

# Meeting Notes

**Board** Charities SORP Committee

**Date** 16 February 2022

**Time** 10:00 – 11:45

**Venue** Microsoft Teams

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Joint Chair	Laura Anderson Rossa Keown Will Lifford	<i>Office of the Scottish Charity Regulator (OSCR)</i> <i>Charity Commission for Northern Ireland (CCNI)</i> <i>Charity Commission for England and Wales (CCEW)</i>
Members present	Caron Bradshaw Michael Brougham Daniel Chan Tony Clarke Tom Connaughton Diarmaid Ó Corrbuí Noel Hyndman Joanna Pittman Carol Rudge Jenny Simpson Neal Trup	<i>Charity Finance Group</i> <i>Independent Examiner</i> <i>PwC</i> <i>Clarke &amp; Co Accountants</i> <i>The Rehab Group</i> <i>Carmichael Centre for Voluntary Groups</i> <i>Queen's University Belfast</i> <i>Sayer Vincent</i> <i>HW Fisher</i> <i>Wylie and Bisset LLP</i> <i>Neal Howard Limited</i>
Engagement Strand Convenors present	Simon Bostrom  Clare Mills	<i>West Yorkshire Community Accounting Service</i> <i>Convenor - Smaller charities and independent examiners</i>  <i>Charity Finance Group</i>

		<i>Incoming Convenor - Professional and technical (Group A)</i>
	Christine Scott	<i>Institute of Chartered Accountants of Scotland (ICAS)</i>
	John Tranter	<i>Convenor - Professional and technical (Group B) Charity Finance Group</i>
	Tony Ward	<i>Convenor - Professional and technical (Group A) The Wheel</i>
	Sue Wilson	<i>Convenor - Larger charities Sir Jules</i>
		<i>Convenor - Major funders and donors and government and public bodies</i>
In attendance	Alison Bonathan	<i>CIPFA, Secretariat to the SORP Committee</i>
	Sarah Sheen	<i>CIPFA, Secretariat to the SORP Committee</i>
Observers	Jelena Griscenko	<i>The Charities Regulator in Ireland</i>
	Claire Morrison	<i>Office of the Scottish Charity Regulator (OSCR)</i>
	Deirdre O'Dwyer	<i>Charity Commission for England and Wales (CCEW)</i>
	Adrian Wallis	<i>Financial Reporting Council (FRC)</i>
	Amie Woods	<i>Charity Commission for England and Wales (CCEW)</i>
Apologies	Tim Hencher	<i>Scottish Council for Voluntary Organisations</i>
	Gareth Hughes	<i>Diocese of Down and Connor</i>
	Diarmuid McDonnell	<i>UK Data Service</i>
		<i>Convenor - Academics and regulators and proxies for the public interest</i>
	Max Rutherford	<i>Association of Charitable Foundations</i>
	Clare Thomas	<i>Charity Commission for England and Wales (CCEW)</i>
	Louise Thomson	<i>The Chartered Governance Institute</i>
		<i>Convenor - Trustees</i>

**1. Welcome, apologies for absences and declarations of interest**

**Action**

1.1 The Chair welcomed SORP Committee Members and Engagement Strand Convenors to the meeting.

The Chair welcomed Will Lifford (incoming Joint Chair), Adrian Wallis (incoming FRC observer) and Clare Mills (incoming Convenor).

## **1.2 Declarations of interest**

1.3 The Chair noted three standing declarations of interest:

Daniel Chan sits on the CIPFA Charities and Public Benefit Entities Board.

Sarah Sheen has worked substantially for CIPFA on the IFR4NPO project and is secretariat to the CIPFA Charities and Public Benefit Entities Faculty Board.

Caron Bradshaw is a Country Champion for the IFR4NPO project.

## **2. Paper 1: Feedback exercise on the new SORP process**

2.1 Claire Morrison and Deirdre O'Dwyer delivered a presentation on the results of the feedback survey that was conducted in December 2021.

