

Technical Advisory Group Issue Paper

AGENDA ITEM: TAGED04 02

December 2021 – Online

High Level Response Summary of Part 2 of the Consultation Paper

Summary	This report provides an overview of the responses received for Part 2 of the Consultation Paper.
Purpose/Objective of the paper	To allow TAG members to consider the high-level summary of consultation responses to Part 2 of the consultation paper and to consider in more detail the responses to the overview section of this part of the Consultation Paper.
Other supporting items	None
Prepared by	Sarah Sheen
Actions for this meeting	<u>Agree</u> the short list of topics for inclusion in the Guidance

Presentation of Financial Statements

Part 1 – Advice Sought

1. Consultation Paper Analysis

- 1.1 TAG will be aware that the Consultation Paper was published on 28 January 2021. Part 2 of the consultation paper closed on 24 September 2021, although an extension of the consultation deadline to 7 October 2021 was made.
- 1.2 The extended consultation deadline resulted in 69 responses. The responses received demonstrate that the consultation had a global reach. This report presents an overview of consultation response statistics. Annexes C to N which accompany this report provide additional detail.
- 1.3 Respondents were invited to respond to individual sections, which has resulted in a variation in the response rate per section, (see diagram 2). The highest response rate was to topic 7 on financial statement presentation at an average of 31 responses.
- 1.4 For most of the questions there was a generally positive response to the description of the issues raised. There was also significant agreement with the alternatives presented and the advantages and disadvantages of those alternatives. Together with the data collected through the outreach process, there is sufficient data to progress the Exposure Draft, however, more input maybe needed in a number of areas where the level of support for different approaches is balanced. Additional analysis will be carried out as each topic is considered in detail.
- 1.5 This report focuses on the specific matters for comment raised in section 0 of the consultation paper which includes the list of issues for NPOs, the criteria used to evaluate the issue and the topics prioritised by phase 1. Generally, there appears to be overall support for the list of NPO specific issues and the criteria used to evaluate the issues. There is a small minority that disagree with those issues prioritised for phase 1. TAG advice is sought on the final list of topics to prioritise for the first set of Guidance.

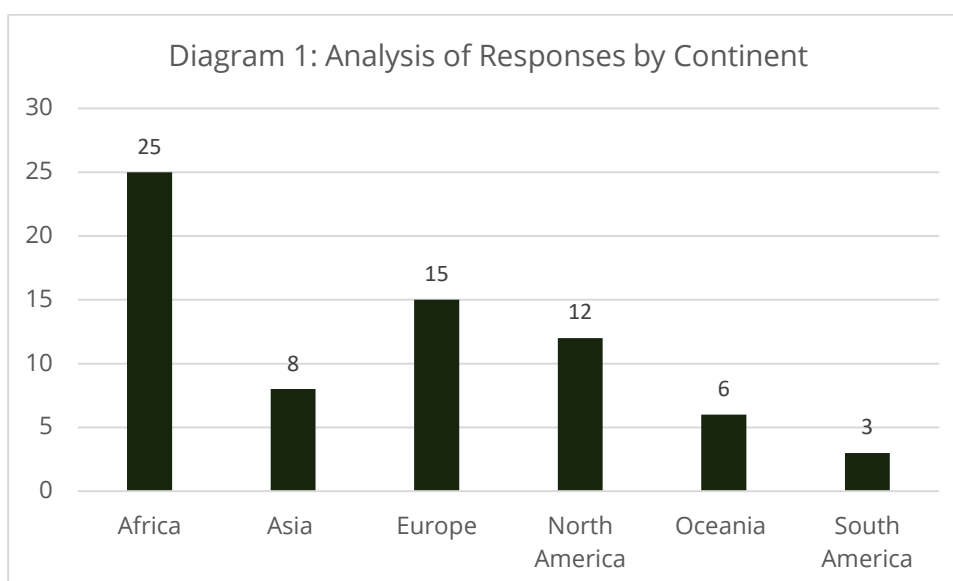
November 2021

Analysis of Consultation Responses

Part 2 – Response Summary

1. Respondents to the Consultation

- 1.1 Annex A to this report provides a listing of the 69 responses to the consultation processed to date. This is split as 52 individual responses and 17 responses from organisations.
- 1.2 The consultation responses were received from respondents using an on-line survey (48 responses) and respondents that either used on-line forms or their own consultation response formats (21 of the responses). This report does not attribute any of the responses to an individual or organisation.
- 1.3 Annex B examines the characteristics of the respondents and the organisations in which they work. Annex B1, table (II) presents the geographical distribution of the responses and shows there is a significant (global) geographical reach. The highest response rate is from the UK at 9 responses (13%) followed by Jamaica at 6 respondents (9%). Table (III) in Annex B presents the distributions across continents with Africa providing the largest number of responses at 25 (36%), followed by Europe at 15 (22%) and North America at 12 (17%). The diagram below presents the full distribution by continent.



