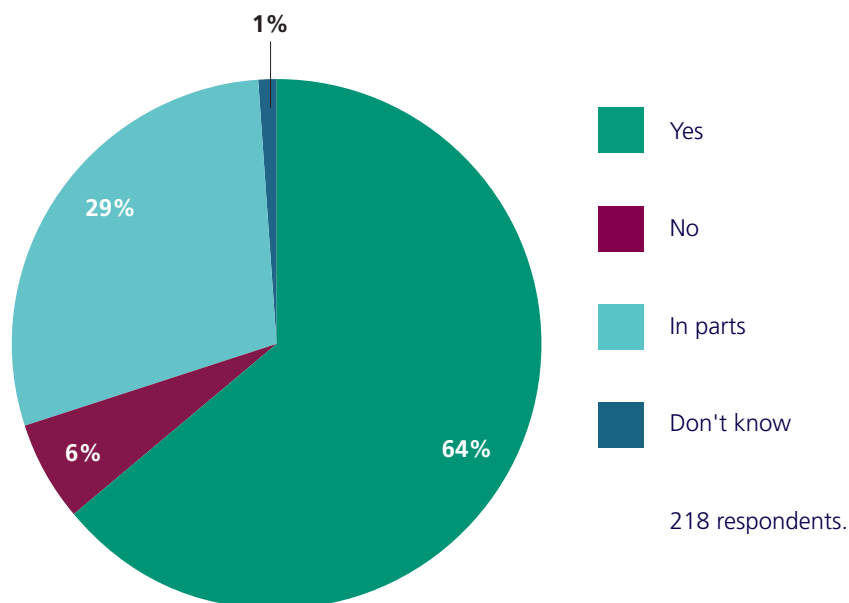
Only 22% had support from an external auditor with 20% of respondents opting for an independent examiner as providing support in the preparation of financial statements. This seems to be a low figure given that responses to question 10 supported an overwhelming use of these financial professionals preparing Charities SORP compliant annual reports and accounts.

Those who identified 'other' people as being responsible for the preparation of financial statements included accounting firms, other members of staff and the chair of the finance committee.

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

## Questions 23: Do you find the financial statements useful to you as a charity trustee?

The financial literacy of trustees can be patchy, with anecdotal evidence suggesting that there can be an over-reliance on the skills and knowledge of those trustees with a financial background. This question aimed to gain an insight into what financial information was of most use to trustees in performing their duties.



The majority of respondents said they found the financial statement useful to them in their trustee role. Nearly a third (29%) of respondents said the information was only useful in part. As only 6% believed the financial statements were not useful, it is easier to assume that the financial statements are useful to trustees in fulfilling their duties.

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

## Question 24: As a trustee, where do you get your financial information about the charity, apart from the financial statements? (please select all that apply)

In addition to the previous questions, the survey asked what other financial information trustees access to understand the financial situation of the charity.



218 responses. Respondents could choose more than one option in response to this question.

Responses to this question suggest trustees rely on the normal governance and management practices of board papers and management accounts for financial information about the charity. However, 87 respondents said they access publicly available information (such as the annual review, the charity's website, the regulators' website or stakeholder communications) for financial insight into the charity.

