

# Technical Advisory Group

AGENDA ITEM: TAGCP11-02

13 October 2020 – Online

## Feedback on the Draft Consultation Paper – Contents and Introduction

Summary	The paper highlights the main areas of feedback on the Preface and general matters on the Consultation Paper.
Purpose/Objective of the paper	This paper describes at a high level the most significant issues arising from the feedback from TAG and PAG members and the proposed way forward. Detailed edits are included in a track change updated draft of this part of the Consultation Paper included as Annex A. A clean copy is provided as Annex B.
Other supporting items	TAGCP11-03, TAGCP11-04 and TAGCP11-05
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Actions for this meeting	<u>Comment</u> on proposed way forward.

# Technical Advisory Group

## Feedback on the draft Consultation Paper – Contents and Introduction

### 1. Background

- 1.1 A full draft of the Consultation Paper was provided to members of the Technical Advisory Group and Practitioner Advisory Group in July 2020 for internal review. Members were asked to provide their views on the document and were asked to focus on nominated specific areas as well as the Preface, Part 1 and the Glossary.
- 1.2 The Technical Advisory Group were asked to consider specific questions across the documents, particularly about the alternatives proposed in Part 2 and the relationship between Part 1 and Part 2.
- 1.3 The response from members was excellent, with a high degree of engagement across the Advisory Groups. We received a wide range of feedback covering all aspects of the document.

### 2. Key aspects of the feedback

- 2.1 The feedback overall was positive, with members generally of the view that the document was now better organised and easier to read. There were many suggested edits, some of which provided alternative approaches to the original text. The project will review these detailed edits and recommend a way forward. Points of contention will be discussed with individual members.
- 2.2 This paper is focused on the more significant or pervasive issues raised through the feedback, where the issue and the proposed way forward will be discussed. A track change update to the Contents and Introduction is in Annex A to show all the edits proposed. Annex B contains a clean version of the document.

2.3 The PAG met on 24 September to discuss the key points raised in the feedback from Advisory Group members. They were also provided with some proposed textual changes to sections for comment. They were not presented with a full track change updated draft as this had not been finalised at the time of their meeting. Their thoughts on the proposed way forward are included as part of the discussion of the issues in the sections below.

### 3. General issues to be addressed

3.1 Several members flagged issues with the use of terminology across the documents. This was principally around whether different terms were being used to describe the same things. A single term will be recommended where different terms are used to describe the same thing. The terms that came up in the feedback were:

- accrual-based vs accruals-based
- NPO sector vs not-for-profit sector vs non-profit sector
- Income statement vs Performance statement vs Activity statement
- Stakeholders vs users
- Funders vs donor

3.2 Some members raised concerns about the capacity of NPOs to consider all aspects of the Consultation Paper during the consultation period because of the length of the document. A suggestion was made to issue Part 2 to the Consultation Paper at a later date. Delaying consultation on Part 2 would delay progress with the project. However, recognising this risk, it is proposed to stagger the consultation response period, with the deadline for Part 1 and Part 2 three months apart. This would be to give more time for respondents to consider Part 2. The documents would still be issued as a complete package.

3.3 The PAG considered this issue and supported the approach to stagger the responses to Part 1 and Part 2, but with the Consultation Paper to be issued as one complete package.

3.4 There was also a concern by some members that the document was overly technical or that concepts were not explained in simple terms. The Secretariat will be seeking further detail on specific sections, but is interested to understand if there are any aspects of the document that PAG members found more difficult to understand.

3.5 There were various comments about the use of acronyms and the titles of section headings. It is proposed to review these as part of the editing process to

ensure that the purpose of each part of the Consultation Paper is clear from its title.