- 1.4 Table (IV) of Annex B sets out that the highest number of respondents come from single jurisdictions at 32 (46%) with those with a global reach at 18 (26%).
- 1.5 Annex B2 Table (V) analyses the financial reporting standards used by respondents. It demonstrates that the largest number of respondents follow IFRS at 11 respondents

(16%). This is closely followed by respondents using national GAAP, IFRS for SMEs and other reporting bases at 10 responses (14%) each.

- 1.6 Table (VI) of Annex B2 presents the accounting basis under which respondents report. This demonstrates that most respondents 35 (51%) use accrual accounting while 13 (19%) use modified cash and 7 use cash-based reporting.
- 1.7 Annex B3 presents the distribution of international classifications of respondents. The largest number of the respondents (who provided a response) indicate that their organisations support education and research at 8 (12%) responses, followed by 6 (9%) responses meeting the definition of social services classifications.
- 1.8 The distribution of roles of the respondents responding as individuals is also of interest. The responses to Part 1 of the consultation included a tendency to emanate from the finance function whereas for this set of responses Table (VIII) at Annex B3 presents a much more distributed spread of roles with 'managers' presenting as the largest number at 8 (12%) respondents.
- 1.9 The table in Annex B4 (IX) is more difficult to assess as this was not clearly responded to by all respondents and therefore the summary only includes the first ranked income source. This demonstrates that the largest number of respondents considered grants income as their primary source of revenue at 28 respondents.

2 Overview Section of the Consultation Paper - Issue Selection

- 2.1 Part 2 of the consultation asked three questions on the selection of Issues to be included in the Guidance.
- Is the list of NPO-specific financial reporting issues complete (SMC0.a)?
 - Do you agree with the criteria used to evaluate the list of issues (SMC0.b)?
 - Do you agree with the topics prioritised for the Consultation Paper (SMC0.c)?
- 2.2 The responses to the questions in section 0 are summarised in the table below.

Table 1: Summary of Responses to SMCs for Overview Section in Part 2

	Agree	Disagree	Neither Agree nor Disagree	Total responding to SMC
SMC0.a)	13 (54%)	9 (38%)	2 (8%)	24
SMC0.b)	16 (80%)	4 (20%)	0	20
SMC0.c)	10 (48%)	11 (52%)	0	21

List of NPO-Specific Financial Reporting Issues

- 2.3 There were a variety of different issues suggested by respondents agreeing and disagreeing with the list. Comments were made about those topics currently on the list and some which were not. These are summarised in the table below.

Table 2: List of Items Referred to in Consultation Responses for the Long List of NPO-specific Financial Reporting Issues

Issue	Comments from Respondents	Secretariat Comment
<i>Items which potentially should <u>not</u> be Included on the List</i>		
Accounting for investment/financial assets	The respondent commented that it was not clear what the NPO reporting issue was.	It is possible that more work might need to be undertaken further articulate the NPO issues for some of this topic. This should remain on the long list for further consideration.
Financial reporting of foreign currency transactions	The respondent commented this is not specific to the sector and the matter raised arises because of donor reporting requirements. It is relevant to special purpose financial reports and therefore not in line with the scope of the project.	Financial reporting of foreign currency transactions does arise because of donor reporting requirements, but it is suggested considered in more detail and potentially for the short list as this was also an issue raised frequently at the outreach sessions
Service concession arrangements with NPO as operator	These are not restricted to NPOs and therefore the respondent considered it was not necessary for guidance to cover this issue.	It is not clear that this is an issue which has generated much response in the consultation and outreach process. This should be retained on the long list for further review.
Service concession arrangements with NPO as grantor	The respondent noted that there would need to be changes to the foundational framework to accommodate this.	It is agreed that articulation would be required for Service Concessions arising in NPOs as grantor though this has not been raised significantly by the consultation process. This should be retained on the long list for further review.

<i>Items which potentially should be <u>added</u> to the List</i>		
Reserves and restricted funds	A respondent commented that Information should be provided on sources of funds, purpose, and time period.	The Secretariat would note that Fund Accounting and Reserves is included in the Presentation of Financial Statements topic. This should be able to cover these items.
Heritage assets	A respondent was of the view that this issue is of reasonably widespread application, not just in the arts, museums and heritage sector.	Heritage assets transactions are on the full list of topics to be considered. It is not clear that a case has been made so that heritage assets should be prioritised to the first phase of issues.
Related party transactions	Comments referred to regulatory interventions in the UK being such that conflicts of interest are often a key factor.	This is on the longlist of Issues but perhaps should be considered for inclusion on the short list.
Pensions costs	A respondent commented that this should be included on the list given the variety of post-employment benefits provided by NPOs.	Pensions costs can be an issue for the third sector but has not been raised significantly in outreach activities. It is suggested that this might be included on the long list.
Social impact accounting	A respondent expressed the view that this was key to NPOs' financial reporting in some countries such as the United Kingdom (note that this was not a UK based respondent).	Social impact reporting is an important area for NPOs ie demonstrating the impact that the NPO has made as a result of its activities and/or fundraising and is an important part of public accountability but this is a complex area and difficult to provide guidance on. It may be able to be raised under the narrative reporting Issue.
Statement of cash flows	This was considered necessary to ensure NPOs have proper guidance to develop this Statement to complement accrual based general purpose financial statements.	Arguably there should be appropriate guidance in IFRS for SMEs as cash flows are important for all entities whether they are commercial or third sector. But this could be reviewed as a part of the presentation of financial statement topic.
Grants and Service Contracts	A respondent commented that the distinction between grants and service contracts can be difficult at times.	The distinction between grants and service contracts did not receive significant comment at outreach stage.

