

IFRNPO Guidance

January 2021

Response Document

PART 2: NPO-SPECIFIC FINANCIAL REPORTING ISSUES

Instructions for completion

IFR4NPO has published this document for respondents to use for submitting their comments.

This document presents all of the questions in **Part 2** of the Consultation Paper with spaces for responses.

Respondents are encouraged to complete this document electronically but are not required to use this document. They may also respond using their own comment letter format or the online survey available at: <https://www.ifr4npo.org/cp-survey/>

Comments on **Part 2** are requested by **24 September 2021**

Information requested from all respondents

Name¹:

Jack Flanagan, individual capacity

Email address:

jack@therockspractice.com

Description of your role if responding as an individual:

Professor emeritus, with interest in NFP accounting from working with many charities over the past 20 years.

Description of the activities of the organisation if responding on behalf of an organisation:

Click or tap here to enter text.

Jurisdiction(s) to which the feedback relates:

Australia

Accounting basis of NPO financial reports in the jurisdiction in which you mainly work:

(i) Accrual

Cash and accrual accounting are used by charities in Australia. Cash for small charities and accrual for larger charities

Financial reporting standard use by NPOs in the jurisdiction in which you mainly work

(v) NPO specific standards/guidance based on IFRS

The charities regulator, the Australian Charities and Non-for profits Commission, requires charities to comply with Australian Accounting Standard AASB 1058, Income of Not-for-Profit Entities (AASB 1058, 2016)

¹ Name of person providing the response and whether this is in an individual capacity or on behalf of an organisation.

Please indicate whether you wish to receive further information about this project and consent to being contacted at the email address provided.

☒ *Agree*

☐ *Disagree*

This document has been designed purely to enable feedback to the IFR4NPO consultation. The responses will be used to shape the development of the IFR4NPO Guidance and not for any other purpose. We ask for your name and contact information to enable us to contact you if we should have any clarifications regarding your responses. Responses to the consultation will be public, but personal contact information will not be disclosed. Participation in this consultation is undertaken on an entirely voluntary basis. Personal information will only be held for the purposes of the project. You may withdraw your consent for us to hold any of your personal information at any time by contacting us at IFR4NPO@cipfa.org

Information requested only if the organisation on behalf of which you are responding is an NPO

Which International Classification of Non-Profit Organisation (ICNPO) group best describes your organisation and activities?²

2. Education and research - Organizations and activities administering, providing, promoting, conducting, supporting and servicing education and research.

I was a professor of accounting and spent 20 years on the boards of several charities and worked for the Centre for Social Impact for several years giving courses, sponsored by PWC, on improving financial reporting by charities.

Rank revenue sources of your NPO in order of importance (optional)

	1	2	3	4	5	6
(i) Grants	☐	☐	☐	☐	☐	☐
(ii) Donations	☐	☐	☐	☐	☐	☐
(iii) Sale of goods and services	☐	☐	☐	☐	☐	☐
(iv) Gifts in kind	☐	☐	☐	☐	☐	☐
(v) Services in kind	☐	☐	☐	☐	☐	☐
(vi) Other	☐	☐	☐	☐	☐	☐

Please provide any further information on revenue source including description of Other in this box.

Approximate total annual revenue of the NPO in US\$ (optional)

Please provide in numerical format the approximate annual total revenue of the NPO in US\$

Please provide any further information on revenue in this box

² http://ccss.jhu.edu/wp-content/uploads/downloads/2011/09/CNP_WP19_1996.pdf

Specific Matters for Comment (SMC)

Introduction

Part 2 of this Consultation Paper considers a number of NPO-specific financial reporting issues. It raises questions that are relevant to the project objectives, such as balancing the needs of preparers and users and improving the transparency of NPO financial reports. However, the main focus is to assist in delivering the third project objective: Objective 3: To address specific NPO issues, which will promote the comparability of NPO financial reports.

This part of the Consultation Paper sets out how the list of NPO-specific financial reporting issues for potential consideration was originally identified, and provides a description of the nature of each issue. The criteria used for selecting the issues to be included in the Consultation Paper, and therefore probably in the initial Guidance, are also included.

In-depth analysis is provided for each of the NPO-specific financial reporting issues currently proposed for the initial Guidance. Alternative approaches that could be pursued to address each issue are included to generate feedback.

