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ACCOUNTING INFORMATION AND NON-PROFIT RELIGIOUS ORGANISATIONS

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PhD Thesis

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VOL II

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## Section 2 Questionnaire Study of Users of Accounts

## Section 2 Questionnaire Study of Users of Accounts

In this section we present the results of the second major empirical research in the study: the questionnaire study of users of accounts in the five churches. There are six chapters in the section with chapter 9 giving an outline of the questionnaire including its design, testing of results for bias and statistics used. The following four chapters give the results from the questionnaire in related groups: who are the users (chapter 10), background beliefs of users (chapter 11), users understanding of accounts (chapter 12) and changes recommended in the accounts (chapter 13). The conclusions from the questionnaire are summarised in chapter 14.

### Chapter 9.1 Introduction and overview of questionnaire design

A major part of the study has been to discover who are the users of the final accounts of the churches involved in the study, what uses they make of the accounts and what opinions they have about the accounts they receive. This information was sought from actual users of the accounts rather than potential users. Most of the information on this area was obtained from a mail questionnaire distributed to the five organisations under study. This chapter describes the way in which the questionnaire was designed and distributed, the detailed questions asked and the statistical tests used in analysing the results. A copy of each of the five questionnaires is included in appendix 8.

The questions in the questionnaire were designed according to criteria discussed in the next section (9.2). As there were five different organisations, the questions in each questionnaire had to be adapted to the differing organisational structures and accounting statements. Although each questionnaire contained the same basic core of questions, there were several questions added to each questionnaire to investigate specific aspects of reporting practices in a particular church. All the basic core questions were developed for the questionnaire distributed to recipients of GGO accounts and this was used as a pilot survey. The design of the other four questionnaires took account of problems encountered in this pilot study. Details of the questions and these changes are discussed in the next section (9.2). In each case the questionnaires were prepared in draft form and distributed for comment to a number of individuals connected with the church concerned and with some knowledge of the respective organisation and accounts.

Having prepared a questionnaire for each church it was necessary to decide who was to receive the questionnaire; what channel of distribution would be used; whether follow up letters should be used and by what means responses were to be returned. For each of these questions it was necessary to take into account the available resources, in particular time, financial, and results processing availability, and the nature of the questionnaire itself.

The target population was all those who received the published accounts of the particular churches. The approximate target population was intimated by the accountants in the churches as part of the questionnaire discussed in chapter 5.1. These were as follows:

Glasgow Diocese	(GGO)	200
Representative Church Council	(RCC)	750
Liverpool Diocese	(LPL)	500
Methodist Church	(MET)	500
Church of Scotland	(COS)	1400

Various sources indicated that the likely response rate for a mail questionnaire of the sort envisaged would be between 20% and 40%. In addition it was anticipated that about 100 respondents would be needed to give a reasonable response on all questions for statistical purposes, particularly for the chi-square test where small expected values make statistics unreliable (see chapter 9.3). Based on the worst estimate for responses of 20% of the population and a minimum required response of 100 per church about 500 people in each church would be need to be approached in order to be sure to get reasonably significant results.

With this as a starting point it was decided that if time and resources permitted, questionnaires should be sent to all recipients of accounts in GGO, LPL, and MET and to a 50% sample of recipients of accounts in COS. For RCC, the questionnaire was to be sent to all recipients of accounts if resources permitted.

The ideal distribution method for the questionnaire would have been along with the accounts themselves and this was the method followed in the pilot study. In order to do this it would have been necessary to gain the cooperation of the organisation concerned and only one further organisation (LPL) felt that they could do this. The others indicated that they would incur administrative costs and add official 'weight' to the questionnaire, both of which they felt unable to do. The LPL and GGO questionnaires were therefore distributed along with the accounts, in each case by post. The RCC questionnaires were distributed partly by hand at the AGM (the researcher being

present as a delegate) and the balance by post, in neither case along with the accounts. The other two questionnaires were distributed entirely by post and separately from the accounts.

Where questionnaires were distributed by post it was necessary to obtain an address list. This was freely available for RCC in the form of a yearbook and this was used to obtain addresses. COS have a yearbook but this does not include a list of members of the church who attend the AGM (accounts are not distributed to all AGM commissioners but are available at the AGM). It was however possible to procure a copy of the Roll of Members of the General Assembly. This contained the names of some 1300 members of Assembly including Commissioners and visitors. As only a sample of these were required for the survey two random samples were selected, one of the Ministers and one of the Laity. Addresses for these were extracted from the Roll of the Assembly (which was changed into computer readable form using a Kurzweil optical character reading device) together with the 1982 Year Book for information not included in the Roll.

A final complication arose with MET because addresses were not easily available for the lay members of Conference. It was therefore decided to send the lay members questionnaires for each Methodist District to the District Secretary for him to distribute (questionnaires for lay members appointed by Conference were sent to the Secretary of the Methodist Conference asking him to distribute them).

From the outset it was decided that the questionnaire needed to be kept confidential because of the personal questions it contained and it was felt that certain other questions might be more fully answered under confidential cover. It was decided that this confidentiality needed to be made very clear and so follow up codes were omitted from four of the five questionnaires. In the fifth (RCC) codes were inserted but used only to check that duplicates were avoided in the distribution list. This could have been achieved in other ways and possibly an increase in response might have been achieved thereby. Three (1%) of the respondents to this questionnaire crossed out the code.

In addition to this, district codes were added to the reply envelopes of MET in order to check returns by areas and four (1%) of these numbers were crossed out. The presence of these codes does not seem to have reduced the MET response rate which was over 50%.

Though no formal reminders were sent out, in the case of GGO and RCC the researcher was present at the AGMs and was able to give a verbal reminder.

### Timing

Timing of the distribution of questionnaires was largely dictated by the availability of financial resources for payment of postage and duplicating. The most appropriate time for distributing the questionnaires would have been along with or shortly after the issue of the annual accounts but in the case of COS and MET distribution was some months after the accounts themselves were issued. The effect of this is difficult to interpret as the MET response was higher and the COS response lower than for the questionnaires distributed along with the accounts. It seems as that in the case of COS the accounts may have been passed on to other people by the time the questionnaire arrived, something which is not mentioned at all by respondents to the MET questionnaire.

### Usable responses

Figure 9.1.1 gives details of the total questionnaires sent out and received back. This indicates that the rate of usable responses to total questionnaires sent out was within the expected limits except in the case of MET where the response rate was considerably higher. This indicates that perhaps there is a good deal of interest in accounts in MET.

### Summary

This section has discussed how the questionnaires were designed, tested and distributed and the level of expected and actual usable responses. The rate of return of usable responses was at least as good as had been anticipated in the design of the questionnaire and in one case much better. In the next section we shall move on to discuss the design of questions in detail.



Table 9.1.1 Analysis of Questionnaires distributed and returned

	GGO	RCC	LPL	COS	MET
Total Questionnaires sent out	190	672	415	612	530
Total Received back	80	222	123	200	297
Less Blanks and Refusals	2	6	1	7	10
Incomplete	2	7	2	3	-
Too Late	-	-	1	2	3
Total Unusable	4	13	4	12	13
Usable Questionnaires	76	209	119	188	274
Percentage Usable Response	40.0%	31.1%	28.7%	30.7%	51.7%

## Chapter 9.2 Detailed design of the questionnaires

The five questionnaires which were used to collect data about external users of accounts of the five churches are given in appendix B. This section describes the questionnaire's overall structure and presentation and indicates the differences between them. Each questionnaire was accompanied by a covering letter, which is also given in appendix B.

### 9.2.1 Overall Structure

All the questionnaires are basically similar, having four distinct sections. The first three sections are the core of the questionnaire with the last section, D, being additional for those respondents who were also committee members. Section A contains factual questions about the respondents, section B mainly factual questions about the reading, understanding and use of accounts and section C questions to elicit opinions about accounts and other reports. This sectional structure has been adhered to except in the pilot study (see below) and in COS.

It was discovered that in COS there were a number of respondents who did not receive a copy of the accounts for various reasons and so all but the first two questions in section B of the COS questionnaire were intended only for those respondents who received accounts whereas those questions in section C were for all respondents. Section C of the COS questionnaire thus included one or two factual questions eg "did your local church make use of accounts.." included in section B of the other questionnaires.

The order of the questions in each section was kept as far as possible similar (partly to ease the computer data input work to follow) but in the interests of economy some questions were juxtaposed to enable the questions to be kept to 6 sides of paper (8 in the case of the pilot study).

### 9.2.2 An detailed overview of the questions

In this sub-section the general nature of the questions will be described. Table 9.2.1 gives a list of the questions asked in the five questionnaires and the numbers of the questions in each questionnaire. For the actual questions asked it is necessary to refer to the questionnaires in appendix B.

The aim of the first section of the questionnaire was to gather some personal details about respondents. The information was required for two distinct purposes: drawing up a profile of respondents who are likely to receive accounts of churches and for use in analysing answers to questions in sections B and C. 'Age' and 'Qualifications' may for example have an effect on levels of understanding and reading of accounts.