		This could be considered in the <i>Grant Expenses</i> topic.
Joint Activities	A respondent queried whether joint activities fit into <i>Reporting Entity</i> Issue because NPOs acting together on campaigning activities has become much more common, at least in the UK.	TAG's views are sought on whether joint activities are a significant issue which should be included on the list. Though these may be covered in a Concepts and Pervasive issues section.
Concepts and Pervasive Issues	Two respondents considered several issues should be included under the section including: <ol style="list-style-type: none"> 1. underlying concepts and principles to act as decision making criteria for accountants and auditors 2. form and content of the non-financial information 3. new names of reports 4. new terminologies 5. management and board performance reports. One of the respondents considered that the reporting entity should be considered in this section. Another respondent referred to the use of 'substance over form'.	It is likely that most of these issues will be covered in the Concepts and Pervasive Issues section. Substance over form will apply equally to all entities though there may need to be some discussion over whether there are different issues for NPOs.

2.4 A respondent also commented on the dynamism of the sector and that the list of issues should be kept under review. The Secretariat concurs with this comment. A second respondent commented on the positioning of a statement of compliance with standards and the ability of NPOs to 'pick and choose' from the Guidance. The Guidance could include commentary on its application and the ability to apply different parts.

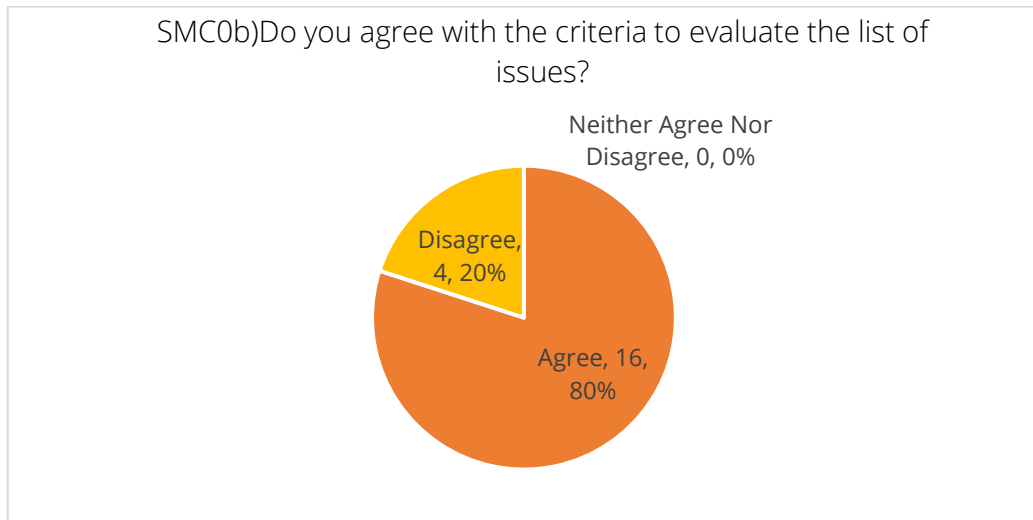
2.5 On the whole the responses have provided additional content to support the issues that have been longlisted. Taking on board all of this feedback Secretariat's view is that the long list of issues should remain unchanged. Foreign currency should remain (see discussion below) and joint activities can be incorporated into other issues.

Question

1. What are the TAG's views on the responses proposed by the secretariat, and in particular views are sought on:
 - a. Whether foreign currency transactions are a matter for general purpose reports?
 - b. Whether joint activities are a significant issue?

Criteria Used to Evaluate the List of Issues

- 2.6 Twenty respondents commented on SMC0.b) with 80% agreeing with the criteria. The diagram below presents the respondents views.



- 2.7 One respondent commented on the need to weight the criteria in the context of a specific issue may be challenging with suggestions of evaluating the criteria simultaneously. A further respondent commented that the concept of prevalence could be restricted to those with a material impact globally, though the Secretariat would comment that this may be dealt with by means of the consultation process.
- 2.8 A respondent commented on feasibility and that the most important issues are complex ones and difficult to resolve. The Secretariat would note that the list has prioritised complex issues for the NPO sector, though this will be tested by the consultation process. Another respondent expressed the view that this was a deductive approach and one respondent commented that the criteria left out NPOs operating in the government sector. The Secretariat is of the view that a criteria-based approach is often used to assess applicability in standards and that this will allow entities (including those in the government sector) to make their own decisions subject to any approach that is adopted by the NPO's regulators.