Comments are welcome on any or all of the parts in the Consultation Paper. Please note:

- There is no requirement to respond to all issues
- You may respond to all of the questions raised in the Consultation Paper or may choose to respond only about certain elements
- There is no minimum number of questions that can be addressed in a response. But, the greater the number of responses received, the richer the feedback for the project team to consider.

Contents

Overview

Issue 1 – Reporting entity and control (including branches)

Issue 2 – NPOs acting on behalf of others

Issue 3 – Non-exchange revenue

Issue 4 – Grant expenses

Issue 5 – Measurement of non-financial assets held for service benefit

Issue 6 – Inventory held for use or distribution

Issue 7 – Financial statement presentation

Issue 8 – Classification of expenses – nature or function

Issue 9 – Fundraising costs

Issue 10 – Narrative reporting

The Overview and each issue provides Specific Matters for Comment (SMCs)

Overview – Selection of NPO-specific issues

This part of the Consultation Paper sets out how NPO-specific financial reporting issues have been identified and provides a description of the nature of each issue. Criteria for selecting issues to be included in the initial Guidance are also included.

SMC 0(a) Is the list of NPO-specific financial reporting issues complete? If not, please provide information about the further issues that you believe are specific to NPOs, or issues that should be removed, together with supporting reasoning for the change(s) you propose.

Yes.

SMC 0(b) Do you agree with the criteria used to evaluate the list of issues? If not, what changes would you make and why?

yes

SMC 0(c) Do you agree with the topics prioritised for the Consultation Paper? If not, outline which topics should be added or removed and why.

yes

Issue 1 – Reporting entity and control (including branches)

Reporting entities need to produce financial statements and so it is important to know what constitutes a reporting entity in the sometimes complex arrangements that surround NPOs. Understanding the accounting implications of these arrangements is key to providing complete and transparent financial information.

Some of the specific questions that this topic is seeking to address are:

- How is control defined (as NPOs may not be exposed to investee returns in a conventional sense)?
- How is a branch defined? Should all branches be accounted for as part of an NPO? What is the status of the financial statements of a branch that is not a separate legal entity?

SMC 1(a) Do you agree with the description of issue 1 – Reporting entity and control (including branches) – in the Consultation Paper? If not, why not?

I do not agree with the description of issue 1: reporting entity and control. Control as an identifying criterion was developed initially for financial reporting by listed companies via the initial accounting standard on consolidated financial statements developed at the start of this century. The issue that was addressed was the increasing use of minority interests to manage and control an empire of related companies.

IFRS 10 set out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee. Prior to the standard, holding companies could discriminate between the “subsidiaries” they consolidated (profitable) and those they de-consolidated (loss makers). It is my contention that non-profit organisations are significantly different from for-profit businesses. Both have economic and social goals, although business enterprises sometimes forget their social obligations and focus too much on short-term profit at the expense of sustainability. Even NPOs have to make profits over the long-term if they are to be sustainable and maintain their mission focus, however the vast majority of charities have a unifying structure, and may have branches, but nothing akin to subsidiaries.

Both organisations have multiple stakeholders but NPOs are alone in having an obligation to donors of money, resources and time. Little of this can be controlled – in the traditional accounting sense – so as a criterion for recognition it is too severe – using a notional sledgehammer! I am not sure what criterion could be used instead, as physical resources can be controlled, but not some of the more intangible resources. I think control is fine as a criterion relating to physical assets, but has no role in the recognition and measurement of revenues and expenses, where a reference to (simultaneous?) identified receipt and expenditure may be sufficient.

SMC 1(b) Do you agree that the list of alternative treatments that should be considered for issue 1 is exhaustive? If not, please describe your additional proposed alternatives, and explain why they should be considered.

Control is a very exacting criterion for identifying a NPO. In Australian accounting standard AASB 1 control refers to control over subsidiaries and most of the references are to treatment of non-controlling interests. Control is a very exacting criterion for NPOs. It would always exclude the value of services from volunteers, some bequests and conditional donations in kind which may be delivered on an as needed basis.

At least in Alternative 2, a pragmatic approach to control is suggested as the objective as expressed is the (ability) “to obtain benefits from its activities...”

SMC 1(c) Do you agree with the advantages and disadvantages articulated for each alternative accounting treatment for issue 1? If you do not agree, please set out the changes you propose, and why these should be made.

