

## **Taking the Pulse: Progress report on the Stakeholder Roundtables**

### **1 The proposed Roundtables in context**

- 1.1 The Committee agreed at its January meeting that the Secretariat should proceed to organise, with OSCAR, the roundtables as part of the research phase to identify current issues in charity reporting and accounting through an extended dialogue with stakeholders.
- 1.2 The roundtable format was developed to ensure that SORP development pays particular attention to the views and concerns of all stakeholders:
- Organisations representing donors and financial supporters
  - Preparers (small - under the statutory charity audit threshold)
  - Preparers (large – over the statutory charity audit threshold)
  - Auditors and accounting firms
  - Government funders
  - Media and analysts
- 1.3 The Commission and OSCAR websites have been updated for the roundtables with details posted in full or outline for 1 event in Northern Ireland, 1 in Wales, and 17 in England and Wales and 4 in Scotland. To date 2 roundtable events have taken place to date as well as a presentation and discussion forum with members of the Charter Group of accountants.
- 1.4 In addition to the roundtables, a symposium of leading academics is planned for April 2009. The symposium will provide an opportunity to recap on existing and recent research in the field of charity reporting and provide an opportunity to consider the theoretical underpinnings of good quality reporting. The symposium will be held in London.
- 1.5 The organisation of the roundtables has benefitted considerably from partner organisations offering time, resources and facilities. Particular thanks are extended to Queen's University, Belfast, the Scottish Funders Forum, ACCA, ICAEW, CIPFA, Directory of Social Change, New Philanthropy Capital, ACIE (Scotland), Association of Charitable Foundations, HFMA, CFDG, the Commission for the Compact, and the Department for Social Development (Northern Ireland).

### **2 Coverage and content of the roundtable events**

- 2.1 The coverage of events is intended to provide a balance of stakeholder views and to allow the views of particular groups to be identified. As far as practicable the delegate pack materials will be kept comparable to facilitate analysis. However, it is recognised that the introduction to each event need to reflect the background information needs of the audience.

## Taking the Pulse: Progress report on the Stakeholder Roundtables

- 2.2 Stakeholder delegates attending the roundtable are all asked to address a number of key questions in discussion and to complete a questionnaire of 20 key issues in charity reporting and accounting. In addition a form is made available to provide feedback on particular issues and e-mail contact is encouraged where issues are subsequently identified by delegates.
- 2.3 Not all stakeholders are amenable to attending meetings and so to supplement the roundtables, a series of 1:1 interviews are being held with selected funders, foundations and analysts to identify their views on charity reporting and accounting.
- 2.4 Table A identifies the coverage of the events that are agreed and are either arranged or in planning and notes the number of events planned. In addition to those events tables, discussions are at an early stage concerning 2 events for charities in Wales.

**Table A: Coverage of roundtable events**

<b>Lead organiser(s)</b>	<b>Stakeholder group(s)</b>	<b>Number of events agreed</b>
OSCR	All preparers and auditors	1
OSCR	Small preparers and examiners	2
DSDNI/ Queens' University	All	1
DSC	Small preparers	1
CFDG	All preparers	5
CFDG (Consortia)	Large preparers	1
ACF	Foundations	1
ACCA/ ICAEW	Auditors	6
OSCR	All funders	1
ACF	Foundations as funders	1
Compact/ Commission	Government funders	1
NPC	Intermediaries	1
HFMA	NHS funders	1
Commission	Academics	1
<b>Total</b>		<b>24</b>

- 2.5 The stakeholder delegates pack and details of all the events are included on both the Commission's and OSCR's websites:  
<http://www.charitycommission.gov.uk/investigations/sorp/comresearch.asp>  
<http://www.oscr.org.uk/SORP%20research%20programme.stm>

To facilitate feedback an e-mailed post-box facility is also provided on both websites.

## Taking the Pulse: Progress report on the Stakeholder Roundtables

### 3 Preliminary findings

- 3.1 With only two events to date, caution is needed in drawing firm conclusions from these early findings. The CFDG Large Charities Special Interest Group (formerly the Charities Consortium) roundtable had 20 delegates from leading Charities and in a very full discussion there was broad support for the annual report format but scepticism about the value of a number of the policy and governance related disclosures as being that useful to users. If there is to be corporate governance reporting it needs to be structured more coherently. Broadly there was support for the retention of the SoFA format but the terminology used to describe categories of income and expenditure was considered confusing. The format was considered too cluttered with simplification (perhaps reordering categories) seen as an important aim although the importance of presenting restricted funds was generally recognised. Overall the SORP was viewed as a force for good and stewardship reporting seen as the key focus of reporting.
- 3.2 In Northern Ireland the 48 delegates attending were a cross section of preparers, auditors and funders. Delegates provided feedback following group discussions from their perspective as either preparers or funders. Generally delegates were generally satisfied with what the SORP was providing although the need for simplicity and brevity was noted. Funders (including Government) and financial institutions were recognised as the main users of accounts although the stewardship value of reporting for the trustees themselves was recognised as important. The value of reporting performance generally recognised as important. Terminology used in SoFA was an issue as was capital grant accounting and use of designations for some. The key message was perhaps the SORP was on the right track - but simplify disclosures where possible.
- 3.3 Feedback from interviews with 12 organisations representing analysts and funders, including Barclays Wealth, Department of Children Schools and Families, Guidestar UK and CAF, has shown strong endorsement of the practical value of the reports and accounts. The accounts are viewed as “an essential part of the assessment of a grant application”. To date no respondent is in favour of further simplified reporting for smaller charities, with any relaxation seen as likely to require substitution of supplementary information and to otherwise disadvantage smaller charities. The SORP is seen as maintaining the quality of charity accounting and reporting and the consistency in reporting the SORP has brought is viewed as an essential benefit.
- 3.4 Although the SORP e-mail post box facility has been active since 1 September, no submissions have been received to date.

**Taking the Pulse: Progress report on the Stakeholder Roundtables**

**4 Conclusions**

- 4.1 The series of roundtables and interviews are now well underway with the research to be completed by April 2009.
- 4.2 The SORP Committee is asked to note initial preliminary findings from the two roundtables that have taken place and the number and coverage of the roundtables planned or scheduled.

**Questions:**

- 1. Is the SORP Committee content to receive a summary of the findings once the series of roundtables is concluded?**
- 2. Does the Committee agree that the notes from the roundtables should be published as soon as practicable, or should these be delayed until after the Committee has considered the outcome of the full series of roundtables later next year?**
- 3. Is the SORP Committee content to receive a separate paper on the findings from the structured interviews with funders and analysts once all interviews are concluded?**
- 4. Does the SORP Committee agree that where there is a clear consensus on an issue that the key findings should be referred to a Technical Sub-committee to develop proposals for consideration by the full SORP Committee?**
- 5. Does the Committee agree that where there are areas of controversy or disagreement in the feedback from stakeholder groups that the issues should initially be referred to full Committee for further discussion?**