



## **Press release**

25 February 2014

### **CCAB welcomes first authoritative study into international financial reporting standards for NPOs**

CCAB has today published the first comprehensive international study into financial reporting for not-for-profit organisations (NPOs).

The study, conducted for CCAB by academics from four prominent universities, and the first significant research of its kind, assessed the need and demand for stronger financial standards for NPOs internationally.

The research was based upon a literature review and survey which received over 600 responses from 179 countries across the world.

The study has shown that while a range of views is expressed, overall there is an appetite among NPOs for an international standard for financial reporting in the not-for-profit sector with 72% of respondents agreeing that it would be useful.

Speaking about today's study launch at the House of Commons, CCAB Chairman Anthony Harbinson said:

"The CCAB promotes the highest standards in financial transparency and governance. This is why we are proud to have led the profession with this report and demonstrated the need for consistent high quality reporting in this increasingly important area globally."

Based upon the research, CCAB have called for more study into what is needed in this area and further consideration of what an international standard for financial reporting in the not-for-profit sector could look like. Further research should also consider whether an international standard could create consistent expectations from donors, so potentially reducing the costs for NPOs by avoiding duplication.

Responding to the study, Ian Carruthers, chair of the CCAB study and CIPFA's Director of Policy said:

"This report clearly demonstrates that there is desire for some kind of international standard for the not-for-profit sector, though further work is needed on what form this might take."

“Strengthening transparency and accountability, while potentially reducing costs through consistency in reporting requirements would go a long way in supporting NPOs, donors and those they serve around the world.”

- You can find a copy of the full report, International financial reporting for the not-for-profit sector here: <http://www.ccab.org.uk/documents/IFRNPO-FullReport-Final-07022014.pdf>

## **ENDS**

### **Notes to editors:**

- The combined membership of the five CCAB bodies - ICAEW, ACCA, ICAS, CIPFA and Chartered Accountants Ireland - amounts to 245,000 professional accountants in the UK and the Republic of Ireland (354,000 worldwide), according to recent statistics from the Financial Reporting Council (FRC). These significant numbers enable CCAB to speak with authority for the UK accountancy profession.
- The report, “International financial reporting for the not-for-profit sector” is a study commissioned by CCAB and published in February 2014.
- The international research team was led by Professor Gareth Morgan (Sheffield Hallam University, England) and Dr Louise Crawford (University of Dundee, Scotland), with further input from Dr Carolyn Cordery (Victoria University of Wellington, New Zealand) and Dr Oonagh B Breen (University College Dublin, Ireland).
- The survey received responses from 605 people involved in financial reporting in the NPO sector from at least 179 countries.
- The responders came from a broad range of NPOs from small community based organisations through to large international NGOs.
- 68% of respondents were involved primarily in accruals accounting while 24% were involved in cash based receipts and payments accounts.
- The executive summary of the study can be found here: <http://www.ccab.org.uk/documents/IFRNPO-ExecSummary-Final-07022014.pdf>
- The full report can be found here: <http://www.ccab.org.uk/documents/IFRNPO-FullReport-Final-07022014.pdf>

For further information, please contact:

Matthew Patterson on 020 7543 5787, e-mail: [Matthew.Patterson@cipfa.org](mailto:Matthew.Patterson@cipfa.org)