

IFR4NPO Governance Group Terms of Reference

June 2023

Context

IFR4NPO is an initiative to develop the world's first Internationally applicable Financial Reporting guidance for non-profit organisations (NPOs) that can be adopted by national standard setters internationally. The aim is to contribute to a step-change in the clarity and consistency globally of NPO financial reports, resulting in greater credibility and trust in the non-profit sector globally. It is a ground-breaking piece of work that will provide guidance for organisations whose unique needs are not currently addressed by international financial reporting standards. The work of the project is intended to command support from the accounting community and NPOs, funders and regulators. The project is both challenging and complex given the range of organisations that could fall within its remit, the number of stakeholders, and the diverse legal and regulatory frameworks internationally.

Role

The Governance Group is an advisory body providing governance and oversight. It will not be involved in any technical matters or day to day management of the project, but will oversight due process to ensure the integrity of the development of INPAG.

The Governance Group will also provide strategic input to the future development of international financial reporting guidance for NPOs that can be adopted by national regulators. The Governance Group will oversee the creation of a model for the maintenance and development of NPO financial reporting guidance, and lead on the development of its future funding and governance. It will also advise on implementation planning, including the strategies to support adoption of INPAG.

Composition

The group will comprise a voluntary non-executive chair and up to nine voluntary non-executive members. The chairs of the Technical Advisory Group, Practitioner Advisory Group and Donor Reference Group will attend as observers.

The Governance Group membership is intended to be broadly representative of sector participants and geographic regions to offer reasoned and diversified viewpoints. Members will be appointed in their personal capacities, and not to represent the views and interests of their affiliations, unless this is specifically requested.

It is expected that members will be senior leaders, with the necessary skills and experience to advise on the strategic and governance approaches required to help shape the future of financial reporting for non-profit organisations globally.

Responsibilities

The responsibilities of the Governance Group are:

- Ensuring the integrity of the project outputs through the oversight of due process
- Reviewing risk management framework and measures
- Reviewing the project approaches to encourage the adoption of INPAG,.
- Maintaining a broad understanding of the challenges to developing global financial reporting for NPO's by taking advice from the chairs of the project Advisory Groups and through use of personal networks
- Advising on forward strategy, including:
 - potential operating models for the maintenance and development of international financial reporting standards for NPOs that can be adopted by national regulators
 - fundraising strategies to provide sustainable funding for the maintenance and development of global NPO financial reporting
 - governance models to ensure the credibility of future operating models
- Advocacy and networking to support the adoption of and support to transition to a future operating model

Term

The Chair and members will be appointed jointly by CIPFA and Humentum. The Chair will be consulted on member appointments.

Governance Group members will serve an initial term of two years, renewable by mutual consent up to a maximum of 8 years.

Meetings

The Governance Group will generally meet 4 times per year, and meetings will normally be virtual. Face to face or hybrid meetings may take place annually. Additional meetings of the full Governance Group, or sub-groups thereof, may be held where necessary to meet project objectives. Travel expenses will be paid in accordance with the project travel policy where these costs cannot be met by a member's employer.

The Governance Group will be quorate where 50% or more of the non-executive members are in attendance. If the Chair is unavailable, they may nominate another member to chair the meeting on their behalf.

A record of key decisions and actions will be produced for each meeting.

Transparency

Information about Governance Group members will be published on the IFR4NPO website.