

## February 2010 – Charity Commission update

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I personally find that the Charity Commission website news and update section is very useful. I recommend that you take a look at it regularly. Some recent developments are set out below as news bites.

- **Charities Back on Track**

The Charity Commission has published its second report to demonstrate themes and lessons from its compliance work – see [www.charitycommission.gov.uk/track09.pdf](http://www.charitycommission.gov.uk/track09.pdf) which reports that the key themes are around financial management, trustees, vulnerable beneficiaries and political activities & campaigning. It also sets out some case studies which illustrate what can go wrong.

- **Statement of Recommended Practice (SORP) for accounting by charities – taking stock and future reform**

In December 2009, a research report was published regarding the SORP roundtable consultations which took place during the previous 2 years – see <http://www.charitycommission.gov.uk/news/prrs21.asp>. It is worth reading the report or at least the “key findings at a glance” which are positive. Inevitably the research will have had the usual constraints and flaws in that participation will have been from interested parties and not necessarily those who think that SORP reporting is unhelpful.

The Accounting Standards Board has now issued a consultation paper “Policy proposal: the future of the UK GAAP”. IFRS were not drafted with the not-for-profit sector in mind. It is likely that there will be change coming! In addition, the findings will have to harmonise with the current consultation and harmonisation with International Financial Reporting Standards, IFRS, issued by the International Accounting Standards Board. We now have the “IFRS for SME” which is a simplified version of IFRS for small and medium sized enterprises. This is much shorter than the full version of IFRS, and it is written in a clearer style with many relaxations in accounting requirements and disclosures.

The UK Accounting Standards Board issued a consultation paper “Policy proposal: the future of the UK GAAP”. IFRS were not drafted with the not-for-profit sector in mind, so supplementary guidance will be required. Change is coming!

**If you would like to discuss the above, or any other charity issues, please contact Katharine Moss on 01865 261100**