Question

2. What are the TAG's views on the respondents' comments on the criteria? Should any changes be made for the Guidance?

Topics prioritised for the Consultation Paper

- 2.9 Twenty-one respondents responded to this question with 10 (48%) agreeing and 11 (52%) disagreeing. The response is therefore balanced as to whether it is supported by the respondents to the consultation. The Secretariat notes that one of the respondents that disagreed focused on the amount of work that would be required in reviewing the Exposure Draft. This will be addressed by the phasing of Exposure Draft Issues.
- 2.10 Table 3 below presents a list of the items referred to in the by respondents to the consultation.

Table 3: List of Items Referred to in Consultation Response for the Prioritised List of NPO Specific Financial Reporting Issues

Issue	Respondents Comment	Secretariat response
Related party transactions	Several respondents commented on these transactions indicating that they have significant impact on public trust and confidence by providing transparency.	It is less clear why existing standards would not be able to provide adequate guidance before the second phase, so the Secretariat would seek TAG's views on whether this is considered at a later phase.
Remuneration/pay disclosures	Two respondents expressed the view that the disclosures provide an Important source of information on how NPOs are discharging their governance and accountability obligations. Comments included that such disclosures could have a significant impact on public trust and confidence by providing transparency.	The Secretariat would agree that remuneration and pay disclosures transactions would fulfil the roles described by the respondents, but it is less clear that existing standards would not be able to provide adequate guidance before the second phase and that this is probably also covered by regulatory reporting requirements.
Foreign exchange transactions	Respondents commented that these transactions have a material impact on the reporting of many NPOs including fund accounting. This would affect those who are operating in hyperinflationary economies. Another respondent commented that this was important for smaller NPOs in the developing world,	The Secretariat would note that this issue was raised very frequently at the IFR4NPO global outreach sessions but would highlight the commentary of an earlier respondent to question 0a) about this being outside the scope of the project because of donor issues and specialised financial reporting. The responses of these respondents would seem to indicate that at least some of the issues may relate to general purpose financial reporting.

Issue	Respondents Comment	Secretariat response
Legacy income	Respondents commented that Inconsistency of treatment may affect the decision-making of stakeholders.	The Secretariat agrees that this is an important topic (on the long list) for many but not all NPOs. The project has not had significant representations on this topic. So, the Secretariat would propose this is considered in a later phase
Simple financial assets, including investments	A respondent commented that consistent recognition and measurement requirements are important to ensure appropriate accountability for funds under an NPO's control.	It is not clear that existing standards would be unable to provide adequate guidance before a second phase.
Consolidation	A respondent commented on this being relevant to NPO structures and that there was a significant diversity in practice which presents accountability challenges.	This was not raised as a significant issue during outreach so the Secretariat would not propose it as part of a later phase.
Leases	A respondent commented many NPOs who have leases face cost benefit challenges on adoption of IFRS 16 <i>Leases</i> . They were of the view that there is an immediate need to provide the NPOs who will use this guide with a recognised alternative solution based on the approach offered by the current version of IFRS for SMEs.	The request for information as a part of the second Comprehensive Review of IFRS for SMEs sought views on aligning the IFRS for SMEs Standard with IFRS 16 including possible simplifications. Overall feedback on the request for Information about aligning the IFRS for SMEs Standard with IFRS 16 was mixed. It is suggested that no action is decided until the review outcomes are known.
Fund accounting and presentation of non-exchange transactions with restrictions imposed by the donor	This was described by one respondent as a key issue in the NPO sector, as the proper administration of funds and, where permitted, how such amounts have been spent is of paramount importance to stakeholders.	It is agreed this is an important issue, but the Secretariat would argue that this is linked to the Presentation of Financial Statements and can ensure that it gets appropriate attention within this issue.
Grant expenses	One respondent suggested should also refer to liabilities.	This could be considered when reviewing this issue following consultation.
Non-financial reporting and conceptual issues	A respondent that agreed commented that other important areas were not included ie:	The Secretariat would provide the following comments:

Issue	Respondents Comment	Secretariat response
	<ol style="list-style-type: none"> 1. ratio analysis, 2. measurement and attribution of outputs, 3. the name of the report being addressed, 4. concepts and principles, 5. the accountability reporting framework, 6. industry analysis of the organisation. <p>The respondent considered these important underlying principles which needed to be in place before providing guidance.</p>	<ul style="list-style-type: none"> • Item 1 has not been raised significantly as a part of the outreach processes. • Part of item 2 and items, 3, 4 and 5 will be considered as a part of the overarching framework and concepts and pervasive principles. • Item 6 is likely to be covered under the narrative reporting framework and • The attribution of outputs is an important issue for NPOs and could be considered alongside social impact accounting.

