

What is the Charity taxonomy, the consultation and how to submit your feedback

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FRC, Governance & taxonomies

- FRC responsible for UK standards for accounting, auditing and actuarial work
- Taxonomies are the dictionaries of the XBRL language, containing the computer-readable tags used to identify specific financial and business data items and the conventions which determine how they may be used
- The FRC views taxonomies as an extension to the our work on standard setting and is the owner of the UK taxonomies
- Information in corporate reports now electronically ‘tagged’ enabling users of the data to extract the information and analyse it
- Since some UK Charities already submit their accounts to HMRC and Companies House – updating the Charity taxonomy enables them to do so with the new Charity SORP
- It is anticipated that many more charities will report to the Charity Commission using the taxonomy
- The FRC is responsible for Governance of the taxonomies because we can be viewed as being objective



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Taxonomies

- Taxonomies support XBRL reporting under new UK GAAP standards, FRS 101, FRS102 and EU-adopted IFRS and the Charity SORP
- They share a large range of common tags, follow identical designs and contain the same components for standard company and charity information
- HMRC and Companies House have adopted the extant taxonomies
- Charity Commission will adopt the Charity taxonomy after due consultation and redeliberation
- Due process - Taxonomies are developed by a project team led by the FRC with guidance from a Technical Task Force and Governance Committee
- Taxonomies are developed by collaborative effort to reflect expected reporting under the relevant standards and SORPs



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Funding – a collaborative effort

- Resources obtained from Governance Members and UK Government
- Charity taxonomy supported by the Charity Commission
- Taxonomies are worked on in:
 - (a) sequence to the standards and SORPs
 - (b) a timely fashion to enable the market to process them
- Outreach to ensure quality and consultation to ensure provision of taxonomies fit for purpose



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Amendments to the extant UK taxonomies

- Amendments are being made to reflect changes to the UK standards effected over the course of the last year
- Enabling the tagging:
 - of Small and Micro Entities under the new standards
 - for FRS 101 reporters using the IFRS formats
- Amendments to the taxonomies are due to be re-released before the 2015 year end
- Enabling transparency to all users on which reporting regime which companies and are reporting under
- 2016 will see the taxonomies amended to accommodate changes to UK and IFRS standards where considered appropriate by the Governance Committee and the FRC



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The Charity taxonomy

- Taxonomy has been updated in line with the Charity SORP and the FRC's financial reporting standard FRS 102
- Taxonomy was released for consultation on 8 October
- Consultation closes on 8 December
- Due to be released in final form by year end 2015
- A zip file of the draft version of the Charities taxonomy is available to download on the FRC website <https://xbrl.frc.org.uk/>
- A draft version of the Charities taxonomy can also be viewed on the internet through the 'Yeti' viewer at <https://uk-taxonomies-tdp.corefiling.com/yeti>
- Please navigate to view the Charities taxonomy
 - No log in is required to see the taxonomy
 - The Yeti viewer is intuitive to use - Please see the user guide



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How to submit feedback

- **How does one submit feedback?**
- By comment letter to the FRC and CC or by submitting comments on Yeti
- The following link enables viewing of the consultation
- <https://www.gov.uk/government/consultations/new-consultation-on-the-charity-taxonomy-frs-102-sorp>
- Does the content of the draft taxonomy accurately reflect expected reporting under the relevant standard - FRS 102 and the Charity SORP?
- Are the tags created effective?



Areas for feedback

We would like to invite your views in particular on the tagging approach taken for the following 4 areas:

1. **Transfer of funds on the SoFA**

- presented as a single line on the SoFA
- to reflect the movements between funds a number of tags were created each associated with a dimension for charity funds

2. **Content of the Charity Audit and Independent Examiner Report**

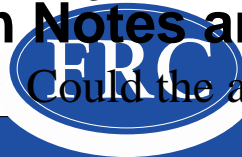
- Are the use of Boolean tags appropriate; and are
- Opinions and matters to be reported adequately and clearly covered?

3. **Charitable activities in the Trustees' Annual Report, SoFA and Notes and Disclosures**

- Your views are sought on the approach taken?

4. **Analysis and allocation of support costs across activities in Notes and Disclosures**

- Could the approach taken be structured more efficiently?



Conclusion

- The use of inline XBRL and the charity taxonomy design features need to provide a powerful and successful base for filing of charity financial reports
- It is preferable to build in flexibility into the taxonomy to cover predictable variations in reporting
- Feedback from those in the sector who will use and tag using the taxonomy are crucial before it is finalized
- We need to ensure
 - a complete, coherent and consistent model of the data in charity financial reports that is required for analysis
 - a sound basis for comparison and analysis of data which will steadily evolve and improve over time