The questions in section A are in two distinct groups, those giving merely personal details such as age, qualifications and interests in the church and those which give an indication of the general level of commitment of respondents to the church such as level of giving, hours worked for the church, committee membership etc.

The 'level of commitment' questions were the hardest to design and test, especially as the number of possible officers is immense and this is potentially the most sensitive area, particularly with the inclusion of a question on giving. Such questions were however very necessary to see whether respondents had a small or a large 'stake' in the organisation, an area difficult to measure where there are no shares held as would be the case in a company.

Inevitably there must be some doubt as to how accurately the questions about personal details have been answered, particularly in relation to giving and hours worked. Unfortunately there is no easy way to test the accuracy of the answers generally though overall the answers reflect what personal knowledge the researcher and various interviewees have of organisation members. Where comparative statistics and other evidence are available for individual questions these are noted in the text.

The second section of the questionnaire (apart from in COS as explained below) was aimed at discovering 'factual' information about the use, reading and understanding of accounts. This section of the questionnaire was on the whole seeking objective answers to questions, though no doubt this was not achieved completely. The questions included enquiry about the length of

Table 9.2.1 List of Questions in each of the five questionnaires

<u>Subject</u>	<u>Question Number</u>					
	<u>GG0</u>	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>	<u>Note</u>
<u>Section A</u>						
Diocese a member of	-	A1	-	-	-	+
Age	A1	A2	A1	A1	A1	
Work	A2	A3	A2	A2	A2	
Qualifications	A3	A4	A3	A3	A3	
Professional Qualifications	A4	A5	A4	A4	A4	
Accounting Qualifications	A5	A6	A5	A5	A5	
Interests	A6	A7	A13	A6	A6	*
(number of sections)	(10)	(11)	(11)	(11)	(11)	
Giving to the church	A7	A8	A6	A7	A7	
Hours Spent working for church	A8	A9	A7	A8	A8	*
Full/Part/Spare Time	(A8)	A9	A7	A8	A8	*
Congregation offices held	A9	A10	A8	A9	A9	
Area Offices held	-	-	-	A9	A9	@
District offices Held	-	-	-	-	A9	@
Regional Committee Membership	A10	A11	A10	-	-	@
Regional officer?	A11	A12	A9	-	-	@
Central Committee Membership	A12	A13	A11	A10	A10	
Central Officer?	A13	A14	A12	A11	A11	
<u>Section B</u>						
Does receive accounts?	-	-	-	B1	-	+
If do not receive, why not?	-	-	-	B2	-	+
Number of Years accts received	B1	B1	B1	B3	B1	
Detailed Accounts received?	-	-	-	-	B2	+
How many others see accts	B2	B2	B2	B5	B3	
What use is made of accounts?	B3	B3	B3	B6	B4	
Affect of accounts on giving	B4	B4	B4	B7	B5	
Main Factor influencing giving	B5	B5	B5	C1	B6	
Reading of Accounts	B6	B7	B7	B4	B9	+
(number of sections)	(17)	(13)	(24)	(37)	(33)	
Amount of information	B7	B8	B8	B8	B7	
How often Refer to?	B8	B9	B9	C2	B8	*
(number of sections)	(1)	(4)	(4)	(4)	(5)	
Local Church use of accounts?	B9	B10	B13	C3	B10	
If reduce size which cancel?	B10	-	-	-	-	*
Amount of Information in						
Details in Annual Report	-	B11	-	-	-	+
Use/Interest in Summary	B11	(C10)	B10	B9	B12	1.
Ease of Understanding	B12	B6	B11	B10	B13	
Source of information	-	B12	B6	C4	B14	*
(number of sections)	(-)	(5)	(5)	(6)	(7)	
Source & application of Funds	-	-	B12	-	-	+
Which stmt is balance sheet?	-	-	-	B11	-	+

Table 9.2.1 Continued

<u>Subject</u>	<u>Question Number</u>					
	<u>GGO</u>	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>	<u>Note</u>
<u>Section C</u>						
Understand basis for accounts	C1a)	C1a)	C1a)	B12a)	C1a)	
Which basis should be used	C1b)	C1b)	C1b)	B12b)	C1b)	
What is Balance sheet	C2	C2	C2	B13	C2	
Source and Appn Funds Stmnts	-	-	-	-	C3	+
What level of accuracy needed	C3	-	-	-	-	+
Who is property held for	C4	C3	C3	C5	C6	
Who are accounts for	C5	C4	C4	C6	C4	
Why are accounts prepared	C6	C5	C5	C7	C5	
Should Stipend quota be reported?	-	-	C6	-	-	+
Is information sensitive	C7	C6	C9	C8	C7	
Budget figures reading	-	C7	-	-	-	+
What if no accounts?	C8	-	-	-	-	*
Use/Interest for budget	C9	C8	C7	C9	C8	
ditto detailed budget	-	-	-	C10	-	+
Use/Interest for Hlf year accts	C10	C9	C8	C11	C9	
Comments about accounts	C11	C11	C10	C12	C10	
Changes in accounts	C12	C12	C11	C13	C11	

**Notes:**

- 1.The RCC question is the reverse of that in the other columns (see chapter 15.2) in asking about detailed rather than summary accounts.
- 2.Questions where the pilot study and subsequent questionnaires differ are asterisked (\*).
- 3.Questions specific to a particular organisation are given the symbol '+'.
- 4.Questions related to a type of organisation are given the symbol '@'.

time accounts have been received, personal and other uses to which accounts are put, level of reading of accounts and main sources of financial and accounting information. Two further questions about giving: the affect of accounts on giving and the main factor influencing giving; and questions about level of understanding and amount of information in the accounts probably received somewhat more subjective responses but were included in this section as they were not as subjective as most questions in section C.

The questions on giving in this section were separated from those in section A for two reasons: they were logically connected closely to the usage of accounts (ie do accounts affect giving?) and it was helpful to separate two groups of personal questions.

In section B the questions fall into three groups: questions concerning the use made of accounts, questions about reading of accounts and questions about understanding and quantity of information in the accounts. All these questions were deliberately geared to present rather than potential use in order to accord with the descriptive (vs prescriptive) aims of the research as a whole. This 'present day use boundary' meant that questions about potential uses of accounting information were not asked though the 'changes' question and certain other questions in section C were included to allow comments about present needs not met by the accounts.

It was not expected that the questions in Section C would be answered as objectively as those in sections A and B as they are concerned much more with opinions than facts. The questions relate to the present accounting information produced (accounts and budgets) and possible additional reports and they cover a number of topics. Again the questions fall into three groups: those about level of understanding of certain items in the accounts; those concerning background beliefs about who accounts are prepared for and why and finally questions about potential changes in present financial reports.

The level of understanding questions could have been included in section B but were placed here because at least part of the

question (on measurement basis) was an opinion statement. Question C2 (B13 in COS) about what is a balance sheet was the only one which had in any sense a 'correct' answer and was included here to keep the technical questions together.

The questions about background beliefs were included to explore respondents ideas about four areas: who uses accounts, why they are prepared, who the property is held for and how sensitive to disclosure they feel the information in the accounts is.

At least three specific additions to the accounting information were proposed in each of the questionnaires: budgets, summary accounts and half-year accounts. In addition an open-ended question was included about changes. Where the present form of the accounts suggested other changes (eg in LPL where the addition of information about stipend quota was possible) questions about this were also asked. The question about summaries was placed in section B as there was such a summary in GGO accounts and the question was left in section B in the other questionnaires.

The final section of the questionnaire, section D, was for completion by respondents who were also committee members of the organisation concerned. The separate section was included to collect opinions about respondents as committee members so that questions in sections A and B could be confined as far as possible to recipients' uses and opinions of accounts as members of the AGM or ordinary church members and questions in all sections were worded accordingly. Section D was subject to some change between questionnaires as the 'relevance' section was included in the GGO, RCC and LPL questionnaires but excluded from COS and MET due to the length of the accounts in the latter questionnaires. Significant rewording of questions about budgets, detailed and half-year accounts was necessary in COS and MET due to the range of accounting information presented in the COS and MET committees. Except for the relevance question, section D contained only questions found in other sections of the questionnaire but redirected to respondents as committee members.

### 9.2.3 Differences in Question Wording between Churches

The meaning of the questions was kept virtually the same in each church but this meant careful selection of words so as to fit the differing terminology, organisation and accounts structure of the five organisations. The terms for ministers/clergy, officials and levels in the organisation vary considerably from church to church and this called for changes in the wording of questions about positions of responsibility in section A. Even the questions about interests in church had to be reworded slightly so that for example "Home Mission" for RCC, GGO, MET and COS became "Mission in the U.K." in LPL.

