

IFR4NPO Project

Regional Consultation Events update

Practitioner Advisory Group meeting

10 June 2021

PAGED02



Regional Consultation Events

Purpose

- The Consultation Paper, launched was designed to start a conversation. These events were an opportunity for stakeholders to:
 - ✓ Share their knowledge and opinions with the project
 - ✓ Explore some of the issues in Part 1 of the Consultation Paper

Targeted audience

- Local and international NPOs (NGOs and other non-profits) – senior finance staff & treasurers
- Donors – involved in due diligence
- Auditors (external auditors who give an opinion on NPO financial reports)
- Sector regulators and standard setters
- Accountancy bodies



Region	Date	Time (UTC)
Africa (East & West) / English	09-Mar-21	11am
South Asia / English	16-Mar-21	6am
North America / English	23-Mar-21	3pm
Africa (Southern) / English	30-Mar-21	9am
South East Asia / English	06-Apr-21	Cancelled
Europe / English	20-Apr-21	10am
Oceania / English	27-Apr-21	4am
East & South Asia / English	04-May-21	6am
Latin America / Spanish	11-May-21	3pm
Central Asia & Eastern Europe / English	18-May-21	7am
Caribbean / English	18-May-21	2pm
Africa (North) & Middle East / Arabic	25-May-21	7am
Africa (West & Central) / French	01-Jun-21	1pm



Topic 1 - Questions

How are NPOs defined? Who are the key stakeholders for NPOs in your jurisdictions? What requirements currently exist for non-financial information reporting?

What arrangements exist for formal accountability to stakeholders? What requirements currently exist for non-financial information reporting?

What is the accounting basis for general purpose financial reporting for NPOs in your jurisdiction? How do you think accrual accounting could support accountability and financial management?

Topic 2 - Questions

What importance do you place on using existing international frameworks for international NPO guidance and why?

What knowledge of international frameworks exists in your jurisdiction among NPOs, their auditors and stakeholders?

What would help you in adopting the proposed Guidance model or make it more difficult?



Topic 3 - Questions

What are the most significant accounting issues in your jurisdiction?

For your top three financial reporting issues, why are they the most important to resolve?

How will common solutions to your accounting issues improve accountability and decision-making?



PAG Q1

Q1 Do PAG members have any comments or questions in relation to the summary of the key issues?



Key issues

Comments shared here are an informal summary, rather than through formal submissions of responses.

- **How are NPOs defined** - in a huge range of ways – few seemed to fall far outside the broad characteristics, but more clarity might be needed around membership organisations, and profit generating subsidiaries or activities.
- **Key stakeholders:** in addition to those in Consultation Paper, board members were also mentioned frequently. The importance of engaging with donors was also reiterated.
- **Formal accountability arrangements:** Wide variety of complex arrangements. Set primarily by regulators in Europe, North America, Oceania & South Asia. Set primarily by donors in West & East Africa, North Africa, Southern Africa, Latin America, Caribbean. A mix in East & South East Asia.
- **Non-financial reporting:** Agreement on its importance. Highly prescriptive approaches deemed less successful. Apart from countries with non-profit standards, most reporting is special purpose, either for donors or regulators.
- **Accrual basis reporting** – range of views. Conversation often linked to size, capacity and donors. In general, acknowledgement that accrual basis is the right direction, but issues around avoiding unnecessary complexity, expensing of donor funded assets from funds and recognition of donations-in-kind will be key areas of discussion.

Key issues

Comments shared here are an informal summary, rather than through formal submissions of responses.

- **Importance of using international frameworks?** Consistency where relevant with other sectors is really key for training and cross over of accountants. International frameworks important, but less so for smaller local organisations,
- **Knowledge of international frameworks** – variable. In many cases, accountants in non-profits have lower familiarity than other sectors because of focus on donor requirements. In some countries, auditors may be conversant with national GAAP, even if they are not aware of its underlying basis.
- **What would help?** Having additional NPO guidance embedded into IFRS for SME rather than as a separate document. Keep it as simple as possible ‘complexity kills’.
- **Top issues:** non-exchange revenue, narrative reporting, presentation of financial statements, expenditure classification, in-kind donations, control and reporting entity. All issues on correct shortlist where mentioned as high priority in various jurisdictions. Topics not on current short list were foreign exchange differences, concessionary loans and



Agenda

Topic	Time
Welcome and project overview	00.00 – 00.10
Introduction to the Consultation Paper	00.10 – 00.15
Topic 1 – NPOs, stakeholder and their needs	00.15 – 01.15
Topic 2 – Existing guidance and the proposed model	01.15 – 02.00
Responding to Part 1	02:00 – 02:05
Break	02.05 – 02.15
Topic 3 – NPO-specific accounting issues	02.15 – 03.00
Next Steps	03.00 – 03.10



Attendance

IFR4NPO Regional Consultation events summary			
	Region	Registered	Attended
1	East & West Africa	83	41
2	South Asia	52	27
3	Northern America	35	21
4	Southern Africa	52	25
5	East Asia (Cancelled)		
6	Europe	49	35
7	Oceania	38	31
8	East & South East Asia	35	26
9	Latin America	44	20
10	Central Asia & Eastern Europe	30	25
11	Caribbean	34	18
12	North Africa & Middle East	24	14
13	Africa West & Central	22	12
		498	295



PAG Q2

Q2 Do PAG members have any comments or questions in relation to the format, content or marketing of the RCEs? Do PAG members that attended any RCEs have any particular feedback to share?



Part 2 events

- 5 events, each covering 2 of the 10 topics in Part 2
- 2.5 – 3 hours
- Each one offered three times on the same day to accommodate different time zones
- No break out rooms and moderation
- Videos, polls and word clouds as well as Q&A
- 21 July – 1 September
- www.ifr4npo.org/events



PAG Q3

Q3 Do PAG members have any comments or recommendations with respect to the Part 2 event series?

Next steps

	2021				2022				2023	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Fundraising										
Outreach on the Consultation Paper										
Analysis of responses										
Development of Draft Guidance										
Outreach on Draft Guidance										
Draft Guidance launch										