I am more inclined to support the advantages and disadvantages of Alternative 2., being easier to apply. To my mind, the key advantages are that it may be easier for stakeholder to understand and improve comparability. Both critical aspects for NPOs.

SMC 1(d) Please identify the alternative treatment that you favour for issue 1, and the reasons for your view.

I favour Alternative 2 as it is more flexible and more importantly it may be easier for stakeholder to understand and improve comparability.

Issue 2 – NPOs acting on behalf of other entities

The complex arrangements that surround NPOs may mean that in some instances an NPO is acting on behalf of another entity. It can be difficult to determine whether an NPO is merely acting in an administrative role and what its accountability arrangements are.

Some of the specific questions that this topic is seeking to address are:

- When is an NPO acting as an agent and when is it acting as principal?
- Is any disclosure required of the gross amounts relating to agency activity or assets in custody (including cost pass through and assets held on behalf of another entity/person)?

SMC 2(a) Do you agree with the description of issue 2 – NPOs acting on behalf of other entities? – in the Consultation Paper? If not, why not?

Yes, happy with these, but I have no experience with the issue here.

SMC 2(b) Do you agree that the list of alternative treatments that should be considered for issue 2 is exhaustive? If not, please describe your additional proposed alternatives, and explain why they should be considered.

I think they are – although you seem to have accepted the notion of control for identifying an NPO.

SMC 2(c) Do you agree with the advantages and disadvantages articulated for each alternative accounting treatment for issue 2? If you do not agree, please set out the changes you propose, and why these should be made.

Yes happy with these

SMC 2(d) Please identify the alternative treatment that you favour for issue 2, and the reasons for your view.

I favour Alternative 2. Ease of implementation will be a key for any standards for NPOs which have limited access to financial expertise.

SMC 2(e) Additional disclosures are proposed under all alternatives for issue 2. Outline any challenges you would anticipate with the proposed disclosures? Are there additional disclosures that might be more relevant?

Again where access to reliable knowledgeable accounting expertise may be difficult to obtain the required agency relationship disclosure may be hard to achieve.

Issue 3 – Non-exchange revenue

NPOs receive non-exchange revenue from a variety of different resources. NPOs may rely on grants, cash donations, donations of individual items (gifts in-kind), donations of services or volunteer time (services in-kind) and bequests and endowments in order to meet their objectives.

Non-exchange revenue transactions raise specific issues. These issues relate to the recognition, measurement and disclosure of non-exchange revenue.

SMC 3(a) Do you agree with the description of issue 3 – Non-exchange revenue? – in the Consultation Paper? If not, why not?

Yes. This is a major issue for any NPO that receives gifts or bequests and uses volunteer service inputs – which is the majority of NPOs.

SMC 3(b) Do you agree that the list of alternative treatments that should be considered for issue 3 is exhaustive? If not, please describe your additional proposed practical alternatives, and explain why they should be considered.

It looks pretty comprehensive

SMC 3(c) Do you agree with the advantages and disadvantages articulated for each alternative accounting treatment for issue 3? If you do not agree, please set out the changes you propose, and why these should be made.

Generally yes.

SMC 3(d) Please identify the alternative treatment that you favour for issue 3, and the reasons for your view.

I favour alternative 4. There is a need to get NPOs to systematically include non-exchange revenues in their financial statements.

Both for-profit and NPO organisations have multiple stakeholders but NPOs are alone in having an obligation to their donors of money, other property and, most significantly, volunteer services.

The use of volunteers by NPOs constitutes one significant way a society can effect social goals. How to account for volunteers causes issues for NPOs as professional accounting standards and regulatory bodies have historically ignored volunteer inputs and outputs as they are often difficult to measure. NPOs have tended to accede to accounting views on what constitutes objective evidence and not sought to include volunteer services in their financial statements despite the significant contributions made by volunteers to many NPOs.

For example, The Samaritans 2020 annual report and accounts mentions volunteers 64 times. They state that “The financial statements do not reflect the value of the time donated by the volunteers within the branches in delivering the Samaritans’ service, which is estimated at £87 million per annum with more than 22,000 volunteers giving 5.8 million hours of their time.* This is the foundation on which the strength of the Samaritans’ service is built” (2020, p.22).

