

## PUBLIC CONSULTATION ON THE DRAFT ACCOUNTING AND REPORTING REGULATIONS

### **Regulation 3 – Interpretation**

Q1. Do you agree with the definition of “gross income”?

Yes

If not, how do you think “gross income” should be defined?

### **Regulation 4 – Application**

Q2. Do you agree with the exemption threshold level of €10,000 in relation to the preparation and audit/examination of annual statement of accounts?

No

If not, set out your proposed threshold level (It should be noted that proposed threshold levels should be confined to a level allowable under Section 48 6 c of the Charities Act i.e. between €10,000 and €50,000).

For smaller charities this should be €40,000.

### **Regulation 5 – Financial Year**

Q3. Do you agree with the limit on the number of changes to the financial year duration, in the absence of consent from the Authority, to one change in any three year period?

Yes

**Regulation 6 – Consolidated Accounts**

Q4. Do you agree that the regulations dealing with the methods and principals for the preparation of group accounts are better addressed by reference to financial reporting standards and the applicable statement of recommended practice, rather than by detailed scheduling of methods and principals for consolidation in the Regulations?

Yes

**Regulation 8 – Simplified Accounts**

Q5. Are you satisfied regulation 8 (including Schedule 1) provides a sufficient and proportionate framework for preparing 'simplified accounts'?

Yes

If not, what additional requirements are needed?

## Regulation 9 – Annual audit of statement of accounts

Q6. Do you agree with the threshold level of €100,000 in relation in the requirements for a statutory audit?

No, I strongly disagree with the threshold level for statutory audit at €100,000

If not, set out your proposed threshold level (It should be noted that proposed threshold levels should be confined to a level allowable under Section 50 2 of the Charities Act i.e. no greater than €500,000).

The average Church of Ireland Parish must generate income of €100,000 plus per annum in order to provide sacred spaces for public worship, to provide ministry and pastoral care, to promote strong community relations, to support the poor, ill & suffering in the community and to support the relief of poverty & suffering both at home and overseas. An audit threshold of €100,000 will add significant additional costs and leave fewer financial resources available for the mission of the Church.

Therefore I would suggest the following thresholds should apply:

Gross Income Threshold	Type of Account	External Scrutiny Minimum requirement
Income less than €250,000 (subject to the exemption threshold level)	Simplified Accounts (Receipts & Payments)	Independent examination by an independent person , who in the opinion of the trustees has the ability and experience to carry out a competent review
Income of €250,001 - €500,000	Accruals accounts in accordance with SORP	Independent examination by a prescribed / qualified person
Greater than €500,000	Accrual accounts in accordance with SORP	Statutory audit performed by a registered auditor

**Regulation 10 – Examination of annual statement of accounts by an independent reviewer**

Q.7 Are you satisfied regulation 10 provides a sufficient and proportionate framework for an examination of annual statement of accounts by a reviewer?

Yes

If not, what additional requirements are needed?

**Regulation 13 – Annual Report**

Q.8 Are you satisfied regulation 13 provides a sufficient and proportionate framework for annual reporting?

Yes

If not, what additional requirements are needed?

**Additional Comments (100 words)**

Q9. If you have any additional feedback on the draft regulations that was not relevant to questions 1-8 above please set out that feedback, in no more than 100 words in the space below. Please try to be as specific as possible.

End.