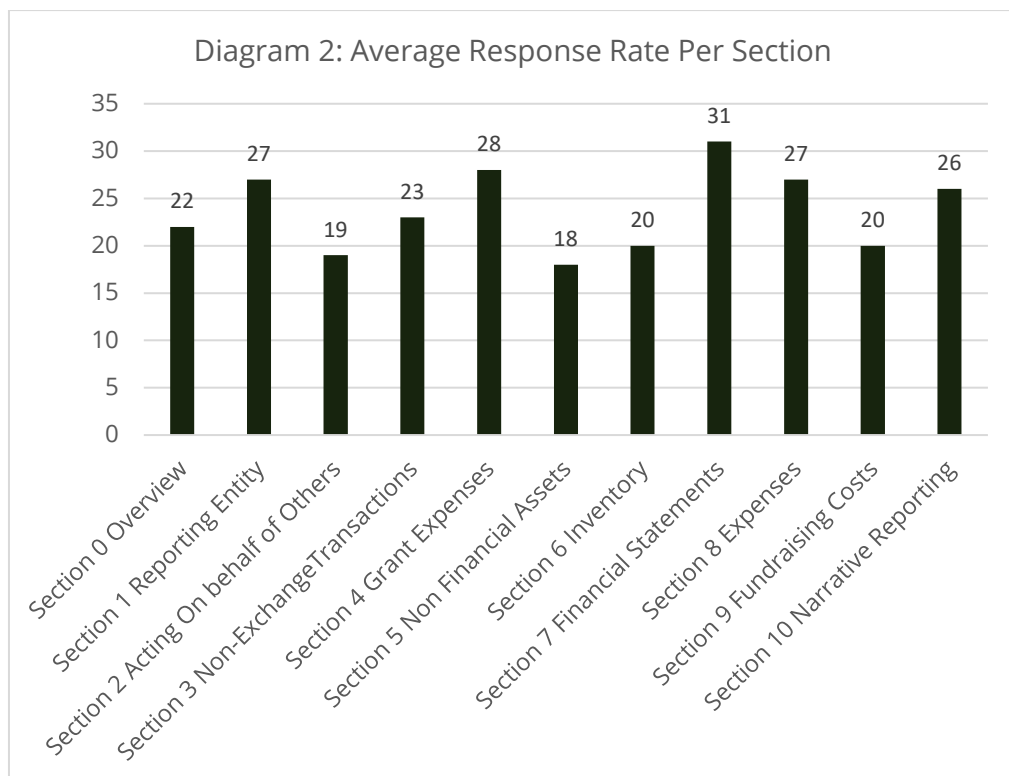
- 2.11 Other comments included dealing with all the issues in one consultation paper and the listing of the issues suggesting prioritisation. The Secretariat would suggest that this will be addressed through the project management approach considered in paper ED4-04, alongside clear stakeholder communication to manage expectations.
- 2.12 Whilst noting the responses made, based on the arguments made, Secretariat was not persuaded that any of the topics proposed should be promoted to the short list of topics except for foreign currency transactions. Secretariat's view is that whilst this is not an NPO specific accounting issue, it is clearly an important and widespread issue for NPOs. Should the project develop fund accounting proposals, it will also be a significant issue to be considered. PAG supported this view. On this basis, Secretariat is proposing to include this as a new topic.
- 2.13 If an additional topic is added, Secretariat's view is that non-financial assets held for social benefit could be deferred to phase 2. This had generally a lower level of engagement, perhaps due to difficulty in understanding the concepts. PAG supported this view.

Questions

3. What are the TAG's views on the respondents' comments and the Secretariat's responses on prioritisation? Does the TAG agree with the elevation of foreign currency transactions to the shortlist?
4. If any topics are added to the shortlist, does the TAG agree that non-financial assets held for social benefit be deferred to phase 2?

3 Summary of the Responses for Issues 1 to 10

3.1 Diagram 2 below presents the average response rate for the SMCs in for each section/ issue. This demonstrates that that the highest response rate was to section 7 *Presentation of Financial Statements* at an average of 31 responses, followed by *Grant Expenses* at an average of 28 responses and the sections on the *Reporting Entity and Control (including branches)* and *Classification of expenses – function or nature* at an average of 27 responses. Annexes D to N present information based on those responding to the questions in that section but also provides a non-response rate for context.



- 3.2 In depth analysis of the comments provided for Issues 1 to 10 will be provided in phases at subsequent TAG meetings. alongside the analysis of the issue for Exposure Draft development.
- 3.3 Annexes D to N provide an analysis of the responses to the questions for those that can be analysed statistically, generally questions a) to d) for each issue.
- 3.4 Table 4 presents an analysis of the answers to the SMC a) on each issue. This question seeks views on the description of the Issue.
- 3.5 It is very positive that for most of the responses to this SMC there are significantly high 'agree' numbers and percentages for these range from the lowest at 71% for question

SMC1.a) *Reporting Entity and Control* to 93% to SMC10.a) *Narrative Reporting* averaging at of 87% across all 10 issues.