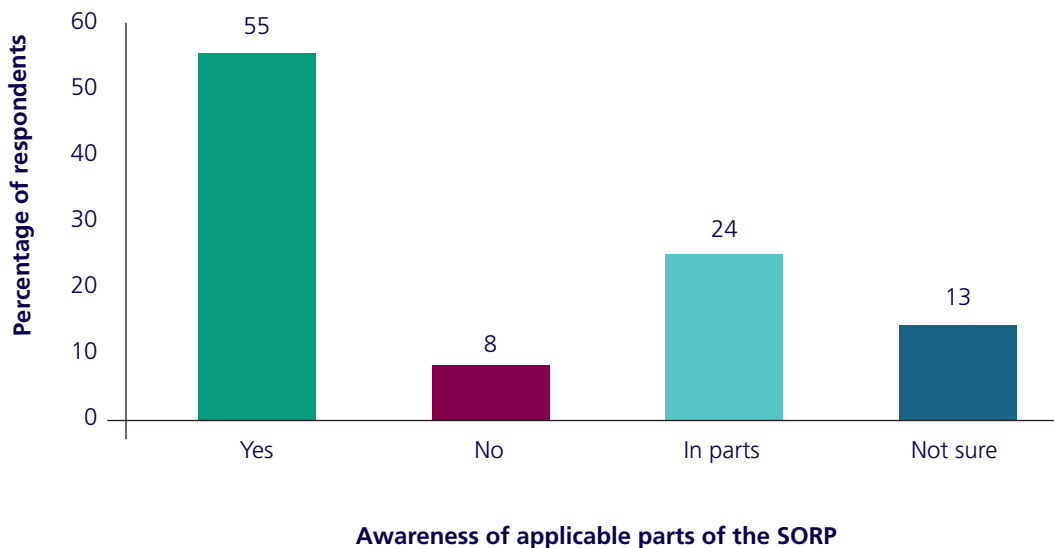
'Other' responses tended to include papers that would constitute part of regular meeting packs or management accounts. One respondent referred to information from investment managers.



# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

## Question 25: As a trustee, are you aware of which parts of the current Charities SORP apply to your charity?

In question 8 the survey asked in the charities represented by the respondents applied the Charities SORP, with 81% of respondents emphatically answering 'yes'.



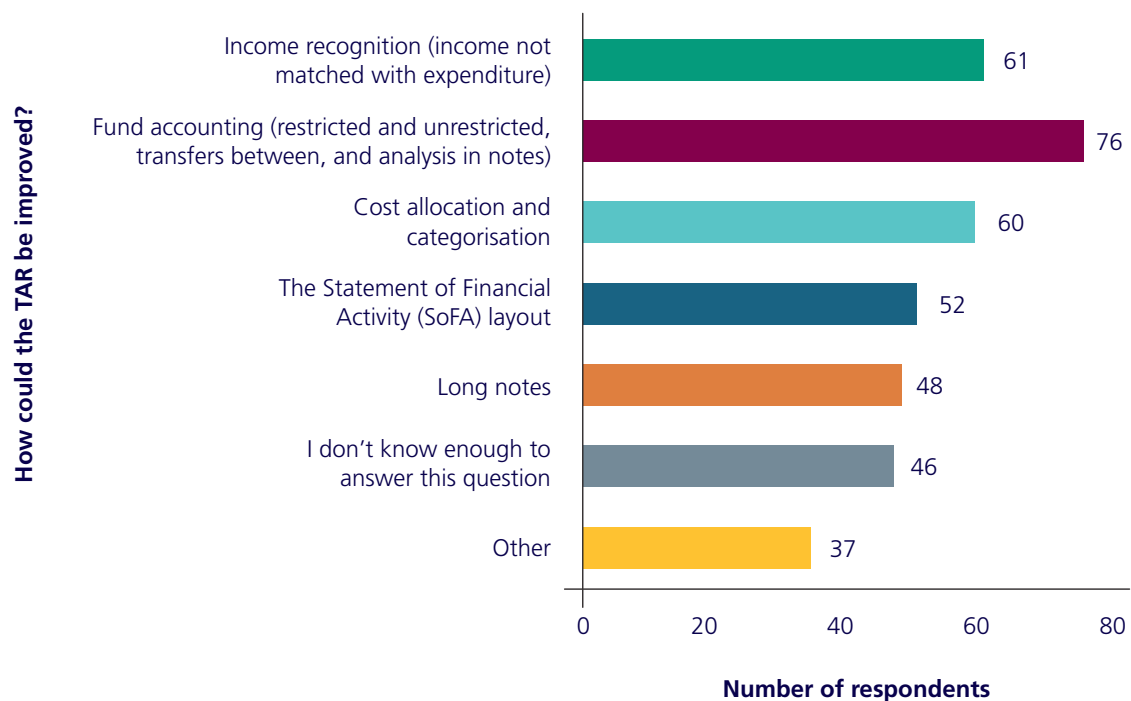
218 respondents.