### **2.2 Committee/Convenor Meeting discussion of Paper 1**

2.3 Discussion points and views expressed include the following:

- Responses to questions about secretariat functions. CIPFA provides secretariat support to the Charities SORP Committee but not to the Engagement Strands. It was not always clear whether feedback on secretariat support related to CIPFA or to Engagement Strand secretariat support.
- There was evidence that not all Engagement Strand members were aware of the membership/representation within other Engagement Strands. This suggests there would be benefit to greater information sharing between the Engagement Strands.
- Communication was discussed. It was noted that feedback regarding whether the Charities SORP Committee listened to Engagement Strands suggested some Engagement Strand members had not always felt listened to. A view was expressed that all reports from the Engagement Strands had been considered by the Charities SORP Committee, however, it was not always possible to agree to the suggestions made by the Engagement Strands.
- Clarity over the process for considering reports from Engagement Strands was discussed. Engagement Strand Convenors were not always aware that their reports would be summarised before being considered by the Charities SORP Committee (although it was noted that Committee Members could review the full reports from the Engagement Strands on request).
- Engagement Strands would have appreciated having an agreed format for their reports.
- Should the engagement process follow a similar approach in the future, the process may benefit from increased structure and expectations management.

- It may be useful to involve convenors as the SORP development process progresses to maintain a focus on smaller charities.

The Chair noted that the SORP-making body recognised that the engagement process is new and therefore a learning process would allow for improvement. The Chair commented that the process will continue to work well if any issues are dealt with as they arise.

### **3. Papers 2 and 3: The drafting phase and how we work together**

3.1 The Chair introduced Papers 2 and 3.

The Chair drew attention to uncertainties in the drafting timetable because of uncertainties around the timetable for updates to FRS 102.

The Chair commented that CIPFA will complete most of the drafting. The SORP-making body will contribute to drafting. The role of the Charities SORP Committee in the drafting stage will be to consider and discuss drafts. The Chair highlighted the suggestion in Paper 2 that Engagement Strands would be asked to contribute through fatal flaw review and possibly be asked to contribute to discrete tasks that would utilise Engagement Strand members' specialist knowledge.

### **3.2 Committee discussion of papers 2 and 3**

3.3 Discussion points and views expressed include the following:

- The FRC noted that the planned effective date for FRS 102 has been revised. The FRC expects to issue a Financial Reporting Exposure Draft (FRED) for consultation in 2022, and expects that FRS 102 will now not be effective before 1 January 2025. Given this update, it was agreed that a further Committee discussion on the timetable would now be necessary.
- It was acknowledged that the timetable will be challenging, and the schedule requires consideration of a large volume of content at each meeting. Consideration will need to be given to how best to use the time in the meetings to ensure all voices are heard.
- It was clarified that tiered reporting will be considered at the start of the drafting process, then at every meeting as relevant to the topic group being considered.
- Topics that do not rely on FRS 102 should be prioritised. This will help avoid the need to revisit topics once more is known about the updates to FRS 102.
- It was noted that the Joint Chairs will be meeting with the FRC in the next month to discuss future working.
- Consideration will be required as to if/how any additional guidance will be linked to the SORP.
- Engagement Strands should be kept up-to-date if the drafting timetable is changed.
- The current timetable allows for six weeks between meetings. Following the announcement by the FRC with regard to the effective date of FRS 102, an

Committee  
Members/  
Joint Chairs

eight-week gap would be able to be used to allow time for reflection on Committee Members' feedback during drafting.

- The pros and cons of meeting online rather than face to face were considered. Hybrid meetings were considered unsuitable. If face to face meetings are to be held, consideration would need to be given to the restrictions in different jurisdictions and different workplaces.
- The breadth of knowledge and specialisms in Engagement Strands was noted in support of the suggestion to work with specific Engagement Strand members on specialist areas as relevant.
- As Engagement Strands have already provided feedback on all 15 topics, it was clarified that the intention will be for the Charities SORP Committee to approach Engagement Strands for further input where it is considered this will support drafting. Where the Charities SORP Committee does approach Engagement Strands for further input, clarity will be required on what Engagement Strands are being asked for as conclusions that have already been drawn will not be reopened.
- The Chair clarified that, when drafting, CIPFA will be reviewing the minutes from previous Charities SORP Committee meetings to pick up on matters that have been agreed beyond the 15 topics, such as the need for an index.

An Engagement Strand Convenor advised that they have completed a piece of work on illustrative sets of accounts and offered to share the work. The Joint Chair welcomed this.

Convenor -  
Smaller  
charities and  
independent  
examiners  
engagement  
strand, Joint  
Chairs

#### **4. AOB**

4.1 Dates for future Charities SORP Committee meetings will be agreed by the Joint Chairs and circulated by CIPFA as soon as possible.

Joint Chairs /  
CIPFA

Minutes from the meeting held on 26<sup>th</sup> January 2022 will be agreed electronically.

CIPFA /  
Committee  
Members

The Chair thanked everyone for their contributions and closed the meeting.