There are significant differences in organisation between the churches and so no overall results for questions relating to positions of responsibility held by respondents at different organisational levels have been prepared. Where questions include reference to organisational level they have been adjusted to be organisation specific so that the church's own names for the Annual General Meeting (AGM) and local church were used instead of a general name. Examples of this are "Did your (local church) (congregation) (vestry) (PCC) consider the accounts of the (Diocese) (Central Church) before deciding on how much (quota) (contribution) to pay?"

Similar adjustments to names of organisational accounts were also made eg "accounts" were "Blue Book" in RCC and "Diocesan Accounts" in LPL. The varying accounts structure necessitated different presentation in some questions. The main one of these is the question about reading which related to specific sections of the organisation's accounts ranging from 13 sections (RCC accounts) to 37 sections (COS accounts). Even this was only an approximation to the difference in accounts sections as is discussed in chapter 10.5.

In a similar way the questions about basis of accounts preparation were varied depending on which basis (Income and Expenditure or Receipts and Payments) was used. The only area where a significant difference of meaning was induced because of accounts structure was the question about use of and interest in



summary accounts where the RCC accounts are already summary accounts. In this case the RCC question (C10) asked about detailed accounts rather than summary accounts and the results are discussed accordingly.

#### 9.2.4 Differences in Questions asked between Churches

The above differences between questionnaires are relatively minor. There are however two more prominent differences between the questionnaires. The first of these is that certain changes to questions have been made in the light of the pilot study. The five main changes between pilot and other questionnaires are:

1. The exclusion of questions about non-publication of accounts (Questions B10 and C8 in GGO). These were excluded due to the difficulty found in analysing responses and the reported ill-feeling which was generated by the question among respondents.
2. The addition of 'Worship' to the list of interests in section A, this on the advice of a number of respondents.
3. The expansion of the question asking about referring to accounts (B8 in GGO), this again suggested by respondents.
4. The question on hours worked was altered so that answers were split into full-time, part-time and spare-time. This change was due to difficulty in analysing results.
5. One question on source of information was added to questionnaires as it was a clear omission from the pilot study.

Secondly each questionnaire has some questions which are specific to a particular church. These questions were included either at the request of the church concerned (eg the GGO C3 question on level of accuracy and LPL question C6 on the inclusion of stipend quota) or because there were specific features in the accounts which could be explored further eg reading of RCC budget figures (C7) and reading of source and application of fund statement (LPL:B12).

#### Summary

This section has described the overall structure of the questionnaire and given details of the questions asked. The

section has also explained how and why the five questionnaires differed from each other. Attention was drawn to the specific aim of the questionnaire being to investigate present uses of accounts rather than potential uses although a number of questions about possible changes in accounts were nevertheless included.

### Chapter 9.3 Statistical Tests used in the Questionnaire results

Most of the data from the questionnaire has been presented in tables in the chapters which follow. To reduce comment on statistics in the text to a minimum this section discusses the statistics which have been prepared for the tables.

#### 9.3.1 The Chi-Square test

In many of the tables it has been possible to apply a chi-square test to identify whether any systematic relationship exists between the two variables reported in the table. Such tests do not measure the strength or direction of any relationship displayed in the tables but rather whether a systematic relationship exists in the total population ie they are statistics of inference (Somers 1962). The chi-square test is effectively testing the hypothesis that the variables are related in the total population against the null hypothesis that the variables occur by chance.

There is a significant problem of validity with the chi-square test when there are small expected values occurring in individual cells. Statisticians have differing opinions as to what constitutes an acceptable minimum level of expected value but a general rule of thumb suggested by Everitt (1977) (after Cochran (1954) and Lewontin and Felsenstein (1965)) is that for a 2x2 table, which has one degree of freedom, the expected value in each cell must be greater than 5. Where there are more degrees of freedom than this the minimum expected value may be as low as 1 (or even 0.5) provided that no more than 20% of expected cell values are less than 5. Where it is not possible to meet these criteria it has been the habit of statisticians to combine cells in order to produce expected values above the limits but this should only be done if there is no loss of information and no major effect on randomness. As Everitt (1977) points out (p40), pooling may affect randomness and the manner of pooling may influence the results. Despite this, pooling has taken place in several tables in this study eg in table 10.2.1 detailing 'age' by 'church' the lower age groups of 'under 25' and '25-35' in the questionnaire have been combined in the results. This pooling has only been

used where there is no significant loss of information and the pooling is logical.

### 9.3.2 Multiple response tables and the chi-square test

The chi-square test is based on a number of important assumptions. One of these assumptions, that each observation reported in contingency tables must produce only one entry in each row and each column of the table, is invalidated in tables which display multiple responses for an individual respondent. An example of such a table is table 10.3.2 'Main factors influencing personal giving by church'. In this table respondents may have responses in a single column (church) but in more than one row. In these cases chi-square statistics for the whole table have not been computed.

Although it is not possible to calculate a statistic for the whole table it may be possible to calculate a statistic for an individual row of the table provided each respondent has answers in only a single column. Table 10.3.2 satisfies this criteria. In the table each row represents a possible response to the question "what is the main factor that influences how much you give to the work of (the church)" thus the first row:

	<u>GGO</u>	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>	<u>TOTAL</u>
INCOME	51	127	96	119	169	562

represents those respondents replying positively to 'income'. It is possible to construct a 2x5 contingency table from this row so that the first row represents a positive response and the second row a null response to 'income' as being a 'main factor in influencing giving':

MAIN FACTOR?	<u>GGO</u>	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>	<u>TOTAL</u>
INCOME IS	51 67.1%	127 60.8%	96 80.7%	119 63.3%	169 61.7%	562 64.9%
INCOME ISN'T	26 32.9%	82 39.2%	23 19.3%	69 36.7%	105 38.3%	304 35.1%
TOTAL	76	209	119	188	274	866

This table satisfies the independence criteria for a chi-square test and suggests a relationship between positive responses to 'income' and church which is significant with a probability of error of less than 0.5% ( $p < 0.005$ ).

In all tables where multiple responses affect only either rows or columns then these row by row (or column by column) statistics are given in the table. In each case the results should be interpreted as identifying for an individual row (or column) whether differences in values in columns (rows) are statistically significant. If multiple responses are possible in both rows and columns then no statistics have been produced.

### 9.3.3 Statistics giving measures of association

The chi-square test is able to give an indication of the level of certainty that a relationship exists between two variables in the total population. The test does not however give any clue as to the nature or strength of the relationship. There are several cases in the tables which follow eg table 10.3.1 "Reported effect of accounting information on personal giving" where the chi-square test indicates with a high degree of certainty that the two variables (in this case 'church' and 'effect on giving') are related. An examination of the table can identify the broad nature of the relationship so that in table 10.3.1 the accounts of MET are reported to have a greater effect on reported giving of MET church members than do the accounts of other churches on their own members.

#### 9.3.3.1 Intuitive identification of association

In all the tables an examination of the tables has been made to identify intuitively any relationship present and in most of the tables the use of the chi-square statistic and the intuitive identification of the relationship has been found adequate to describe the relationship for the purposes of the discussion. The chi-square test is testing that the relationship portrayed in the table is significantly different from a chance relationship. The intuitive relationship may also be tested statistically for strength and direction but the tests which can be used are dependent on the level of data present.

#### 9.3.3.2 Statistical tests for nominal level variables

A number of different statistics can be used to identify the strength of the relationship between two variables in tables where one or both of the variables is nominal level. These

statistics fall into two groups: those based on the chi-square statistic and the Lambda measures of Goodman and Kruskal (1954).

Chi-square based measures of association. The simplest chi-square based measure is the mean square contingency coefficient calculated by dividing the  $X^2$  statistic by the number of observations, N:

$$\phi = X^2/N$$

This statistic is only really suitable for 2x2 tables where its maximum value is between 0 and 1. For larger tables its value may exceed 1 and it is less suitable to use.

Pearson's (1904) Coefficient of Contingency can be used with a table of any size but the maximum value it takes depends on the size of the table. For a 2x2 table this maximum is 0.707 and clearly this variation in maximum value makes the statistic difficult to use.

Cramer's V (1946) is one of the modifications suggested to the  $\phi$  statistic to overcome these difficulties and is:

$$V = \left( \frac{X^2/N}{\min(r-1, c-1)} \right)^{1/2}$$

The value of this statistic lies between 0 and 1 for all values of c and r and may attain a value of 1 for all values of c and r.

In chapter 10, table 10.4.1 relates the reported effect of accounting information on respondents' giving to the local church and is a 4 row by 5 column table. For this table, Cramer's V is 0.1443 indicating only a moderate relationship. Without the information already gleaned from an examination of the table itself, this statistic is probably only of passing interest. With the insight gained from examining the table the statistic adds little to what we already know but has been calculated for some of the relevant tables under consideration.

