



22 December 2008

Our ref: ICAEW Rep 142/08

Your ref:

By email: [consultations@oscr.org.uk](mailto:consultations@oscr.org.uk)

Dear Sirs

## **MONITORING OF CROSS BORDER CHARITIES**

The Institute of Chartered Accountants in England and Wales (the Institute) welcomes the opportunity to comment on the consultation paper *Monitoring of cross border charities* published by the Office of the Scottish Charity Regulator in September 2008.

The Institute operates under a Royal Charter, working in the public interest. Its regulation of its members, in particular its responsibilities in respect of auditors, is overseen by the Financial Reporting Council. As a world leading professional accountancy body, the Institute provides leadership and practical support to over 130,000 members in more than 140 countries, working with governments, regulators and industry in order to ensure the highest standards are maintained. The Institute is a founding member of the Global Accounting Alliance with over 700,000 members worldwide.

The Institute's Charities Sub-Committee is responsible for co-ordinating the technical considerations of the charity sector with respect to Chartered Accountants working in or for charities. Its membership represents the interests of practitioners, their clients and Chartered Accountants employed in financial roles within charities.

We recognise that the proposals on the annual return, information return and annual accounts represent modifications only. However we are strongly of the view that the processes, reporting and accounting obligations for charities that operate cross border should be consistent as far as is possible. Where possible, processes should draw on existing requirements in place under the principle regulator of the charity.

In our view the current state of affairs which means that charities are subjected to inconsistent and varying requirements across the UK goes against the principles of better regulation and subjects charities to onerous and costly duplication of effort and confusion because of different timeframes and reporting thresholds. Therefore proposals which mean the charity can make use of existing reporting are to be commended.

We do feel there is room for greater alignment. For example we can see no reason why the timeframe for submission of accounts, the content of the accounts and the thresholds to be applied cannot be the same in England and Wales and Scotland (whilst recognising that it is the intention of the Scottish Government to consult on thresholds in due course).

Please contact me should you wish to discuss any of the points raised in this response.

Yours sincerely

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