

## SORP module gateways

### 1 Introduction

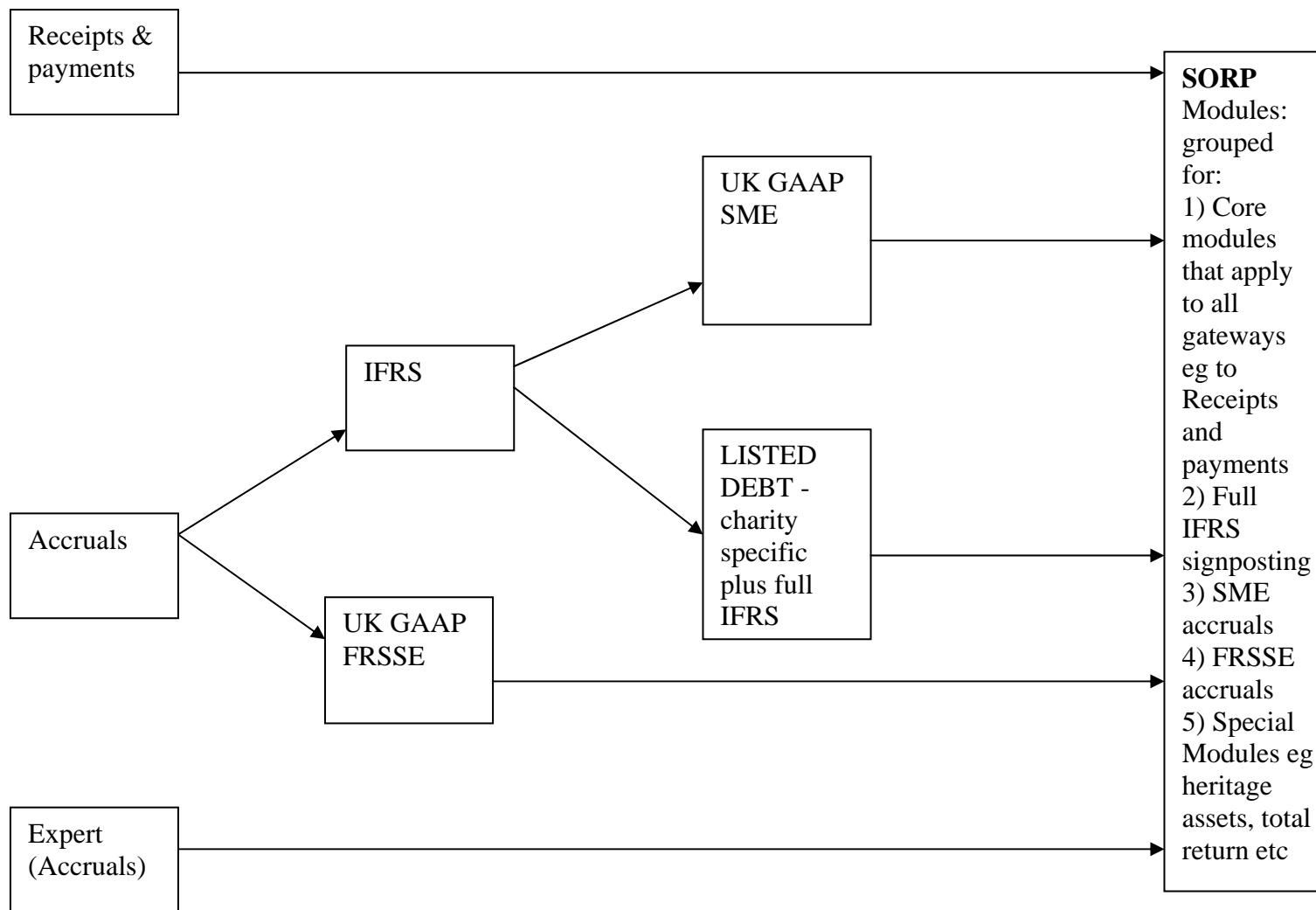
- 1.1 The module approach to the design of the next SORP will facilitate different ways of accessing and navigating the electronic version of the SORP. There will be a number of gateways to the electronic version (e-version) of the SORP on the web. These gateways will guide the preparer (or user) and help them select only those parts of the SORP which apply to their circumstances.
- 1.2 It is hoped the gateways will address two criticisms of the existing SORP. Firstly that it is a one size fits all document suited to the needs of the largest and more complex charities rather than the needs of smaller charities preparing accruals accounts. Secondly that, in a criticism that follows on from this first observation, that it is consequently rather long and is growing in length. In large part this has been a reflection of the complexity of the underlying UK Generally Accepted Accounting Practice (UK GAAP) The e-version would permit the user to access and print only those modules they require.
- 1.3 Currently SORP 2005 is available as a free to download and print PDF file or as a purchased item from an independent publisher at a modest price plus postage and packing. It is proposed to continue free access to the whole SORP with the gateway option labelled 'expert' option will permit the user to select and print all the modules as a mechanism to continue to provide the whole SORP free of charge.
- 1.4 Unlike the e-version, the paper version will be a single printed document. With the use of an index, and division into sections or colour coded to help users find what they need. The print format is not as flexible since it will contain every module and so will not be a tailored content that is applicable only to the user's circumstances. The printed SORP will inevitably be longer than SORP 2005 as it is being written around three sets of standards. So in print version it may be criticised for being even longer than before. This means that the second criticism, that the SORP is long, cannot be effectively addressed by the print version. The emphasis must therefore be on charities using the e-version wherever possible.
- 1.5 The gateways that will enable the user to access only those parts of the e-version SORP relevant to their needs. Its content must therefore be agreed before development work can begin. The e-SORP approach will facilitate the three tiers permitted under the future UK Generally Accepted Accounting Practice (UK GAAP).