Table 4: Summary of 'agree' responses

	Question a) - Do you agree with the description of [each] issue in the Consultation Paper?	Question b) - Do you agree that the list of alternative treatments that should be considered for [each] issue is exhaustive?	Question c) - Do you agree with the advantages and disadvantages articulated for each alternative accounting treatment for [each] issue?
Issue 1: Reporting entity and control (including branches)	20 (71%)	20 (74%)	18 (69%)
Issue 2: NPOs acting on behalf of other entities	17 (85%)	18 (90%)	16 (84%)
Issue 3: Non-exchange revenue	23 (88%)	19 (73%)	20 (80%)
Issue 4: Grant Expenses	30 (91%)	25 (89%)	25 (89%)
Issue 5: Measurement of non-financial assets held for social benefit	15 (83%)	13 (81%)	11 (65%)
Issue 6: Inventory held for use or distribution	19 (90%)	17 (81%)	18 (95%)
Issue 7: Presentation of financial statements (including fund accounting)	31 (91%)	25 (81%)	26 (87%)
Issue 8: Classification of expenses – function or nature?	29 (91%)	24 (86%)	25 (89%)
Issue 9: Fundraising costs	19 (83%)	17 (81%)	17 (85%)
Issue 10: Narrative Reporting	27 (93%)	20 (77%)	23 (92%)

3.6 Question SMC b) sought respondents' views on whether the list of alternative treatments is exhaustive. The numbers of those responding agreeing with the list of alternatives is significantly higher than those disagreeing. Here the highest agreement rate is for issue 2 *NPOs acting on behalf of other entities* at 90% while the lowest

agreement rate is for *non-exchange revenue* is 73%, though results overall show an 81% average for respondents.

Advantages and Disadvantages for the Alternative Accounting Treatments

- 5.3 There was broad support for the portrayal of the advantages with the highest agreement rate being for Issue 6 *Inventory Held for Distribution* at 95% and the lowest being issue 5 *Measurement of Non-Financial Assets Held for Social Benefit* at 65%. This might reflect the difficulties of the concepts being proposed for this issue as the question in this section generally received a lower response rate. There was an average agreement rate for all the issues selected of 84% demonstrating overall support for the articulation of the advantages and disadvantages of the alternatives.
- 5.4 Table 5 provides a summary of the views of respondents to the questions on the preferred alternatives for the list of issues. It will also be important to analyse the supporting commentary for the responses to each of the questions regarding the preferred approach to the alternative models, which as noted earlier will be presented to future meetings of TAG.
- 5.5 The rows where the favoured alternative is highlighted in grey are those where the decision is considered to be marginal ie the level of preference for this alternative is not significantly above the one of the other alternatives. There are four Issues where this is the case. Issue 8 - *Classification of expenses by nature or function* has the same response rate for both alternatives 1 and 3. For six of the topics alternative options were also provided by a small number of respondents. Two of the topics received either a no-preference from a respondent or an indication that none of the alternatives appeared to be favoured by the respondent.

Table 5: Summary of the Preferred Alternatives for Each Topic

Issue	Preferred Alternative	
Issue 1: Reporting entity and control (including branches)	Alternative 2 - Prepare additional NPO-specific guidance on the nature of reporting entities and use pragmatic methods of assessment such as the power to govern financial and operating policies to define control.	16 (62%)
Issue 2: NPOs acting on behalf of other entities	Alternative 1 - Follow IFRS Standards – based on control with additional guidance and non – profit examples and with additional disclosure requirements.	9 (47)
Issue 3: Non-exchange revenue	Alternative 4 - Recognise non-exchange revenue using the principles in IPSAS 23. Introduce exceptions to the requirements for gifts in-kind based on some national standards. NPO-specific guidance is provided.	9 (38%)
Issue 4: Grant Expenses	Alternative 2 - Follow either IFRS Standards, the IFRS	15 (65%)

Issue	Preferred Alternative	
	for SMEs Standard or IPSAS, include additional guidance on recognition, measurement incorporating the performance obligation approaches proposed in ED72 by IPSASB, when IPSAS is not used as the base.	
Issue 5: Measurement of non-financial assets held for social benefit	Alternative 1 - Subsequent measurement of property, plant and equipment follows either the cost model or the revaluation model, with additional NPO-specific guidance.	7 (37%)
Issue 6: Inventory held for use or distribution	Alternative 1 - Measure all inventory at the lower of cost or net realisable value with additional NPO-specific guidance.	10 (59%)
Issue 7: Presentation of financial statements (including fund accounting)	Alternative 2 - Use the IFRS for SMEs Standard and require NPOs to use fund accounting and disclosure of reserves policy.	11 (35%)
Issue 8: Classification of expenses – function or nature?	Alternative 1 - Allow analysis by function or nature of expense and Alternative 3 - Require analysis on both a function of expense and nature of expense analysis.	9 (41%) *
Issue 9: Fundraising costs	Alternative 3 - Develop new NPO-specific guidance that requires disclosure of the amount and accounting policy for fundraising costs.	11 (69%)
Issue 10: Narrative Reporting	Alternative 3 - Apply integrated reporting, following the IIRC Framework, tailored as appropriate for reporting in the NPO context.	12 (48%)

* Alternatives 1 and 3 received the same response rate.