Lambda measures of Goodman and Kruskal. Goodman and Kruskal's Lambda measures attempt to answer the underlying question of "how much does a knowledge of the classification of one of the variables improve our ability to predict the classification of the other variable". The Lambda statistic calculates the percentage

improvement in our ability to predict the value of the dependent variable when we know the value of the independent variable. There are therefore two Lambda statistics, one for predicting each variable from the other. A composite Lambda is also produced which is a combination of the two indices (see table 9.3.1 for formulae). All the Lambda statistics can take on values from 0 to 1. As an example, the Lambda values for the table 10.4.1 cited above are as follows:

$$La = 0 \quad Lb = 0.123 \quad L = 0.088$$

$La$  is the relative decrease in probability of an error in predicting the effect of accounting information on giving of a respondent as between church known and unknown, in this case zero probability and  $Lb$  is the relative decrease in probability of an error in predicting the church of a respondent as between the effect of accounting information being known and unknown. The combined variable  $L$  gives the relative reduction in probability of an error in predicting the category of either variable on between knowing and not knowing the category of the other variable.

Lambda can produce "misleadingly low" values when the marginal distributions are far from uniform (Everitt). Another problem with Lambda is that it is calculated using the maximum values in each column and each row and so is concerned with the relative positions or rankings in the data. Where the rankings between different columns (or rows) are the same, as in the case of table 10.4.1 the  $La$  statistic (or  $Lb$  statistic) is zero. This is somewhat counter-intuitive in table 10.4.1 where the data in the table seems to have an obvious interpretation.

Statistics used for nominal level variables. The Lambda statistic therefore has a meaning related to reduction in prediction error but it has not been used in this study as this has not been an item of particular interest in description of data. For most of the tables where only nominal level data are available for one or more of the variables, the only statistic which has been used in the text is the chi-square statistic though Cramer's  $V$  and the relevant Lambda statistic are also be reported. Inference about magnitude and direction of the relationships has been derived from a scrutiny of the tables and is not on the whole supported

by statistics

### 9.3.3.3 Statistics where both variables are ordinal

Further measures of association are possible where both variables consist of ordered data. Contingency tables containing this sort of data appear in the study and an example is table 12.2.3 in chapter 12 which compares the number of years for which accounts have been received with perceived understanding. The statistics commonly produced to measure association of ordered data are the Tau statistics (Kendall, 1961) Gamma (Goodman and Kruskal, 1954) and Somer's  $d$  (Somers 1962).

All these statistics are based on measuring the number of concordant pairs of observations, ie those with rankings in the same direction, the number of discordant pairs of observations where rankings are in opposite directions and the number of tied observations. The formulae for these statistics (after Everitt pp62-3) are shown in table 9.3.1.

Tau(a) is a statistic which includes concordant and discordant pairs but ignores tied variables. It is therefore only useful for rank correlation of  $2 \times r$  or  $r \times 2$  tables. The other two tau statistics include tied pairs and may be used to measure association. Tau(b) is designed for square tables where its value may reach  $\pm 1$  (Kendall and Stuart V2 Ch33, 1961). Tau(c) on the other hand cannot reach  $\pm 1$  with square tables but is designed to do so with non-square tables where the number of rows does not equal the number of columns. Each tau statistic therefore has a specific area of use.

Although the Tau measures have no obvious probabilistic interpretation, they do indicate a level of association. For example for table 12.2.3, a  $4 \times 4$  table, tau(b) is the appropriate statistic and gives a value of  $-0.209$ . This indicates a moderately negative relationship between understanding and the number of years accounts are received ie as years received increases so understanding becomes moderately easier. A glance at the table itself indicates that this is also intuitively the case and the statistic does add a measure to the intuitive interpretation of the table. The appropriate tau statistic has



# Table 9.3.1: Formulae For Non-parametric Tests of Association

Mean Square Contingency Coefficient \_\_\_\_\_  $\phi = \sqrt{\frac{\chi^2}{N}}$

Cramer's V \_\_\_\_\_  $V = \sqrt{\frac{\chi^2/N}{\min(r-1)(c-1)}}$

Coefficient of Contingency \_\_\_\_\_  $\rho = \sqrt{\frac{\chi^2/N}{(1 + \chi^2)/N}}$

Lambda (asymmetric) \_\_\_\_\_  $\lambda = \frac{\sum_{k=1}^K \max(i) P_{jk} - \max P_j}{N - \max P_j}$

Lambda (symmetric) \_\_\_\_\_  $\lambda = \frac{\sum_{j=1}^J \max(i) n_{ij} + \sum_{i=1}^I \max(j) n_{ij} - \max_i(n_{i.})}{2N - \max_j(n_{.j}) - \max_i(n_{i.})}$

$\tau(a)$  \_\_\_\_\_  $t_a = \frac{2S}{N(N-1)}$  where  $S = P - Q$   
 $P = \text{No of Concordant Pairs}$   
 $Q = \text{No of Discordant Pairs}$

$\tau(b)$  \_\_\_\_\_  $t_b = \frac{2S}{\sqrt{[(P+Q+x_0)(P+Q+y_0)]}}$   
 $x_0 = \text{tied observations on } x$   
 $y_0 = \text{tied observations on } y$

$\tau(c)$  \_\_\_\_\_  $t_c = \frac{2ms}{N^2(m-1)}$   $m = \min(r, c)$

Gamma \_\_\_\_\_  $\gamma = \frac{S}{P+Q}$

Somers d - Asymmetric \_\_\_\_\_  $d_{yx} = \frac{S}{P+Q+y_0}$

Asymmetric \_\_\_\_\_  $d_{xy} = \frac{S}{P+Q+x_0}$

Symmetric \_\_\_\_\_  $d = \frac{P-Q}{P+Q + \left[\frac{T_1+T_2}{2}\right]}$

Source Everitt, 1977  
 Nie, 1975

been calculated in appropriate tables.

Unlike Tau, Goodman and Kruskal's Gamma has a direct probabilistic interpretation. It takes on the value +1 when data are in the upper left to lower right diagonal and a value of zero in the case of independence. The probabilistic interpretation is that it is the difference in probability of like rather than unlike orders for the two variables when two individuals are chosen at random. The value of gamma for table 12.2.3 is -0.1603 giving a similar level of association to tau(b). The additional level of probabilistic interpretation is not of interest in this study and so, although gamma is reported for appropriate tables, there is no further discussion of the measure in the text.

Finally another measure of association is Somers d. There are two versions of d: asymmetric which assumes that one or other variable is dependent and the other independent and symmetric which does not consider which variable is dependent. Somers d has a similar interpretation to gamma though without the probabilistic properties. The symmetric version of d may however be regarded as analogous to the ordinary regression coefficient (Everitt p64) and so d had been calculated for all relevant tables alongside gamma and the relevant tau statistic.

#### 9.3.4 Conclusion

This section has analysed the statistical measures which may be used with the contingency tables produced in the study. Tests discussed include the chi-square test for independence, in both single and multiple response situations, and measures of association for nominal and ordinal level variables.

It was concluded that where possible the chi-square statistic would be calculated for all tables where responses produced an entry in only one row and column and the statistic would also be calculated for each row or column where tables contained multiple responses. Where tables have more than one response in both a single row and a single column then the basic assumptions of the chi-square test are invalidated and no statistics are calculated.

In considering measures of association for both nominal and

ordinal level data certain measures were rejected as being not useful in this study due to difficulties in interpretation of the results. Some measures were also excluded due to non-suitability to tables produced. It was concluded that for nominal level tables the Cramers V and Lambda statistics might assist in interpreting tables and so there will be reported where relevant. For ordinal variables the relevant tau, gamma and d statistics are reported in tables and discussed as appropriate. A summary of the statistics used in the study is given in table 9.3.2.

Of the statistics calculated Lambda (for nominal level data) and gamma (for ordinal level data) are probability or proportional reduction of error statistics. These are the only ones which may be compared across tables (SPSS, 1979) though as this sort of comparison is not made in the ensuing chapters this is of little consequence to this study.

Table 9.3.2 Summary of statistics of association

<u>Statistic</u>	<u>Representation</u>	<u>Recommended Use Conditions</u>			
		<u>Level of Variable</u>	<u>Type of Table</u>	<u>Reduction in prediction error ?</u>	<u>Used in study?</u>
Mean Square Contingency Coefficient	$\emptyset$	Nominal	2x2	No	No
Cramers V	V	Nominal	rxr	No	Yes
Coefficient of Contingency	r	Nominal	2x2	No	No
Lambda	L	Nominal	rxr	Yes	Yes
Tau(a)	Ta	Ordered	2xr(rank)	No	} Relevant one Used
Tau(b)	Tb	Ordered	rxr(r=c)	No	
Tau(c)	Tc	Ordered	rxr(r+c)	No	
Gamma	G	Ordered	rxr	Yes	Yes
Somers d	d	Ordered	rxr	No	Yes

#### Chapter 9.4 Tests of questionnaire results for bias

For statistical purposes each of the five questionnaires is assumed to be a random sample of the population of recipients of accounts. This section discusses briefly the few tests which have been made on the data to explore the randomness of the results.

In four of the studies, questionnaires were sent to all known recipients of the accounts either by mail or with the accounts. In these cases we need to know whether respondents are randomly located throughout the population or whether there is a systematic bias in the responses.