Over half (55%) of respondents said they knew which parts of the SORP applied to their charity, however, 45% were not so sure. It is debatable as to whether all trustees on a board should be intimately aware of the Charities SORP and the aspects that directly apply to their charity. The nature of collective responsibility would suggest that trustees should not rely on one or two colleagues for this information and more training and awareness on the Charities SORP might be of value to the wider body of trustees across the sector.

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

## Question 26: As a trustee, which aspects of the accounting requirements need improving? (please select all that apply)

The final question provided respondents with the opportunity to identify a pre-selected number of areas which might benefit from review and amendment.



218 respondents. Respondents were free to select more than one option on response.

There was a broad range of acknowledgement that key aspects of the accounting requirements could do with being improved. In priority order, in terms of the number of respondents selecting the option, the areas requiring improvement include:

- Fund accounting
- Income recognition
- Cost allocation and categorisation
- SoFA
- Long notes.

Five respondents did not believe there was a need for any improvement in the categories suggested within the Charities SORP.

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

‘Other’ suggestions submitted offered an insight into the general knowledge of the SORP by respondents. Many were quite technical and sometimes incredibly detailed, in their suggestions. The table below ranks the themes submitted for improvement, in terms of frequency of mentions by the people offering feedback.

Theme	Ranking
Format, language and structure (e.g. the current SORP being too complicated, technical, inconsistent or repetitive)	1
Pensions	2
Fundraising	3
Investments	= 4
Deferred income (including grants)	= 4
Unrestricted income	= 6
Donations and grants	= 6
Restricted funds	= 6
Activity costs	= 6
Legacies	= 6
Debt/risk	= 6
Accountants acting as independent examiners	= 6

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

## Concluding comments

There appeared to be a significant level of awareness and understanding of the Charities SORP amongst respondents to the strand's survey. This could be because the survey was promoted widely amongst the charity accounting sector (professional body stakeholders) and a large proportion of respondents represented charitable companies.

Consistent themes that occurred regularly throughout the substantive responses included:

- The complexity of the Charities SORP for volunteer trustees not in possession of recent and relevant financial knowledge;
- Not having a clear understanding as to who the intended audience is;
- A suspicion the reports are not read, even by regulators and is just a 'tick box' compliance exercise;
- There appears to be a dichotomy between those that want more freedom and flexibility to tell their story in a meaningful manner and those that would prefer greater standardisation to ease production and comparison; and
- A desire to use more visual approaches to deliver key information.

It is interesting to note that a report arising from another survey promoted by the SORP Grantmakers Engagement Strand highlighted similar issues. During the six month period, two other SORP Engagement Strands developed and promoted other surveys aimed at their respective audiences: the Association of Charitable Foundations (ACF), Scottish Grantmakers and Philanthropy Ireland; and a separate survey aimed at charities in Ireland. The Charity Finance Group also launched its annual Charities SORP survey in January 2021.

The survey results<sup>6</sup> from the grantmakers strand identified that those offering grants to charities will make wide use the applicant's annual report and accounts. It is also worth noting that the survey highlighted similar areas worthy of review:

- Overall complexity (format, structure, language and technical nature of some aspects of SORP accounts);
- TAR;
- Reserves;
- Income and expenditure; and
- Compliance.

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<sup>6</sup> The report can be found at <https://www.acf.org.uk/downloads/publications/SORPEngagement-GrantMakersSurvey-Report-Dec2020.pdf>.

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

As mentioned in the survey, the experiences of trustees responding to the survey will be informed by a range of factors including:

- The financial background and experience of respondents;
- The legal structure of the charity;
- The country of registration;
- The size of the charity and the resources available (internally and externally) to support the board and its committees; and
- The collective experience, skills and knowledge of the trustee board.

The findings of the trustee survey were incredibly helpful in highlighting the experiences of trustees in trying to use and comply with the Charities SORP. The Trustee Engagement Strand is currently unable to share the full report and recommendations submitted to the SORP Making Body,<sup>7</sup> but a summary of recommendation themes are provided below to demonstrate how the survey findings have influenced the strand's thinking and suggestions:

The length, terminology and accessibility of the Charities SORP for those without an accounting background.