4 Other SMCs Raised on Aspects of the Issues

6.1 Five of the topics sought respondents' views on additional aspects of the issues. The results of these are summarised in table 6. Although all the results will be important for each topic items of note might be that there is a balanced view on the question of whether the revaluation model should be used, with 9 respondents each agreeing or disagreeing (Issue 5). There was also a balanced view on the question of whether the allocation of expenses to functions outlined in issue 8 would be so arbitrary that it would not provide a sufficiently faithful representation of the composition of an entity's functions, where 11 respondents agreed and 10 disagreed. It is likely that substantial

work and possibly further outreach will be required when developing the Exposure Draft to arrive at the most effective response to this issue.

Table 6 – Other Issues where Additional Commentary Was Sought

Issue/SMC	Agree
<p>Measurement of non-financial assets held for social benefit SMC 5e) Do you agree that land and buildings (or sub classifications thereof) used to provide services should be measured using the revaluation model and specifically a measurement which reflects the 'value in use' or the operational capacity to an NPO? Could it provide useful information to users?</p>	9 (47%) *
<p>Presentation of financial statements (including fund accounting) SMC 7 e) The term 'statement of financial performance' is used in the Consultation Paper to describe the statement that contains an NPO's revenues and expenses. Do you agree with the use of this term? If not, describe your preferred term and explain your reasoning.</p>	19 (66%)
<p>Classification of expenses – function or nature? SMC 8e) Do you think that the alternatives for issue 8 provide the right balance between information presented on the face of the performance statement or in the notes?</p>	23 (88%)
<p>Classification of expenses – function or nature? SMC 8f) Would the allocation of expenses to functions outlined in issue 8 be so arbitrary that it would not provide a sufficiently faithful representation of the composition of an entity's functions?</p>	11 (41%)
<p>Fundraising Costs SMC 9e) Do you agree that all fundraising costs should be presented gross? If not, please provide examples of where this might not apply and the reasons for your view.</p>	19 (95%)
<p>Narrative Reporting SMC 10 e) Should narrative reporting guidance be set at the level of a framework and principles, rather than any more specific reporting requirements or recommendations? If you disagree, what additional guidance on what specific reporting requirements or recommendations would be beneficial?</p>	17 (65%)

*The same results were provided for both the agree and disagree response.

Questions

- Following this initial summary of the consultation response results, the TAG is invited to consider whether there are any areas that it would like to focus on in particular in the analysis of the Issues 1 to 10?

Annex A: List of Respondents

Table (I)	
Name	Individual/Organisation
Innocent Philips	Individual
Oumou Wane Toure	Individual
CPA Naftal Nyariki	Individual
Gibson Runesu	Individual
Jayshree	Individual
Pierre Baptiste Joseph Doumbia	Individual
Mark Jerome	Individual
Bev Bolton	Individual
Caroline Kariuki	Individual
Owen Mavengere	Individual
Hernan Sanchez	Individual
Neha Kaushik	Individual
David Wortham	Individual
Raúl Yñarra	Individual
Dumaria Pohan	Individual
Marina Ter-Sargsyan	Individual
Jonathan Prince Cann	Individual
Rafat Bandak	Individual
Sofya Konstantinova	Individual
Leslie Williams	Individual
Edmond Vanderpuye	Individual
Wilfred Donkim	Individual
Aliyu Shehu,ACA	Individual
Dorothea Malloy	Individual

Table (I)	
Name	Individual/Organisation
Gleice Sanches	Individual
Awolusi Temitope	Individual
William Mufuka	Individual
Francis Mba	Individual
Brian Seaton	Individual
Rosalin Hinga	Individual
Diro Tafa	Individual
Meti Busha	Individual
Temuri Partskhaladze	Individual
Getnet Haile	Individual
Karen Saxl	Individual
Theresa Rodriguez-Mooide	Individual
Ufulu Chungu	Individual
Tracy LaCroix	Individual
Nicaria O. Stewart	Individual
Arup Kumar Pal	Individual
Nour Wati	Individual
Robert Kerr	Individual
Katrian Clarke	Individual
Tie Kim	Individual
Susan Lamunu Shereni	Individual
Bernice Burton	Individual
Macrena Bennett	Individual
Institute of Certified Public Accountants of Uganda	Organisation
Global Fund to fight HIV/AIDS, Tuberculosis & Malaria	Organisation

Table (I)	
Name	Individual/Organisation
CPA Australia and Chartered Accountants Australia and New Zealand	Organisation
Masayuki Deguchi	Individual
Nippon Foundation	Organisation
Oak Foundation	Organisation
ICPAR	Organisation
RSM UK	Organisation
MHA	Organisation
The Salvation Army International Headquarters	Organisation
The Salvation Army in Canada & Bermuda	Organisation
Club of accountants and auditors of non-profit organizations	Organisation
Victoria University Of Wellington	Organisation
Leana van der Merwe	Individual
David Hardidge	Individual
FRC	Organisation
ICAS	Organisation
Australian Charities and Not-for-Profits Commission	Organisation
EMPACTA	Organisation
Jack Flanagan	Individual
CFG - Charity Finance Group	Organisation
Jobra M. Kisaku	Individual

