

Dear Sir/Madam,

I think I've just missed the consultation deadline for the charity SORP feedback. However, if there is time to make a few comments, I write as a charity trustee and as a charity consultant.

In my experience, the following areas are indicative of poorly governed and managed charities, which are not covered effectively in the current SORP at present:

- Reliance on a single source of income (particularly statutory funds). Many charities are heavily statutory funded. However, this is not always a positive thing! The way that government funding is managed can have a damaging to a charity's mission, for reasons to many for this email. Tempted by large funding opportunities, charities can move away from their core mission and this can cause great damage in the long run, particularly when contracts come to an end with no funding replacement. Diversity of funding is important and reliance on one source is worrying. I believe this should be highlighted to a greater extent by the SORP.
- Funding ratios. The Institute of Fundraising canned its Fundratios study with the Centre for Interfirm Comparison this year. It was a poorly executed study, but the principle behind it was good – for every £1 spent on each income stream, how much was generated as a result? This information can inform charity fundraising strategies and reliable benchmarking is severely lacking in the sector. Could this info be captured by the SORP? It would encourage fundraisers and Boards to keep better track of their fundraising expenditure to income ratios, which is no bad thing.
- Staff turnover (determined from payroll). Charities which provide 'front line' care/counselling/support are most effective when there is a degree of consistency among the staff, because this work relies upon relationships. In my experience, charities with high staff turnover tend to have clients on their books for longer periods, arguably this is because high staff turnover can have a detrimental impact upon the mental health of service users.

I hope these thoughts are of some use. Do let me know if you would like me to elaborate.

Best regards,

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