

Dear Richard Arnott

Consultation on Accounting regulations for charities.

I am sending a submission on behalf of the Quaker Stewardship Committee of Britain Yearly Meeting of the Religious Society of Friends.

Background

Our perspective is that of a Great Britain-wide religious organisation with a number of congregations in Scotland. The Religious Society of Friends is an organisation that will not qualify as a Designated Religious Charity in Scotland as there are only 700 members in Scotland, out of 16,000 in Great Britain. Consequently, the following points are important to us in response to your proposals.

Proposals in the consultation document:

(1) £250,000 should be the threshold for full accrual accounts, and for audit by a registered auditor (unless the charity is a company or SCIO). Below this threshold charities may prepare Receipts and Payments accounts, with their accounts subject to independent examination.

This simplification of the requirements (alignment of the accounting and audit thresholds, as well as the raising of the threshold) is strongly welcomed. It eases the task of our treasurers and we do not believe that it is likely to result in any lack of clarity or transparency in external regulation.

We do not believe that charities with income below £10,000 should be freed from the requirement for independent examination. All charities, whatever their size, should be subject to some form of external scrutiny.

However, because we are keen that the regulations in Scotland and in England and Wales should be consistent, we are on this occasion content that the position adopted should be as in England and Wales.

(2) UK-wide charities that register (as UK charities) with OSCR for their operations in Scotland should be able to submit their UK-wide accounts to OSCR without a requirement to separate out their Scottish activities for reporting purposes, unless they have chosen to register their Scottish activity separately.

We strongly support this. It should enable OSCR to keep an overview of charitable activity in Scotland without adding to the burden of regulation.

(3) Designated Religious Charities should follow the same accounting regulations as other charities in Scotland.

We support this, even though we are not affected by it. It is logical that all religious bodies should be treated similarly.

(4) Charity accounts will have to be submitted within seven months of the end of the accounting period.

We should prefer retention of the previous ten month period. Virtually all our Quaker meetings and associated charities work with non-professional treasurers. The task of consolidating the accounts that are submitted by very small meetings, as we call our congregations, is considerable, and this work is undertaken in treasurers' spare time. However efficient a treasurer may be, the speed at which (s)he can consolidate and prepare a set of accounts is entirely dependent on the rate at which the slowest treasurer in a group can work. We feel that submission within seven months, which normally for Friends coincides with the end of July, the middle of the holiday period, is unreasonable in such circumstances.

In addition, this period includes the time required for audit or examination, and acceptance by the charity's trustees. Obtaining the services of a registered auditor (or of an appropriate independent examiner) can add a considerable time before the

accounts can be submitted to a meeting of trustees (which itself has to be called and organised in a proper way).

However, we also see the need here for GB-wide consistency, and hope that consideration of the burdens on smaller organisations relying on volunteer treasurers will be remembered in England and Wales

(5) The requirements for Scottish charities have been established in terms of their format and disclosure, but the regulations refer to the methods and principles of SORP.

We support this as it helps in establishing a UK-wide approach. This is helpful both for training, and for consistency.

We hope these points will be of interest to you and your team. We are glad to take part in the consultation and for our comments to be made public.

Yours sincerely

Christine Davis

Clerk, Quaker Stewardship Committee