Different thresholds depending on the organisational structure and geographical area of operation, registration and regulation.

The step between receipt and payment accounts (R&P) and SORP accounts.

The identification and reporting of reserves, including the designation of funds.

More accurate reporting of pension scheme deficits.

Improving the reporting of governance arrangements and their effectiveness.

Making the link between the narrative and financial performance more holistic in order for charities to better 'tell their story'.

Improving the range and number of resources for trustees to help them implement the SORP and present the required information to a range of stakeholders.

<sup>7</sup> It is hoped the full report will be available on the strand's SORP microsite once the SORP Making Body has considered the recommendations submitted by each engagement strand.

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

The findings of this survey should be of interest to the SORP Committee and SORP Making Body along with charity regulators and Companies House in establishing ways in which a charity's annual report and accounts could be improved for a range of users. It is hoped this report and its findings are also of interest to a broader range of stakeholders including independent examiners, auditors, software providers, umbrella and infrastructure bodies, charities and trustees.

The SORP Trustee Engagement Strand acknowledges the recently announced consultation on the audit regime of companies, specifically the responsibility of directors in signing off accurate annual reports and accounts. The role of trustees, and therefore directors, in charitable companies may be impacted by any changes to the auditing regime. This report is offered for consideration by BEIS as an insight into the current experiences of auditing regime by charitable companies. Further, more detailed, responses to that consultation will be made by individual organisations represented on the strand.

The SORP Trustee Engagement Strand is grateful to everyone who contributed their time, experiences and insights to the questionnaire. Thank you.

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

## Appendix A: Survey questions

*The following is the full text and questions of the SurveyMonkey questionnaire which ran from 23 October to 7 December 2020. It is included here for ease of reference.*

The Charities Statement of Recommended Practice (SORP) provides guidance to those involved with preparing charity accounts. It details the legal requirements and good practice regarding how to prepare ‘true and fair’ accounts in accordance with UK accounting standards. All charities registered in England, Northern Ireland, Scotland and Wales must use the SORP to prepare their accounts unless the trustees have opted to prepare receipts and payments accounts and their charity is a non-company charity which had an income of £250,000 or less in the reporting period. Charities registered in the Republic of Ireland can choose to adopt the SORP. The SORP covers both the financial and non-financial performance (including the Trustees’ Annual Report (TAR)) of a charity in the previous 12 months, providing readers with an insight into how the charity has fulfilled its charitable purposes and how it has used its resources. The production and approval of the annual report and accounts is the responsibility of all the charity trustees, not just the trustee with an interest, or expertise, in finance.

However, the SORP can be an alien document to many charity trustees: too long, too much jargon, overly technical or unrelatable to the work of the charity. This can mean that many charity annual reports and accounts are non-compliant, of poor quality or otherwise unhelpful to a range of readers.

The Charities SORP Trustee Engagement Strand has been tasked with helping the SORP-making Committee develop the next SORP, from the specific perspective of charity trustees. We, therefore, seek the help of trustees to understand their:

- Awareness of the SORP;
- How, if at all, they engage with the development of their charity’s annual report and accounts;
- What resources trustees need to help prepare their annual report and accounts;
- What aspects of the charity annual report and accounts are unhelpful or otherwise unnecessary.

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

The questionnaire is aimed primarily at existing or recently retired trustees of charities registered or operating in Wales, Scotland, the Republic of Ireland, Northern Ireland and England. It shouldn't take long to complete, but the experience of trustees could help to fundamentally change future SORPs to ensure they are fit for purpose for the charities it covers.

You can complete the survey anonymously until 7 December 2020.

