



Prepared by The Wheel – Ireland’s largest support and representative organisation for community, voluntary and charitable organisations (with 850 member organisations).

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Following on from the ASB information session held in Dublin on 12 January 2010 (hosted by the Department of Community, Rural and Gaeltacht Affairs and ICTR), The Wheel invited its members to consider Section 3 of the ASB consultation document regarding *Financial Reporting for Public Benefit Entities*.

Members present considered the following questions:

Q11. Do you agree with the ASB proposal to develop a public benefit entity standard?

In principal, members were of the view that the ASB should develop a public benefit entity standard based as closely as possible on the existing *UK SORP for Financial Reporting by Charities*.

There were a number of concerns that would need to be addressed before unqualified support could be given to a new standard leading to requirements that:

- Public Benefit Entities and Charities in Ireland must be centrally involved in developing, monitoring the implementation of, and reviewing any standard
- A mechanism would need to be found to exempt very small Public Benefit Entities / charities from the requirement to comply with a SORP-based standard (SORP is not currently required in the Irish context)
- an adequate time frame for the implementation of a new Financial Reporting Standard for Public Benefit Entities should be provided
- Transitional supports would need to be made available for many smaller Public Benefit Entities / charities to enable them to make the transition to applying a standard
- Concerns were also raised at the level of fees that could potentially be applied by accounting professionals if instructed to prepare accounts according to a new SORP-based standard

Q12. If you agree with the proposal to develop a public benefit entity standard, should the standard cover all the requirements for preparing true-and-fair-view accounts.

All members agreed that the standard should cover all the requirements for preparing true-and-fair-view accounts (as the SORP currently does). This approach will facilitate trustees and managers of charities to come to a general understanding of the standard and to “take ownership” of their charity’s financial reporting. It would also facilitate the implementation of improved practice in management accounting by charities.

Conclusion

As Ireland’s largest support and representative organisation for community, voluntary and charitable organisations (public benefit entities), The Wheel looks forward to being closely involved in any future consultation on the development of a financial reporting standard for public benefit entities.

If you require further information on the content of this submission, please contact Ivan Cooper, Director of Advocacy: email ivan@wheel.ie