Total Number of Respondents: 69

Total Number of Individual Responses: 52

Total Number of Organisation Responses: 17

Annex B1: Information About Respondents - Jurisdiction

Table (ii) Jurisdiction(s) to which the feedback relates		
County	Number of Responses	Percentage %
Argentina	1	1.5
Australia	6	8.7
Bangladesh	1	1.5
Brazil	1	1.5
Canada	1	1.5
Dominica	1	1.5
Ecuador	1	1.5
Ethiopia	3	4.4
France	1	1.5
Georgia	1	1.5
Ghana	2	2.9
India	2	2.9
Indonesia	1	1.5
Jamaica	6	8.7
Japan	2	2.9
Kenya	4	5.8
Malawi	1	1.5
Nigeria	4	5.8
Palestine	1	1.5
Rawanda	1	1.5
Russia	2	2.9
Senegal	1	1.5
Sierra Leone	1	1.5
South Africa	1	1.5
South Korea	1	1.5
Switzerland	1	1.5
Turkey	1	1.5
Uganda	3	4.4
UK	9	13.0
USA	4	5.8
Zimbabwe	4	5.8
Total	69	100

Table (iii) Continent(s) to which the feedback relates		
Continent	Number of Responses	Percentage
		%
Africa	25	36
Asia	8	12
Europe	15	22
North America	12	17
Oceania	6	9
South America	3	4
Total	69	100

Table (iv) Related Jurisdictions		
Jurisdiction Description	Number	Percentage
		%
Single	32	46
Multiple	6	9
Global	18	26
Non-Response	13	19
Total	69	100

Annex B2: Information About Respondents – Financial Reporting Standards Used

Table (V) Reporting basis of NPO financial reports in the jurisdiction in which you mainly work

Reporting Basis	Number	Percentage
		%
Funder requirements only	5	7
IFRS	11	16
IPSAS	2	3
National GAAP	10	14
NPO specific standards guidance based on IFRS	7	10
NPO specific standards guidance based on IPSAS	1	1
NPO specific standards guidance based on National GAAP	5	7
NPO specific standards guidance based on the IFRS for SMEs standard	2	3
Other	10	14
The IFRS for SMEs standard	10	14
Non-Response	6	9
Total	69	100

Table (VI) Accounting basis of NPO financial reports in the jurisdiction in which you mainly work

Accounting Basis	Number	Percentage
		%
Accrual	35	51
Cash	7	10
Modified Cash	13	19
Modified Cash and Accrual	2	3
Not sure	3	4
Non-Response	9	13
Total	69	100

Annex B3: Information About Respondents – International Classification

Table (vii): Which International Classification of Non-Profit Organisation ICNPO group best describes your organisation and activities		
International Classification	Number	Percentage %
Business and professional associations, unions – Organisations promoting, regulating and safeguarding business, professional and labour interests	4	6
Culture and recreation – Organisations and activities in general and specialized fields of culture and recreation	2	3
Development and housing – Organisations promoting programs and providing services to help improve communities and the economic	1	1
Education and research – Organisations and activities administering providing promoting conducting supporting and servicing education	8	12
Environment - Organisations promoting and providing services in environmental conservation pollution control and prevention environment	4	6
Health – Organisations that engage in health-related activities providing health care both general and specialized services administration	5	7
International – Organisations promoting greater intercultural understanding between peoples of different countries and historical	1	1
Law advocacy and politics - Organisations and groups that work to protect and promote civil and other rights or advocate the social	2	3
Philanthropic intermediaries and voluntarism promotion – Philanthropic organisations and organisations promoting charity and charities	4	6
Religion – Organisations promoting religious beliefs and administering religious services and rituals; includes churches, mosques, synagogues, temples, shrines, seminaries, monasteries, and similar religious institutions, in addition to related associations	1	1
Social services - Organisations and institutions providing human and social services to a community or target population	6	9
Not Elsewhere Classified	1	1
Other Classification	3	4
Non-response	27	39
Total	69	100

Annex B3: Information About Respondents – Roles of Individuals

Table (viii): Description of Your Role if responding as an individual		
Role	Number	Percentage
		%
Accountant	2	3
Auditor	2	3
Board Member	5	7
Chief Executive/COO/CFO	2	3
Consultant	5	7
Director	3	4
Manager	8	12
Finance Officer	2	3
Partner	4	6
Professor	1	1
Senior Manager	1	1
Technical Manager	1	1
Not Advised	33	48
Total	69	100%

Annex B4: Information About Respondents – Sources of Revenue

Table (IX) First Position Ranking of Revenue Sources	
Revenue Source	Number of Respondents
Donations	5
Grants	28
Sale of goods and services	2
Services in kind	1
Other	1