Yet the financial income of Samaritans in 2020 was only £20.6million. So, in effect, nearly 81% of the organisation’s service ‘income’ (and expenditure) is ignored in the

financial statements, making them pretty meaningless for stakeholders.
There are many similar NPOs in Australia such as Surf Life Saving Australia and the NSW Rural Fire Service which rely heavily on volunteers.

SMC 3(e) If you favour an alternative other than alternative 4 for issue 3, do you consider that the exceptions to the recognition and measurement of gifts in-kind and services in-kind should be available under your preferred option?

No.

SMC 3(f) Are there any practical considerations, for example impacts on tax or audit thresholds, or questions that arise in implementing your preferred option for issue 3?

The audit issue is the one consistently raised by the accounting profession and standard setters. One way around this is to include non-exchange transactions in a statement that complements the income statement.

The other major issue is whether the NPO has a systematic method of recording volunteer hours and allocating reasonable prices to the services provided (expert of general).

I get somewhat annoyed by the claim that non-exchange transactions cannot be entered into financial statements unless they can be reliably measured. Public company accounts are full of estimates often based on NPV calculations which are based on imagined future cash flows, discount rates and time lines.

For example, Woolworths a major retailer in Australia states the following in its published accounts:

“In applying the Group’s accounting policies, the directors are required to make estimates, judgements, and assumptions that affect amounts reported in this Financial Report. The estimates, judgements, and assumptions are based on historical experience, adjusted for current market conditions, and other factors that are believed to be reasonable under the circumstances, and are reviewed on a regular basis. Actual results may differ from these estimates.”

So an estimated value of volunteer services made by a NPO may prove in hindsight to be miscalculated. So what, at least they have recognised the value of the non-exchange transaction which will help stakeholders understand the impact of these transaction on the NPO’s activities and reported results and enable comparisons to be made.

Issue 4 – Grant expenses

Many NPOs make grants to other organisations to further their own objectives. This topic is primarily concerned with what expense should be recognised and when, as well as related disclosures.

SMC 4(a) Do you agree with the description of issue 4 – Grant expenses? – in the Consultation Paper? If not, why not?

Not my area of expertise.

SMC 4(b) Do you agree that the list of alternative treatments that should be considered for issue 4 is exhaustive? If not, please describe your additional proposed alternatives, and explain why they should be considered.

Seem OK

SMC 4(c) Do you agree with the advantages and disadvantages articulated for each alternative accounting treatment for issue 4? If you do not agree, please set out the changes you propose, and why these should be made.

Seem ok

SMC 4(d) Please identify the alternative treatment that you favour for issue 4, and the reasons for your view.

Alternative 2. As again it may help in providing for a consistent recognition that informs comparisons

Issue 5 – Measurement of non-financial assets held for social benefit

Tangible and intangible assets that are held for use in delivering the NPO's objectives and not for a financial return is a specific issue for NPOs, particularly where there is a need to impair them.

This topic is seeking to address matters related to:

- How assets are measured initially and subsequently
- Impairment, including when an impairment is recognised, how it is measured and what disclosures should be made.

SMC 5(a) Do you agree with the description of issue 5 – Measurement of non-financial assets held for social benefit? – in the Consultation Paper? If not, why not?

Yes. An important topic

SMC 5(b) Do you agree that the list of alternative treatments that should be considered for issue 5 is exhaustive? If not, please describe your additional proposed alternatives, and explain why they should be considered.

Yes it is comprehensive.

SMC 5(c) Do you agree with the advantages and disadvantages articulated for each alternative accounting treatment for issue 5? If you do not agree, please set out the changes you propose, and why these should be made.

Yes

SMC 5(d) Please identify the alternative treatment that you favour for issue 5, and the reasons for your view.

Alternative 3. The majority of listed companies now value at historic cost. They do this because the relevant standard says you must revalue down as well as up if you decide to revalue PPE. As we live in strange times – where property values keep climbing because of cheap money – and could just as easily fall heavily if central banks (especially the Federal Reserve) reduce their bond buying activities.

NPO property values should not be subjected to the vagaries of the market as it is the services generated by holding such properties that should be the focus, not the balance sheet valuation. A valuation can always be obtained by a NPO if they want to use it for security for a loan.

SMC 5(e) Do you agree that land and buildings (or sub classifications thereof) used to provide services should be measured using the revaluation model and specifically a measurement which reflects the 'value in use' or the operational capacity to an NPO? Could it provide useful information to users?

