

Reporting achievement and performance for charities

The new Statement of Recommended Practice (SORP) changes the requirements for the Trustees' Report. Since the introduction of Charity SORPs in 1995 Trustees have been required to comment on the activities of their organisation. The standard of that reporting, however has not met the expectations of either the Charity commission or the Government, and the requirements have now become clearer and more prescriptive.

There is now a specific requirement that charities should be reporting what they are established to do, what they actually do, and how successful they are at doing it:

"The report should help the reader understand the aims and objectives set by the charity, and the strategies and activities undertaken to achieve them. The report may also, where relevant, explain how the objectives set for the year relate to longer term strategies and objectives set by the charity." Paragraph 47.

"The report should contain information that enables the reader to understand and assess the achievements of the charity in the year. It should provide a review of its performance against the objectives that have been set" Paragraph 53.

Since the publication of the revised draft much has been written about the need to identify indicators, milestones and benchmarks to assess performance, and many charities have been concerned that this could prove burdensome. The SORP actually says that "it will often be helpful to identify" any such measures which are used to assess the achievement of the objectives and it also confirms that these measures may be both quantitative (expressed in terms of numbers) or qualitative (including feelings, opinions and judgments).

The SORP also requires the trustees to comment on those factors both within and outside the charity's control which are relevant to the achievement of its objectives; these might include relationship with employees, users, beneficiaries, funders and the charity's position in the wider community. This will provide a focus for charities to thank and praise but will also give a space to identify insurmountable difficulties and explain why things did not happen as expected. There is a great deal of understandable reluctance to talk about failure but individual Charity Commissioners have intimated that problems should be disclosed. Indeed it is a mark of an intelligent organisation that it is prepared to be innovative and to learn from its mistakes, having put in place structures which enable it to mitigate the effects of failure and move forward.

One simple way of responding to these requirements is for the charity to look back at the end of the year and write a basic assessment. The charity could gain more, however, by recognising these requirements as part of the strategic management process. We have created this document as a practical guide for Trustees to meeting the requirements of SORP 2005. We set out below a suggested format for the annual cycle of planning, performance and evaluation that will enable a charity to identify the information it needs for the annual report and at the same time provide a framework for operational decision-making and development planning.

To download your copy of how to use the tool kit and pro formas click on the links. If you require any further information or have trouble with the links please call Sandra de Lord on 020 7566 4000.

Links

- [Reporting achievements and performance tool kit](#)
- [SORP planning process 1](#)
- [SORP planning process 2](#)
- [SORP evaluation process](#)

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