

# Research on international financial reporting for the not-for-profit sector

## Terms of Reference for the project steering committee and advisory group

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### Aims and objectives

The steering committee aims to raise the profile of not-for-profit reporting and to build a stronger body of evidence for the need to develop international financial reporting standards and/or guidance for non-profit entities<sup>1</sup> including charities. The group will subsequently promote the findings of the study and other research in order to stimulate interest and demand for further work in this area.

The CCAB is supporting this project as a contribution to thought leadership in this area and the steering committee will aim to work with the CCAB to enhance the collective voice of the accounting and finance profession as it relates to the not-for-profit sector.

### Origins of the steering committee

In July 2012 Charity Finance Group and MHA MacIntyre Hudson hosted a symposium to discuss the prospects of developing an international standard for not-for-profit entities. Initial membership of the steering committee is drawn from delegates and organisations represented at that event. Membership is to be further developed according to the loose criteria set out below.

There is scope for the steering committee to continue life beyond the parameters and timescale of the current project.

### Steering committee membership

The committee should include representatives of the relevant stakeholders in the non-profit sector and experts in non-profit accounting and reporting. This research is of relevance to those involved in financial management and audit of charities, the financial reporting standard setting community, international financial oversight organisations and those interested in the development and governance of non-profits worldwide.

The committee also needs to consider the needs and representation of the users of charity reports and to make sure that the views and needs of donors and other parties are represented.

The committee is to be kept to preferred number of 12 participants with this number increased only in extenuating circumstances and at the discretion of the Chair.

Committee membership is to be discussed among current participants with final approval to be taken by the Chair supported by the secretary.

Membership to the steering committee to involve:

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<sup>1</sup> This project uses the working definition of non-profit entities set out in the UN Handbook of Non-Profit Institutions in the System of National Accounts, informed by work at the Johns Hopkins Centre for Civil Society Studies <http://ccss.jhu.edu/research-projects/un-nonprofit-handbook/about-the-un-handbook>

- Representatives from the professional accounting organisations and standard setting bodies
- Representatives of charity professionals and professional development
- Regulatory bodies
- Other relevant stakeholders where agreed by the rest of the group

Members will be appointed as individuals on the basis of their experience, and not as representatives of their employing organisations.

Skills representation on the committee to include:

- Experience in the practical application of financial reporting standards
- Experience in the development of financial reporting standards
- Understanding of the international non-profit community and context
- Research and analytical
- Understanding of legal and governance context and the range of accountability structures of non-profits
- Influencing, public affairs, communications and campaign strategy

### **Chair**

The Chair of the steering committee is to be appointed by the CCAB and will liaise with the CCAB throughout the research project and be the main point of contact with responsibility for reporting back to the CCAB with support from the committee secretary.

The Chair will lead work between steering committee meetings as well as promotional activity.

### **Role of the committee**

- To promote and support the aims of the committee.
- To devise an approach to, deliberate on, and make decisions relating to the commissioning of the research.
- To support the delivery of the research at all stages and provide advice and guidance when prompted.
- To provide editorial input, reviewing drafts of any research tools or analysis for publishing.

- To support the promotion of the research report, and to help further advocacy work for international financial reporting guidance.

### **Record of meetings**

- The steering committee will appoint an individual member to act as secretary. This individual will take minutes and deal with the administration of the meetings.
- The meeting minutes are to be approved by the steering committee and then copied to the CCAB.
- Organisations that have members/employees on the steering committee may publish links to the minutes on their own sites.
- The project will have a presence on the CCAB website which will link to the terms of reference for the steering committee and provide updates on the project's progress.

### **Refreshing membership of the steering group**

The Chair and Secretary will keep the on-going membership of the steering group under review and replenish membership or expand its membership as the project requires. Subject to members having the requisite skills required, new members will be drawn, where practicable, from the membership of the advisory group. The steering committee membership will be reviewed after 12 months.

### **Advisory group**

- The advisory group will consist of organisations and individuals that have an interest and expertise in this area. Members will be approached by the steering committee or can nominate themselves and approved by the steering committee for membership.
- The advisory group will not be required to meet on a regular basis but may be called upon to attend one-off events.
- The steering committee will be responsible for keeping the advisory committee up to date on the latest developments in the research and on steering committee decisions.
- The advisory group will be asked by the steering committee at times to provide comments or advice on the research and analysis.