No. Cost base is most appropriate for the reason just given. Financial accounting should basically be based on a cost recovery model, not a valuation model. More organisations get into trouble because they forget this requirement.

Issue 6 – Inventory held for use or distribution

Inventory held for use or distribution to service users has also been identified as a specific issue for NPOs, particularly where the inventory has been donated rather than purchased.

Some of the specific questions that this topic is seeking to address are:

- the initial and subsequent measurement of low value donated goods
- the measurement of perishable inventories and what disclosures should be made about these
- impairment, including when an impairment is recognised, how it is measured and what disclosures should be made.

SMC 6(a) Do you agree with the description of issue 6 – Inventory held for use or distribution? – in the Consultation Paper? If not, why not?

Yes

SMC 6(b) Do you agree that the list of alternative treatments that should be considered for issue 6 is exhaustive? If not, please describe your additional proposed alternatives, and explain why they should be considered.

Yes they seem OK

SMC 6(c) Do you agree with the advantages and disadvantages articulated for each alternative accounting treatment for issue 6? If you do not agree, please set out the changes you propose, and why these should be made.

Yes they look OK

SMC 6(d) Please identify the alternative treatment that you favour for issue 6, and the reasons for your view.

Alternative 3. Cost or written-down value would be appropriate where systems can measure such values. Again this method provides more relevant information for stakeholders.

Issue 7– Presentation of financial statements (including fund accounting)

The format and content of financial statements including revenue and expenses is fundamental to how the information is presented to stakeholders. This presentation is particularly important when revenue is restricted or can only be used for particular purposes.

Some of the specific questions that this topic is seeking to address are:

- How should financial statements be presented to help the user's understanding of an NPO's activities? Should there be disclosure of material categories of income and expenses and/or transactions?
- How should unrestricted and restricted funds that can be used for specific NPO purposes be presented in the main financial statements and notes (including reserves)? How does this align with donor reporting requirements? What is the role of fund accounting?

SMC 7(a) Do you agree with the description of issue 7 – Presentation of financial statements? – in the Consultation Paper? If not, why not?

Yes.

SMC 7(b) Do you agree that the list of alternative treatments that should be considered for issue 7 is exhaustive? If not, please describe your additional proposed alternatives, and explain why they should be considered.

Seems OK

SMC 7(c) Do you agree with the advantages and disadvantages articulated for each alternative accounting treatment for issue 7? If you do not agree, please set out the changes you propose, and why these should be made.

Yes they appear clear

SMC 7(d) Please identify the alternative treatment that you favour for issue 7, and the reasons for your view. In your response please consider the presentation of unrestricted reserves allocated for internal purposes.

In this case I prefer Alternative 1. A standard report with the options for additional information to meet stakeholder needs

SMC 7(e) The term 'statement of financial performance' is used in the Consultation Paper to describe the statement that contains an NPO's revenues and expenses. Do you agree with the use of this term? If not, describe your preferred term and explain your reasoning.

Not really happy with the name of the statement. These are social organisations where the bottom line is important but should not be the focus. I still prefer the term "Statement of Income and Expenditure" as stakeholders need to focus on both. For sustainability, NPOs need to make a surplus in the long-run, but there will be annual variations with occasional losses and stakeholders need to see that management has a sustainability policy so that ongoing surpluses are sufficient to keep the mission viable.

Issue 8 – Classification of expenses – function or nature?

NPOs can present their expenses by nature or by function, with at least one jurisdiction having a presentation allowing a hybrid of the two.

Some of the specific questions that this topic is seeking to address are:

- Should there be a standardised format and if so, what should the primary headings be?
- Should the primary analysis of expenses be based on function or nature?

SMC 8(a) Do you agree with the description of issue 8 – Classification of expenses? – in the Consultation Paper? If not, why not?

Yes

SMC 8(b) Do you agree that the list of alternative approaches that should be considered for issue 8 is exhaustive? If not, please describe your additional proposed alternatives, and explain why they should be considered.

yes

SMC 8(c) Do you agree with the advantages and disadvantages articulated for each alternative accounting treatment for issue 8? If you do not agree, please set out the changes you propose, and why these should be made.

Seem OK

SMC 8(d) Please identify the alternative approach that you favour for issue 8, and the reasons for your view. When considering your preferred approach please comment on which alternative:

(i) provides the best information about the key components of expenses or drivers of performance/activities?