In the COS case questionnaires were sent to a random sample of half the total known members of the AGM. The sample was based on separate random samples of ministers and lay members. Each random sample was selected by using a computer pseudo-random number generator (in Microsoft's MBASIC program), reseeded between samples. The lists used for sample selection were in alphabetical order by Presbytery and the lists were in the order of the COS yearbook. The only possible bias in the procedure was to separately sample 50% ministers and 50% laity. With this random sample as the basis we need to know whether respondents are randomly located throughout the population or whether there is a bias in responses.

In order to test both these situations, two groups of tests have been made: one to test results from the questionnaire against known factors in the population, the other to test the results themselves to see whether early results show significant differences from later ones. As far as the first group of tests is concerned very few population parameters are known. The only parameter known with certainty for all populations is the percentage of clergy in the population and this has been tested in all questionnaires using a response of 'clergyman' to the question 'What work do you do' as a surrogate for 'clergyman/minister'. This slightly underestimates the number of clergy in the sample as some clergy may be retired and yet be regarded as clergy by the administration. The number of clergy in the population are compared with the number of clergy found among

respondents in table 9.4.1. This table shows a wide difference between expected and actual percentages in the case of LPL but elsewhere the figures are very much in line with those expected.

Table 9.4.1 Percentage of clergy in total population and in sample by church

	<u>GGO</u>	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>
Clergy in Population	43.0%	43.5%	50.0% (approx)	49.8%	50.0%
Clergy in Sample	35.5%	41.1%	77.3%	51.6%	51.5%

In RCC and MET a further population wide statistic was available: the region from which the respondent came. In each of these cases a 2xr contingency table was constructed with on each row a different region and in the first column the number returning the questionnaire and in the second column those not returning the questionnaire. Chi square tests on both tables indicated with less than 5% chance of error that the respondents were not randomly distributed by region. As an example, the results of this test for the RCC are shown in table 9.4.2. Here we see that the maximum percentage of respondents is from Brechin (38.6%) with the minimum from Aberdeen (18.4%). There seems to be little obviously systematic about these variations. In the MET case there are 32 regions and the table for this has not been reproduced. These MET results show a slightly higher chance of error than in RCC but equally there seems little systematic in the variation in regional responses from 100% in Scotland (possibly due to small sample size) to 25% in London and Cymru districts.

Table 9.4.2 Replies to the RCC Questionnaire by region (Diocese)

<u>Diocese</u>	<u>Replies</u>		<u>No Replies</u>		<u>Total sent</u>
Aberdeen	14	18.4%	62	81.6%	76
St Andrews	23	22.1%	81	77.9%	104
Argyll	14	29.2%	34	70.8%	48
Moray	19	30.2%	44	69.8%	63
Glasgow	51	34.7%	96	65.3%	147
Edinburgh	60	37.3%	101	62.7%	161
Brechin	27	38.6%	43	61.4%	70
No Diocese	1	33.3%	2	66.7%	3
	<u>209</u>	<u>31.1%</u>	<u>463</u>	<u>68.9%</u>	<u>672</u>

These known population factors suggest that the samples are not completely unbiased at least as far as the percentage of clergy/ministers and regional reply patterns are concerned but it is unlikely this bias has affected the results in any significant way, except in LPL where the percentage of clergy responding is very high.

The other main way in which randomness was tested was in the results themselves. If early responses consisted of certain types of respondents (eg those very interested) whilst later ones the opposite (ie those less interested) then this may indicate that those members of the population not replying would be more like the later responses than the earlier ones. Randomness of response distribution over time of reply would tend to suggest that non-replying members of the population would be little different from the sample responding. To test this, responses in each church's group of respondents were broken down into four parts depending on whether the respondents replied in the first, second, third or fourth quarter of the responses returned. Chi-square tests were performed for each variable in each church separately to test the hypothesis  $H_1$  that :

$H_1$  "Responses to this question show a significant relationship between time response was received and response made."

against  $H_0$  "There is no relationship between time response was received and response made."

The 835 test results have not been tabulated here due to the very small numbers of significant results and the high proportion of unreliable results where contingency tables have small expected values. In all there were only 11 reliable results indicating significant relationships with a probability of error of less than 10%. These are listed in table 9.4.3 and seem to display no overall pattern. There are only two monotonic relationships: in LPL the number of people reporting no use is higher than in later rather than earlier responses and in MET there are less committee members in later rather than earlier responses. Neither of these results suggests any systematic bias in the overall results.

These tests therefore present no evidence that there are significant differences between early and late responses to the questionnaires.

In summary, the tests which have been conducted cannot rule out entirely the possibility that the responses are biased in some way but there is no evidence as to the direction of any bias from the tests made. The possibility of bias is referred to in later chapters in the discussion of results of a number of questions.

**Table 9.4.3** Variables showing a systematic relationship between response and time of receipt of questionnaire which are significant with a probability of error of less than 10% ( $p < 0.1$ )

<u>Church</u>	<u>Variable</u>	<u>p&lt;</u>	<u>Monotonic?</u>
LPL	No Use for accounts reported	0.02	Increasing
COS	Interest in Overseas Mission	0.05	No
COS	Interest in Christian Educn.	0.05	No
COS	Interest in Education	0.10	No
COS	Read General Admin Accounts	0.07	No
COS	Opinion on Reserves	0.07	No
MET	Professional Qualifications	0.01	No
MET	Interest in Home Mission	0.07	No
MET	Read Division of Ministry Accs	0.08	No
MET	Use accounts for Central Cttees	0.03	Decreasing
MET	Users are anyone interested	0.02	No

## 9.5 Conclusions

In this chapter we have seen an overview of the questionnaire, its questions, target group, distribution and statistical testing. The questionnaire was designed to be sent to those members of churches who received the accounts and this, on the whole, meant those members who attended the AGM of the organisation except in LPL, where some recipients of accounts were not members of the AGM, and COS where some members of the AGM did not collect accounts, usually by choice.

In discussing the design of the questionnaire we noted that there were four sections in each of the five questionnaires and these were intended to gather information about: personal background of respondents; factual use; reading and understanding of accounts and opinions about accounting information produced. The final section contained questions, mainly about opinions, directed specifically at committee members. We also saw that this outline was not followed strictly in all the questionnaires.

The chapter gave the reasons for the inclusion of particular questions and we see that these related more to a descriptive than to a hypothesis testing approach. The chapter also explained how the questionnaires varied between churches and identified that the major variations resulted from differences in organisation structure, in the form of accounts and in the management practices of the organisations in relation to budgets, regular accounts etc.

In the chapter we drew particular attention to the fact that the questionnaire is targeted at present users of present accounts in pursuance of the basic descriptive nature of the study. This meant in particular that no questions were asked about potential uses of present accounts though a limited number of questions were asked about potential usefulness of budgets, of detailed accounts and of more regular accounts.

A central part of the chapter discussed the statistical tests applicable to the data collected by the questionnaire. Particular attention was focussed on the chi-square test in multiple response questions where it was found to be only of limited



value. The use of measures of association for nominal and ordinal level variables was also discussed and illustrated. It was concluded that where appropriate the chi-square test would give useful indications of association but that the few measures of association possible with the data to hand would be used sparingly as most of the description of data could be done with simple inspection of the data in the tables.

The final section of the chapter discussed the testing of the results for bias. The perceived need for confidentiality had restricted the amount of bias-testing that could be undertaken. However, from the tests which were undertaken it was discovered that there was some bias in the results. There were definite signs of regional bias in the respondents of RCC and MET and bias in LPL in the number of clergy in the sample. It was concluded however that only in LPL was the bias likely to have identifiable features in the results. In addition it was found that there was overall little significant difference between the answers of early and late responses to the questionnaire.

It was noted that the questions themselves were designed to cross-check answers in certain areas, though these cases were not discussed in the chapter. The next four chapters will go on to discuss the results from the questionnaire study.

## Chapter 10 The users of Accounting Reports

This chapter describes who the users of accounting reports of the churches are, what uses they report making of the accounting reports and the extent of their reading. An understanding of these areas is necessary if we are to appreciate the way in which present accounts serve users.

The first section of the chapter discusses direct and indirect financial information in churches, how the users captured by the questionnaire relate to all possible users and how the users use of annual reports relates to other sources of financial information. Later sections of the chapter go on to discuss the uses which users make of the accounts (sections 10.3 and 10.4) and how much they read the accounts (section 10.5) with a number of special uses being discussed in section 10.6. Section 10.2 gives a brief profile of users for general information.

### 10.1 Direct and Indirect Use of Financial Information in Churches

Users of accounting reports may be classified into two basic types, direct users and indirect users. Direct users are those who have access to accounting reports issued by an organisation and use these directly. Indirect users are those who use reports about accounting reports eg press reports, descriptive leaflets, verbal reports, appeal communications. Users having access to accounts may be both direct and indirect users whilst those not having access to accounts can only be indirect users. Table 10.1.1 sets up these conditions showing that an indirect user has no access to accounts directly whereas the direct user does. Both direct and indirect users may have access to other accounting information.

