

## SORP review panel issues report and recommendations

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**CATEGORY:**  
[ARTICLE](#)



The Charities Statement of Recommended Practices ('SORP'), issued by the Charity Commission and the Office of the Scottish Charities Regulator ('OSCR'), gives guidance on financial accounting and reporting for charitable entities.

The Charities SORP Committee Governance Review Panel, comprising of representatives from each of the four charity regulators in the UK and Republic of Ireland and an observer from the Financial Reporting Council (FRC), is responsible for periodically reviewing the constitution and composition of the SORP and its processes and making the SORP more effective.

The SORP Panel issued its June 2019 report and recommendations on the current SORP, the result of 9 months of governance review and consultation. In doing so the SORP Panel focused in particular on the need to better serve smaller charities and on making financial reporting by smaller charities more central to the SORP-making process.

In total, the Panel made 36 recommendations, covering the role of the SORP Committee, reporting requirements and SORP-related guidance. Some of the panel's key recommendations include the following:

- Greater simplification of reporting requirements for smaller charities and better representation of small charities within the SORP Committee membership
- Revisions to the SORP to better cater to the needs of the wider public and beneficiaries and to identify and codify best practices in financial reporting
- Reform of the size and composition of the SORP committee to limit membership to 16 but include a wider range of skills and backgrounds
- Clarification of the roles of the SORP-making body and SORP committee and greater engagement with a wider group of stakeholders

One of the most interesting recommendations of the Panel is for increasing collaborations and engagements between charities to ensure that the public is satisfied and expectations are met in regards to the reporting of the accounting of their income and what they are working on.

This reflects a consensus in the report that there needs to be greater focus in charity reporting and accounting on the views and needs of the users of the materials produced – their beneficiaries and members of the public – so that the way charities report on their work and account for their income under SORP meets public expectations.

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