(ii) most closely matches how management reports internally and the way the operation is run (to assist with the cost/benefit assessment)

(iii) whether the alternatives link to any key ratios that might be given in the narrative reporting (and therefore should be something that can be disclosed and reconciled to)

(iv) whether the alternatives permit accountability.

Alternative 1. Gives the NPO the option of classifying expenses by nature or function. Nature will be easier, but the NPO could experiment with classification by function. It is the most cost-effective basis. Disclosure of overheads is long overdue as too many NPOs try and give the impression that there are no running costs.

SMC 8(e) Do you think that the alternatives for issue 8 provide the right balance between information presented on the face of the performance statement or in the notes?

Yes that appears OK.

SMC 8(f) Would the allocation of expenses to functions outlined in issue 8 be so arbitrary that it would not provide a sufficiently faithful representation of the composition of an entity's functions?

Possibly. It depends on the sophistication of the management accounting system. However, it would be hoped that management engages in such allocations to monitor project success, so it could be a useful additional source of information for stakeholders.

SMC 8(g) Are there any practical questions that arise in implementing your preferred option for issue 8?

The major question is again does the NPO have the expertise and the system to extract this information in a timely cost-effective way.

Issue 9 – Fundraising costs

Raising funds is critical to the existence of many NPOs. Fundraising activities can take many forms and there is a question about where to report the associated costs.

Some of the specific questions that this topic is seeking to address are:

- How should the costs of fundraising be defined (for example, whether to include business development spend and/or overheads)?
- How should the costs of fundraising be recognised and/or presented (i.e. on a gross basis or netted against income)?

SMC 9(a) Do you agree with the description of issue 9 – Fundraising costs? – in the Consultation Paper? If not, why not?

Yes. An important issue for donors and other stakeholders such as regulators

SMC 9(b) Do you agree that the list of alternative approaches that should be considered for issue 9 is exhaustive? If not, please describe your additional proposed alternatives, and explain why they should be considered.

Yes, exhaustive

SMC 9(c) Do you agree with the advantages and disadvantages articulated for each alternative accounting approach for issue 9? If you do not agree, please set out the changes you propose, and why these should be made.

Yes, they appear to be OK

SMC 9(d) Please identify the alternative approach that you favour for issue 9, and the reasons for your view.

Alternative 3. This is a major issue for many charities. There is a tendency to net fundraising costs with the funds generated to hide the extent of fundraising costs – especially when it is outsourced. A standard definition requiring all NPOs to measure and report the same way would be a great improvement.

SMC 9(e) Do you agree that all fundraising costs should be presented gross? If not, please provide examples of where this might not apply and the reasons for your view.

Yes. Otherwise too easy to hide or minimise.

Issue 10 – Narrative reporting

Non-financial information, which includes management commentary and other forms of narrative reporting, is relevant to NPOs, in demonstrating accountability and stewardship to stakeholders and civil society. For many NPOs, the financial statements may not capture many of the most important aspects of performance.

Some of the specific questions that this topic is seeking to address are:

- What should the narrative/non-financial reporting requirements be for NPOs?

- Should ratios be required for narrative reporting? If they are included, how should costs be classified between support costs and those attributable to operational delivery?

SMC 10(a) Do you agree with the description of issue 10 –Narrative reporting? – in the Consultation Paper? If not, why not?

Yes. An important issue

SMC 10(b) Do you agree that the list of alternative treatments that should be considered for issue 10 is exhaustive? If not, please describe your additional proposed alternatives, and explain why they should be considered.

Yes

SMC 10(c) Do you agree with the advantages and disadvantages articulated for each alternative accounting treatment for issue 10? If you do not agree, please set out the changes you propose, and why these should be made.

Seem OK

SMC 10(d) Please identify the alternative treatment that you favour for issue 10, and the reasons for your view.

Alternative 3. Ther focus of all NPO reporting should be on benefits to stakeholders who provide resourcesw and consume services. Beibng ahead of the reporting curve for NPOs is no bad think as they have been behind for so long.

SMC 10(e) Should narrative reporting guidance be set at the level of a framework and principles, rather than any more specific reporting requirements or recommendations? If you disagree, what additional guidance on whatspecific reporting requirements or recommendations would be beneficial?

Definitely framework and principles. It is to difficult to make specific reporting requirement that would suit all tyles of NPO.