This study is looking at the role of accounting information generally in the churches concerned and is interested in both indirect and direct users. In practice the study was limited to direct users who had direct access to accounts ie those in boxes 1 and 3 of figure 10.1.1. Users in box 4 were not contacted through the questionnaire. It is possible that the design of certain press and committee reports (and possibly abbreviated versions of the accounts) is specifically aimed at this group of

Table 10.1.1 Access of Direct and Indirect Users to accounting information

	Has access to accounts directly	Has Access to other accts information directly
Direct User?	1. YES	3. YES
Indirect User?	2. NO	4. YES

indirect users. There may be significant numbers of people in receipt of limited financial information in this indirect mode but it is unlikely that such users are major users of financial information. In any case all churches effectively allow interested indirect users direct access to accounts if they require it.

As far as the users who have access to the accounts are concerned, there are two further conditions possible: that the accounts are received firsthand eg by virtue of membership of an AGM, or that the accounts seen had been received by someone else first. We have no evidence to suggest that users having secondary access to accounts are more likely to be direct users than indirect users but it is probable that anyone asking to see someone elses accounts will be at least as interested as the prime recipient.

The group of potential users who received accounts secondhand were not contacted by the survey. It was recognised that although responses for this group could have been obtained, the cost of solving the practical difficulty of collecting this information outweighed the expected increase in the value of the information. It was however possible to gauge the size of this reader group and to do this respondents were asked to indicate how many people would be likely to see their copy of the accounts including themselves. The results are shown in table 10.1.2. This indicates that for the 810 users of the accounts there is a potential secondary readership of accounts approximately 950, that is at least as many people as receive the accounts first hand.

Table 10.1.2 Number of people likely to read accounts of the particular organisation including respondents (by church).

Number of People likely to Read	GGO	RCC	LPL	COS	MET	TOTAL	Estimated Extra Users
None	1 1.3%	3 1.5%	0 .0%	12 8.3%	12 4.5%	28 3.5%	-
1.	29 38.2%	111 54.1%	55 47.0%	71 49.0%	180 67.4%	446 55.1%	-
2.	23 30.3%	46 22.4%	21 17.9%	38 26.2%	39 14.6%	167 20.6%	167
3.	5 6.6%	16 7.8%	15 12.8%	12 8.3%	19 7.1%	67 8.3%	134
4.	2 2.6%	8 3.9%	12 10.3%	4 2.8%	8 3.0%	34 4.2%	102
5.	6 7.9%	6 2.9%	4 3.4%	3 2.1%	2 .7%	21 2.6%	84
6-10.	4 5.3%	10 4.9%	6 5.1%	4 2.8%	7 2.6%	31 3.8%	190
11-50.	6 7.9%	5 2.4%	4 3.4%	1 .7%	0 .0%	16 2.0%	269
Total replies	76	205	117	145	267	810	946
No Reply	0	4	2	43	7	56	
Total respondents	76	209	119	188	274	866	

Note: As over 25% of the cells have an expected frequency of under 5, the chi-square statistic for the full table (which indicates a relationship significant at a level of  $p < 0.001$ ) is unreliable.

Respondents indicating a large potential secondary readership are probably indicating that accounts are passed around local committees and so it is likely that the potential secondary readership is in fact less than indicated above, but it is still a significant figure.

Overall it can be seen from table 10.1.2 that about 58% of accounts received by respondents were not passed on to anyone else for reading. Only a very small percentage (5.8%) said that more than six people were likely to read their copy of the accounts and perhaps this should be interpreted as this percentage made their accounts available for others to read rather than that others actually read the accounts. The answers to this question indicate a rather higher potential readership of Liverpool Diocesan accounts than other organisations possibly because accounts were passed on to the officers of each congregation/parish rather more than in other churches.

As we have therefore excluded those not having direct or first access to accounting reports we are left with the questionnaire survey looking at the first recipients of accounts. We saw above that these recipients might use accounts in two distinct ways: directly or indirectly. In order to identify into which area individual respondents were likely to come they were asked to identify their major source of information about church finances (note this question was not asked in the GGO pilot study).

The replies to the source of information question are summarised in table 10.1.3 where it can be seen that only 35% of respondents reported using the accounts as their main source of information. It should be noted that in this table the total number of replies is greater than the number of respondents due to some respondents selecting more than one main source of information.

Despite this overall finding it must be stressed that the variation between churches is very marked. This is emphasised by the levels of significance of the chi-square test shown in the first three lines of table 10.1.3 where the differences between columns are significant with very little chance of error. Only 8.5% of respondents in COS use accounts as their main source of

Table 10.1.3 Prime source of information on church finances for respondents (by church)

Information from:	RCC	LPL	COS	MET	TOTAL	Sig. p<
CHURCH PUBLICATIONS	16 7.7%	36 30.3%	112 60.0%	90 33.0%	254 32.2%	0.000
ANNUAL ACCOUNTS	141 67.5%	63 52.9%	16 8.5%	56 20.5%	276 35.0%	0.000
VERBAL REPORTS	33 15.8%	26 21.8%	30 16.0%	87 31.9%	176 22.3%	0.000
COMMITTEE REPORTS	20 9.6%	9 7.6%	7 3.7%	19 7.0%	55 7.0%	0.151
DIVISIONAL ACCOUNTS	0 0.0%	0 0.0%	0 0.0%	25 9.2%	25 3.2%	s/s
INFORMATION LEAFLETS	0 0.0%	0 0.0%	0 0.0%	48 17.6%	48 6.1%	s/s
ACCS IN AGENDA	0 0.0%	0 0.0%	25 13.3%	0 0.0%	25 3.2%	s/s
OTHER SOURCE	8 3.8%	2 1.7%	9 4.8%	5 1.8%	24 3.0%	0.212
Total responses	218	136	199	330	883	
NO REPLY	4	0	4	2	10	
Total respondents	209	119	188	273	789	

- Note: 1. In Glasgow Diocese the question was not asked.  
 2. Percentages refer to total respondents.  
 3. As multiple responses are reported in this table, it has not been possible to calculate an overall chi-square test. Instead chi-square test significance levels have been calculated for each row of the table (see chapter 9.2). These significance levels are indicated in the final column of each row. 's/s' indicates that the sample size is too small for chi-square statistics to be calculated.

information as against 67.5% in RCC. The main explanation for this may be that in RCC there is virtually no alternative source of financial information other than a small amount in the church magazine 'Scan' and what is available in reports at meetings. This contrasts strongly with the position in COS where financial results are made available in church publications and in certain parts of the AGM agenda. MET has some financial information published in the weekly 'Methodist Recorder' and in addition issues a number of information leaflets and separate divisional accounts for people interested.

If the variations in main source of information are due to availability of accounts in other forms then a hypothesis may be suggested for further testing that:

"when accounting information is produced in forms other than the annual accounts eg information leaflets and press reports there is a significant reduction in the recipients of annual accounts using the annual accounts as their main source of financial information"

This evidence should not be interpreted as "35% of respondents are direct and 65% indirect users" as the question in table 10.1.3 only elicited the main source of financial information. The crosstabulation of reading score and main source of information (table 10.1.4) suggests that even where the financial accounts are not regarded by users as their main source of financial information the accounts may still be read quite extensively.

In Lee and Tweedie's (1979) study of private shareholders of companies they discovered that many of the receivers of accounts also read other sources of financial information, with press reports being the source read most followed by merger reports and half yearly financial reports (op cit, chapter 7). They also found that those reading financial reports thoroughly tended to be those reading other sources of financial information thoroughly as well.

The current study did not ask the extent to which users read other reports as did the Lee and Tweedie study and therefore the

results cannot be used to support or deny that Lee and Tweedie's finding, that thorough readers of accounts are also thorough readers of other financial information, also applies to church account users. However the results shown in table 10.1.4 suggest that those using, as their main source of information, sources other than annual accounts and committee reports are not amongst the most thorough readers of accounts. It is also clear from table 10.1.4 that even where accounts are not the major source of financial information they are still read to some extent.

Table 10.1.4 contains mean reading scores which are discussed in detail in chapter 10.5. The score is a representation of the level of overall reading of accounts by each recipient. The higher the score the higher the average level of reading with +10 indicating that all sections of accounts are read thoroughly and -10 that no sections of accounts are read. A score of 0 (scheme 5) indicates that accounts are read on average at a 'glance at' level.

Thus the table shows that those respondents using committee reports as their main source of information (score 2.85) tend to read accounts more than those using verbal reports (mean score - 0.57).