- 3.6 Some members asked for translation into other languages to be considered. Translation would make the documents more accessible in a number of jurisdictions but comes at a cost. If the documents are translated the question a decision will need to be made about into which languages the document is translated.
- 3.7 At its recent meeting the PAG was of the view that it might be a better use of resource to translate a shorter document with a tailored letter for each sector that explains the value proposition of the project. The suggestion was to translate the Executive Summary and a letter into multiple languages. The PAG acknowledged the difficulty of determining which languages to translate the whole document, noting the expectation is that the responses will be provided in English.

Question 1: What are the TAG's views on the proposed way forward?

Question 2: Are there any other general issues that the project should consider?

#### 4. Issues related to the Preface

- 4.1 The preface is intended to communicate the project objectives (including the problems faced by the sector), the objectives of the CP, how to respond to the CP and help potential respondents navigate the document. The feedback was that the Preface was largely achieving these intentions. Set out below are the key emerging points. These points reflect the ordering of the Preface, not the importance of the points raised. However, it was suggested that the Preface is renamed as 'Introduction' to make its purpose clearer.



- 4.2 It was suggested that a new section be inserted in the Preface ahead of the current section 1 to describe who the document is aimed at. As this is covered in sections 4 and 5 of the Preface, the proposal is to retain the existing text and position and to not put in a new section.
- 4.3 There was a proposal that section 1 be replaced or enhanced by the text in the supplementary material. In order to keep the document as short as possible it is not proposed to not make any add additional material and to maintain the direction to the supplementary information.
- 4.4 Several members thought that the context section (paragraph 1.3) should include comparability and the references to trust should be focused on increasing rather than developing trust. These will be actioned in the next draft.
- 4.5 There were differing views on the inclusion of paragraph 1.5 about Covid-19. Some members raised questions about the evidence to back up the statements made, and other members felt that the paragraph was very useful. The proposal is to retain the paragraph but amend the wording.
- 4.6 One member suggested that paragraph 1.6 be strengthened to say that the Guidance could serve as a basis for a future internationally accepted NPO financial reporting standard and that more generally the language should be shifted from 'internationally applicable' to 'internationally accepted'. Secretariat's view is that it is not appropriate at this point to comment on the future state. The focus will be kept on developing guidance that can be accepted internationally because of the rigour of the process being adopted. As acceptance is a matter for each jurisdiction, use of the proposed term may create unintended difficulties at this point.
- 4.7 Paragraph 2.5, which centres on one of the aims of the Guidance, generated comment. It seems from these comments that the points that are intended to be made in this paragraph are not universally understood. It is proposed to retain the paragraph but amend the wording.
- 4.8 Various editing suggestions were proposed to the objectives. No major changes were proposed. The revised objectives are in the accompanying slide deck.
- 4.9 Paragraph 3.4 addressing who might benefit from the Guidance also attracted several comments. Some thought the sentences were overly long, did not express the diversity of NPOs or did not explain the main beneficiaries. The

wording in this paragraph will be reviewed to reflect this feedback. However, in common with the rest of the Preface, the text will be kept concise with references to other parts of the document where appropriate for further information.

- 4.10 There were also several comments on Paragraph 3.6 about the use that donors might make of the Guidance. The general view was that the text needed to be strengthened. Revisions will be made to reflect the feedback provided.
- 4.11 It was suggested that a new paragraph be added at the beginning of Section 4 to describe what a Consultation Paper is. This will be added, and a reordering made to the paragraphs in this section to align with the new paragraph. This will include the positioning of the chart about the steps in the project.
- 4.12 Several members requested that paragraph 4.5 make clear that members are appointed in a personal capacity and do not represent their organisations. This will be actioned.
- 4.13 It was suggested that an infographic be used at the beginning of Section 5 to describe the different parts of the document and the intended audiences. This idea will be progressed in the next draft.
- 4.14 The description of the use of the glossary was questioned. This will be shortened to focus only on the purpose of the glossary for the Consultation Paper.

Question 3: What are the TAG's views on the proposed way forward?

Question 4: Are there any other significant issues relating to the Preface that the project should consider?