Further information about the Charities SORP can be found at [www.charitySORP.org](http://www.charitySORP.org)

## About you and your charity

Q1. What best describes your current position? (please select one)

- Current charity trustee, including chair or treasurer
- Recently retired charity trustee (retired within the last 24 months)
- Experienced ex-trustee looking for a new charity trustee position
- Other, please state

Q2. What is the legal form of your charity? (please select one)

- Trust (deed or will)
- An unincorporated association
- Company limited by guarantee (a charitable company limited by guarantee/CLG)
- Company limited by shares (CLS)
- Charitable incorporated organisation (CIO)
- Scottish charitable incorporated organisation (SCIO)
- Scheme
- Royal Charter
- Act of Parliament
- Community benefit society
- Don't know
- Other, please state



# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

Q3. What is the annual income of your charity? (please select one)

- £0–£10,000 (€0–€11,00)
- £10,001–£25,000 (€11,001–€27,500)
- £25,001–£250,000 (€27,501–€275,000)
- £250,001–£500,000 (€275,001–€550,000)
- £500,001–£1m (€550,001–€1.2 m)
- £1m–£5m (€1.2m–€5.5m)
- £5m–£10m (€5.5m–€11m)
- £10m–£20m (€11m–€22m)
- £20m–£50m (€22m–€55m)
- £50m–£100m (€55m–€110m)
- £100m+ (€110m+)

Q4. What is the main focus of your charity's activities ?

- Prevention or relief of poverty or economic hardship
- Advancement of education
- Advancement of religion
- Advancement of health
- The saving of lives
- Advancement of citizenship or community development
- Advancement of the arts, culture, heritage or science
- Advancement of amateur sport or participation in amateur sport
- Advancement of human rights, conflict resolution or reconciliation
- Advancement of peace and good community relations
- The promotion of religious or racial harmony
- The promotion of equality and diversity
- Advancement of environmental protection or improvement
- Relief of those in need by reason of youth, age, ill health, disability, financial hardship or other disadvantage
- Advancement of animal welfare
- Promotion of the efficiency of the armed forces of the Crown
- Promotion of the efficiency of the police, fire and rescue services or ambulance services
- Provision of recreational facilities or the organisation of recreational activities, with the object of improving the conditions of life for the persons for whom the facilities are primarily intended
- Other charitable purposes, please state

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

Q5. Which charity regulator(s) is your charity registered with (select all that apply)

- Charity Commission for England and Wales
- Charity Commission for Northern Ireland
- Charities Regulator (Republic of Ireland)
- Office of the Scottish Charity Regulator
- None of the above, please state

Q6. How many trustees do you currently have?

- 3
- 4–9
- 10–15
- 15–20
- More than 20 (please state)

Q7. How many staff does the charity employ?

- None
- 1–10
- 10–25
- 25–50
- 50–100
- 100–500
- More than 500 (please state)

## **About your charity and the Charities SORP**

Q8. Does your charity apply the Charities SORP to its annual report and accounts?

- Yes
- No
- Don't know

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

Q9. If you apply the Charities SORP, what is the reason for doing so (select all that apply)

- Legal requirement (charity or company law)
- Regulatory requirement
- Requirement of the charity's governing document (e.g. articles of association, rules, scheme etc.)
- Requirement of a funder
- To provide a 'true and fair' view of the accounts
- Trustee board believes it is good practice
- Independent Examiner/Auditor advised that it is good practice
- Senior member of staff told us it was compulsory
- Senior member of staff said it was good practice
- Not sure, we thought that all charities had to apply it
- Other, please state
- Don't know

Q10. If the charity applies the Charities SORP, does it undertake (please select one):

- An external audit
- An independent examination
- Don't know
- Other, please state

Q11. As a trustee, do you think that the Charities SORP provides a useful framework for a) the Trustees' Annual Report and b) presenting and reporting the financial information of a charity? (please select all that apply)

- Useful for the Trustees' Annual Report
- Neutral as to whether useful or not for the Trustees' Annual Report
- Not useful for the Trustees' Annual Report
- Useful for presenting and reporting the financial information
- Neutral as to whether useful or not for presenting and reporting the financial information
- Not useful for presenting and reporting the financial information
- Don't know
- Please provide further information

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

## About the Trustees' Annual Report (TAR)

Q12. As a trustee, how do you stay up to date with developments in the Charity SORP?  
(please select all that apply)