#### Source of Information and Committee membership

One interesting comparison which was made was to see if the source of information varied as between committee and non-committee members. The results of this are shown in table 10.1.5. It is not surprising that virtually the only users using committee reports as their main information source are the appropriate organisation's committee members. However committee members may or may not use annual accounts more as a main source than non-committee members and this depends on the church with LPL and MET more and RCC and COS less. This may be due to the presence or absence of additional internal accounts and other financial information for the use of committee members. On the whole the percentage of committee members using church publications as a main source is less than non-committee members, but considerable numbers do use them as a main source in all but



Table 10.1.4 Mean reading score (according to scheme 5) by main source of information of users

Main source of Information	Mean Reading Score	No of Replies
COMMITTEE REPORTS	2.85	55
ANNUAL ACCOUNTS	2.56	276
DIVISIONAL ACCOUNTS	0.60	25
INFORMATION LEAFLETS	-0.33	48
VERBAL REPORTS	-0.57	176
CHURCH PUBLICATIONS	-1.46	254
ACCS IN AGENDA	-1.64	25
NO REPLY	-1.80	10
OTHER SOURCE	-3.46	24
OVERALL	0.24	866

- Note: 1. Overall figures include GGO where source of information questions were not asked
2. There are multiple responses to Source of Information and so the total number of replies is higher than the number of respondents.
3. Chapter 10.5 gives details of the calculation of reading scores.

Table 10.1.5 Percentages of respondents using various sources of financial information as their main source split between committee and non-committee members and by church

Information Source	RCC		LPL		COS		MET		TOTAL	
	Ctte	N.C	Ctte	N.C	Ctte	N.C	Ctte	N.C	Ctte	N.C
Church Publications	7.4	7.7	27.3	34.0	54.5	61.7	31.5	34.0	30.5	33.2
Annual Accounts	51.9	72.9	59.1	45.3	5.5	9.8	29.1	12.9	35.4	34.6
Verbal Reports	18.5	14.8	16.7	28.3	18.2	15.0	19.7	42.2	18.5	24.6
Committee Reports	29.6	2.6	12.1	1.9	10.9	0.8	14.2	0.7	15.9	1.4
Divisional Accounts	-	-	-	-	-	-	15.0	4.1	6.3	1.2
Information Leaflets	-	-	-	-	-	-	15.0	19.7	6.3	5.9
Accounts in Agenda	-	-	-	-	18.2	11.3	-	-	3.3	3.1
Other Reply	1.9	4.5	3.0	-	3.6	5.3	2.4	1.4	2.6	3.3
Total	109.3	102.5	118.2	109.5	110.9	103.9	126.9	115.0	118.8	107.3
No Reply	-	2.6	-	-	1.8	2.2	-	1.4	0.3	1.8

Note: in GGO the question was not asked

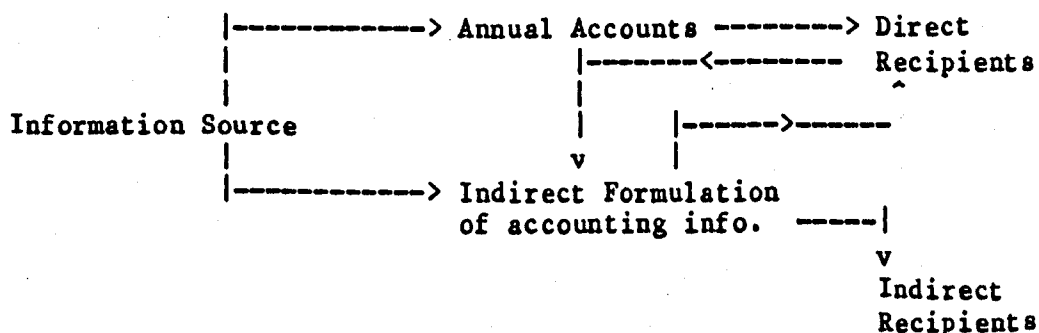
the RCC indicating that probably many committee members have little interest in financial matters.

### Conclusions and Discussion

We see then that the questionnaire study addressed itself to those who received the accounts firsthand and enquired only about their direct use of the accounts. These recipients may of course either use or not use the information they receive, a question explored later in this chapter. Recipients in this category may in addition be users of indirect information and a significant proportion appear to use this indirect information as their main source of financial information. We have noted that the questionnaire study did not investigate these indirect sources in depth but merely identified users not using the annual accounts as their main financial information source.

In a situation in which there is both direct and indirect information available to recipients and others we may postulate an information dissemination model as shown in figure 10.1.1.

Figure 10.1.1 Flow of information to direct and indirect recipients of Accounts



The direct recipients of accounts would receive annual accounts and any indirect accounting information on the accounts and so would have a choice as to the source of information which they would use. Among these direct recipients will be certain interested individuals who would become further involved in producing comment on the financial situation and together with information direct from the information source would make up the indirect or summary information which would be passed on to both those receiving and not receiving the annual accounts.

This model is similar to the two step flow hypothesis in communication theory (Lin 1973 p204) but differs from that in recognising that in this communication situation many direct recipients of detailed financial information also have indirect information and, as we see from the results above, may choose to use it. This situation would provide two interesting research areas: identifying the criteria which people use to select an information source as their source of information and identifying what criteria are used by editors to determine the information which is extracted for the summary reports.

The model is only really applicable where indirect accounting information is available in the organisation and although some indirect information in the form of committee and verbal reports appears to be available (and a main source of information to about one third of respondents) other indirect information is not available in RCC and GGO. It is partly for this reason that questions concerning use of indirect information were not asked in the GGO questionnaire.

Where comments are made on the accounts at AGMs and thus would become indirect information, the commenting recipients might be regarded as 'opinion leaders'. Though such people are difficult to identify there is an indication that opinion leaders exist in the churches in the study. We will comment below on a number of respondents who feel that accounts are prepared for 'financial experts' or who rely on financial experts to suggest changes in the accounts. Both these references seem to be a reference to opinion leaders who are relied upon to identify any important points, comment on progress or simply to monitor what is going on. Such opinion leaders are the only 'analysts' which the churches have but the lack of any structure eg as advisors on levels of giving, into which they fit makes them hard to identify. Further research could usefully identify whether these opinion leaders do in fact perform a role equivalent to the financial analysts of the stock market and whether, if they do act as such, they have any effect on accounting or management in the absence of a primary or secondary capital market structure.

## Chapter 10.2 A Brief Profile of Users

It was not the intention of the study to describe the users of accounts in detail, but certain personal information was collected to use in cross analysis with other variables and this short section describes some of the information about users collected in section A of the questionnaires. This gives a sketchy but useful impression of who users are and the results are reported in five sections: age, education, interest, giving and involvement in church activities.

### Age

Table 10.2.1 gives a breakdown of age of respondent by church. This table shows that there is little difference in age distribution between the Scottish churches GGO, RCC and COS but that LPL and MET have respondents slightly younger. The majority of respondents in all churches are between the ages of 36 and 65 with only the Scottish churches having more than 25% over 65. There are few young people among the respondents except in LPL (20% under 35) indicating that younger people tend not to be chosen for high office in the church. This age spread probably indicates that all members have a fairly long association with the church concerned and, as most of these people would be elected by their local church, a fairly high 'standing' with their local church.

### Education

Questions about education can be a very sensitive area and so respondents were only asked about this in broad terms. Table 10.2.2 gives the highest level of qualifications reported as being reached in each of the churches. The overwhelming impression here is of a highly educated group of people with only a few reporting having no qualifications. Most of those reporting no qualifications are in the higher age groups who would not have had the opportunity to obtain qualifications in their early years. Of those with no qualifications, 56% are over 65 and only 4% under 45. Part of the reason for the high level of qualifications is the number of clergy in the sample, about 50% overall (see table 10.2.3), who would have degrees or diplomas.

Table 10.2.1 Age of respondents by church

<u>Age</u>	<u>GGO</u>	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>	<u>TOTAL</u>
Under 35	7	23	24	23	20	97
	9.5%	11.0%	20.3%	12.3%	7.4%	11.3%
36-45	10	41	27	24	58	160
	13.5%	19.6%	22.9%	12.8%	21.3%	18.6%
46-55	20	48	35	48	81	232
	27.0%	23.0%	29.7%	25.7%	29.8%	27.0%
56-65	12	44	26	45	75	202
	16.2%	21.1%	22.0%	24.1%	27.6%	23.5%
Over 65	25	53	6	47	38	169
	33.8%	25.4%	5.1%	25.1%	14.0%	19.7%
TOTAL	74	209	118	187	272	860
No Reply	2	0	1	1	2	6
Total	76	209	119	188	274	866

Note: The Chi-square test indicates that there is a difference in responses between churches significant at a level of  $p < 0.001$  (see chapter 9.2)

Table 10.2.2 Highest qualification level reported by respondents by church

<u>Highest Qualification</u>	<u>GGO</u>	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>	<u>TOTAL</u>
NONE	14	19	0	8	10	51
	18.4%	9.7%	.0%	4.7%	4.3%	6.5%
NO LEVELS	5	11	10	4	30	60
	6.6%	5.6%	8.8%	2.4%	13.0%	7.6%
NO A LEVELS	10	32	13	29	27	111
	13.2%	16.4%	11.4%	17.1%	11.7%	14.1%
DIPLOMA/HNC	9	23	25	24	48	129
	11.8%	11.8%	21.9%	14.1%	20.9%	16.4%
DEGREES	38	110	66	105	115	434
	50.0%	56.4%	57.9%	61.8%	50.0%	55.3%
NO REPLY	76	195	114	170	230	785
	0	14	5	18	44	81
TOTAL	76	209	119	188	274	866

Note: The Chi-square test indicates that there is a difference in responses between churches significant at a level of  $p < 0.001$  (see chapter 9.2)

Table 10.2.3 Respondents who are Working Clergy, by church

	<u>GGO</u>	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>	<u>TOTAL</u>
Working Clergy	27 35.5%	86 41.1%	92 77.3%	97 51.6%	141 51.5%	443 51.2%

Despite this high level of qualifications generally there is only a minority (11.4%) of the sample who have accounting qualifications of any sort. Table 10.2.4 gives a breakdown of this group by church.