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### 2 Gateways to the e-modules

- 2.1 The proposal is to have five gateways designed around the needs of the user. This avoids them having to print off the whole SORP. To avoid the user of the e-version of the SORP having to read the whole SORP and identify what they need to do, the gateway will preselect the modules for them.
- 2.2 The core modules that are essential to their needs are selected and then the user then opts to select any additional special modules that apply to their specific circumstances over and above the core modules. The 5 gateways proposed are:
- Receipts and payments where the module is 'do I need to prepare SORP accounts and trustees' is selected.
  - Accruals prepared under the small and medium sized entities standard (SME standard) developed by the International Accounting Standards Board (IASB) and adopted into UK GAAP as the Financial Reporting Standard for medium-sized Entities (FRSME). The modules selected would include fund accounting and the SME financial statements.
  - Charities with listed debt where accruals are prepared under full International Financial Reporting Standards (IFRS). The modules selected would include fund accounting and an additional IFRS signpost module highlighting the charity specific aspects that must be reflected in the full IFRS compliant financial statements.
  - Accruals prepared under the UK Financial Reporting Standards for Smaller Entities (FRSSE). This option may be time limited if the Accounting Standards Board withdraw the FRSSE in due course. The modules selected would include fund accounting and the FRSSE financial statements.
  - Expert which would allow the user to self select the modules they wish and in this option only there would be the option to download and print all SORP modules.

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**Question:**

**Does the Committee have any comments or views on the proposed gateways to accessing the electronic version of the SORP?**

### 3 Further development

- 3.1 The process of developing the new SORP is an iterative one. As work progresses some topics may not need a module, for example governance costs, which might be incorporated into the SoFA module. Also some topics may be combined for example: groups, charity combinations, associates and joint ventures.
- 3.2 Paper 2.1 maps the anticipated modules against each of the 5 proposed gateways: receipts and payments, UK GAAP FRSME, Full IFRS, and UK GAAP FRSSE. Paper 2.2 lists the modules that are currently expected and shows an outline time table for the SORP Committee to consider the content of those modules.
- 3.3 The final mapping of the gateways is likely to take place once the SORP Committee has considered the majority of the modules and formed a settled view about the modules required. Having the design in place is essential to ensuring that the consultation on the draft SORP can be structured in a way that foreshadows the final product

**Question:**

**Does the Committee agree that the modules assigned to each gateway should be allocated towards the end of the SORP development process?**

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### 4 Conclusion

- 4.1 The development of the new SORP will require computer programming developments to provide the enhanced navigation features required. Free access to the SORP would therefore be available in two formats: a basic print PDF version as now and an electronic interactive version of the SORP. The production of the interactive version will be contingent on the resources being available.
- 4.2 The published version of the SORP will be a paid for publication independently produced. The publishing house will have the freedom to develop paid for electronic versions suitable for viewing on hand held electronic devices.

**Question:**

**Does the SORP Committee have any comments on the proposed electronic and paper copy versions of the SORP that the SORP making body should consider when:**

- **Developing the electronic version of the SORP**
- **Contracting or arranging the preparation of the printed SORP format?**