- SORP website
- Communications from the charity regulator(s)
- Communications from professional advisers
- Communications from sector support and umbrella bodies
- Sector press
- Social media
- Webinars and training events
- Updates from a professional body (of which you are a member)
- Other, please state
- Don't know

Q13. Who prepares your charity's Trustees' Annual Report (TAR)? (please select all that apply)

- chair of trustees
- treasurer
- Trustee board
- chair of the audit or finance and general purposes committee
- Chief executive
- Other staff (please state)
- Volunteers
- Others, external to the charity (please state)

Q14. As a trustee, how involved are you in the preparation of the Trustees' Annual Report? (please select one)

- Significantly involved
- Some involvement
- Very little involvement
- Not involved
- Don't know

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

Q15. What guidance do you refer to when preparing the Trustees' Annual Report?  
(please select all that apply)

- Charities SORP (FRS102)
- Guidance from charity regulator(s)
- Guidance from charity umbrella bodies
- Guidance from external advisers (audit or accounting bodies, independent examiners)
- Guidance from professional bodies
- Example Trustees' Annual Reports
- Other, please state
- Don't use any
- Don't know

Q16. What further guidance would help you in preparing the Trustees' Annual Report?  
(please select all that apply)

- A simple 'how to guide'
- A check list
- Worked examples covering a range of charity activities
- Webinars
- Training
- Support and advice from staff
- Support and advice from external advisers
- Other, please state
- Don't know

**Trustees are responsible for preparing, reviewing and/or approving the Trustees' Annual Report. The following questions (Q17–Q21) relate to specific aspects of information presented in the Trustees' Annual Report.**

Q17. How could information presented about your charity's mission, objectives, activities, achievements, performance and public benefit be improved from your perspective as a trustee?

- Free form text box

Q18. How could the information presented about your charity's principal risks and uncertainties and how they are managed be improved from your perspective as a trustee?

- Free form text box

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

Q19. How could the information presented about your charity's approach to reserves and the reserves policy (including any explanation as to any difference between planned and actual reserve levels) be improved from your perspective as a trustee?

- Free form text box

Q20. This question is for trustees of large charities (an income of £500,000/€500,000). If your charity does not meet this definition, please go to Q21. How could the information presented about your charity's future plans and lessons learnt be improved from your perspective as a trustee?

- Free form text box

Q21. Thinking about the Trustees' Annual Report, what, if any, suggestions do you have for its improvement, e.g. reduction in information required, issues not currently included, simpler presentation of information etc.?

- Free form text box

## **About the financial accounts**

Q22. Who prepares the financial statements (defined for these purposes as the accounts and accompanying notes) in your charity? (please select all that apply)

- treasurer
- Chief executive
- Finance Director/Head of Finance (or similar)
- Trustees
- Independent examiner
- External auditor
- Other, please state
- Don't know

Q23. Do you find the financial statements useful to you as a charity trustee?

- Yes
- No
- In parts
- Don't know

# The SORP Trustee Engagement Strand trustee questionnaire: Feedback report

Q24. As a trustee, where do you get your financial information about the charity, apart from the financial statements? (please select all that apply)

- Management accounts
- Board papers (including papers from the finance committee, or similar)
- Annual review
- Charity website
- Regulators' website
- Stakeholder communications
- Other, please state
- Don't get any other information

Q25. As a trustee, are you aware of which parts of the current Charities SORP apply to your charity?

- Yes
- No
- In parts
- Not sure

Q26. As a trustee, which aspects of the accounting requirements need improving? (please select all that apply)

- Income Recognition (income not matched with expenditure)
- Fund accounting (restricted and unrestricted, transfers between, and analysis in notes)
- Cost allocation and categorisation
- The Statement of Financial Activity (SoFA) layout
- Long notes
- I don't know enough to answer this question
- Other, please state:

Thank you for your help with the work of the Charities SORP Trustee Engagement Strand. Your responses will help inform our efforts in developing recommendations for the next version of the Charities SORP.