Table 10.2.4 Number of respondents reporting any accounting qualifications, by church

	<u>GGO</u>	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>	<u>TOTAL</u>
Respondents	11 14.5%	19 9.2%	9 7.6%	19 10.2%	40 14.7%	98 11.4%

These respondents are not all qualified accountants as some are those who have accounting as part of their own professional qualification or 'O' or 'A' level bookkeeping. This means that despite a fairly high overall level of education few respondents are trained accountants, which is not surprising in view of the main objectives of the church.

### Interests

Interest in church work is difficult to measure and the questionnaire did not seek to measure depth of interest but merely whether respondents were interested in particular sections of church life. Table 10.2.5 gives the breakdown of areas of interest by church. Because respondents were able to indicate more than one area of interest the total responses are in excess of total respondents. This table indicates that the largest percentage of respondents were interested in 'worship' (68.5%) followed by 'home mission' (46.2%), 'christian education' (45%) and 'administration' (41%). The other areas of interest are below this with 'women's work' last at 9.5%. These results indicate a wide range of interests of respondents which is to be expected in AGMs of churches where agendas consist not merely of accounts but many qualitative reports and matters of principle in a non-financial area.

There are some differences in interest between churches significant at  $p < 0.001$  notably the lower level of interest in 'administration' in LPL and GGO (23.5% and 34.2% of recipients

Table 10.2.5 Interests of respondents by church

Interest	CHURCH					TOTAL	Significance ( <i>p</i> less than)
	GGO	RCC	LPL	COS	MET		
WORSHIP	0	146	85	112	198	541	0.025
	-	69.9%	71.4%	59.6%	72.3%	68.5%	
HOME MISSION	41	81	66	69	143	400	0.000
	53.9%	38.8%	55.5%	36.7%	52.2%	46.2%	
CHRISTIAN EDUCATION	29	79	67	92	123	390	0.011
	38.2%	37.8%	56.3%	48.9%	44.9%	45.0%	
ADMINISTRATION	26	93	28	88	120	355	0.000
	34.2%	44.5%	23.5%	46.8%	43.8%	41.0%	
OVERSEAS MISSION	29	47	51	50	100	277	0.000
	38.2%	22.5%	42.9%	26.6%	36.5%	32.0%	
SICK VISITING	24	58	36	56	79	253	0.970
	31.6%	27.8%	30.3%	29.7%	28.8%	29.2%	
YOUTH WORK	13	42	28	53	98	234	0.000
	17.1%	20.1%	23.5%	28.2%	35.8%	27.0%	
SUNDAY SCHOOL	15	32	28	55	68	198	0.016
	19.7%	15.3%	23.5%	29.3%	24.8%	22.9%	
CHURCH MUSIC	17	38	19	43	49	166	0.497
	22.4%	18.2%	16.0%	22.9%	17.9%	19.2%	
WOMEN'S WORK	11	13	9	13	36	82	0.026
	14.5%	18.7%	7.6%	6.9%	13.1%	9.5%	
OTHER	16	39	29	43	112	239	0.000
	21.1%	18.7%	24.4%	22.9%	40.9%	27.6%	
Total Responses	221	668	446	674	1126	3135	
Total Respondents	76	209	119	188	274	866	

Note: 1. As multiple responses are reported in this table, it has not been possible to calculate an overall chi-square test. Instead chi-square test significance levels have been calculated for each row of the table (see chapter 9.2). These significance levels are indicated in the final column of each row.

2. Percentages are based on respondents.

3. Bold percentages represent significant differences from average.

respectively against 45% in other churches) and lower levels of interest in 'worship' in COS (59.6% c/f 70% elsewhere) and 'home mission' and 'overseas mission' in RCC and COS.

### Giving

The statistics for giving are discussed further in chapter 10 where giving is related to individuals use of accounts for deciding on level of giving. The overall giving statistics for the five churches are shown in table 10.2.6 and these indicate that giving levels are very similar in all churches except LPL where giving is significantly higher. In all cases the level of giving is higher among respondents than that reported as average giving for the church as a whole, indicating that respondents are more committed to supporting the church than the average member. Despite this, it can be seen that giving overall varies widely between under £2 a week to over £14 a week. The minimum level of giving is probably little more than the average subscription to a professional association but the maximum is considerably more. It should be noted that the giving here is probably donated to the local church and only a small part of this (between 15 and 25%) will go forward to the central or regional church organisation concerned.

### Involvement in the church

There were a number of questions which tried to explore involvement: a question about how many hours were worked for the church, and up to four questions about offices held at local, district, regional and central church levels. The 'hours' question was split into three groups so that full-time, part-time and spare-time work would be separated. The full-time work has not been analysed as many of the 406 full-time church workers are clergy or ministers regard themselves as being on 24 hour duty and this produced a crop of answers difficult to classify. There were only 31 part-time workers showing a very wide spread of work from 8 to 200 hours a month. As far as spare-time workers are concerned, the mean hours worked is 18.1 with spare-time work in MET having a higher average (25.2 hours). This clearly indicates



Table 10.2.6 Declared annual giving of respondents  
(and families) by church

<u>Declared Giving</u>	<u>GGO</u>	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>	<u>TOTAL</u>
UNDER £100	6 8.5%	21 10.4%	8 6.8%	12 6.5%	16 6.1%	63 7.5%
£101-250	31 43.7%	91 45.3%	35 29.9%	92 49.5%	125 47.7%	374 44.7%
£251-500	28 39.4%	63 31.3%	53 45.3%	60 32.3%	95 36.3%	299 35.7%
£501-750	6 8.5%	14 7.0%	15 12.8%	14 7.5%	14 5.3%	63 7.5%
OVER £750	0 .0%	12 6.0%	6 5.1%	8 4.3%	12 4.6%	38 4.5%
Total Responses	71	201	117	186	262	837
No Reply	5	8	2	2	12	29
Total Respondents	76	209	119	188	274	866

Note: The Chi-square test indicates that there is a difference in responses between churches significant at a level of  $p < 0.0053$  (see chapter 9.2). If the results for LPL are removed then there is no significant difference in responses between churches.

Table 10.2.7 Declared Hours worked per month for the church  
by spare-time workers in the five churches

<u>Hours Worked</u>	<u>GGO</u>	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>	<u>TOTAL</u>
Up to 10	22 57.9%	56 57.7%	4 20.0%	36 47.4%	23 23.7%	141 43.0%
11 to 20	11 28.9%	22 22.7%	9 45.0%	26 34.2%	26 26.8%	94 28.7%
21 to 30	2 5.3%	7 7.2%	4 20.0%	7 9.2%	14 14.4%	34 10.4%
31 to 40	3 7.9%	8 8.2%	3 15.0%	5 6.6%	17 17.5%	36 11.0%
Over 40	0 0.0%	4 4.1%	0 0.0%	2 2.6%	17 17.5%	23 21.0%
Total Responses	38	97	20	76	97	328
Missing	0	7	0	1	13	21
Total Spare-time workers	38	104	20	77	110	349
Mean Hours	12.7	14.2	20.6	15.4	25.2	18.1

Note: The Chi-square test indicates that there is a difference in responses between churches significant at a level of  $p < 0.001$  (see chapter 9.2)

that on average many respondents are heavily committed to their church in their spare time with over 40% giving more than 10 hours a month. The results relating to 'spare-time work' are shown in table 10.2.7.

Involvement of respondents as committee members is at a number of different levels in the church. Though it would be possible to analyse this involvement in detail, it is felt that no useful purpose would be served by it in the present context although a respondents' membership of appropriate regional and central committees is used in later analysis.

### Conclusion

We have seen in this section a short profile of the respondents and noted that users are largely well qualified with only a small percentage with any training in accounting. Respondents have very wide interests in church life and are on the whole quite committed in giving both time and money to the church. About half the respondents are clergy and ministers working full-time in the church and there are quite a number of retired people serving on the church's AGMs in three of the five church organisations.

## Chapter 10.3 Uses made of accounting reports by users

### 10.3.1. Introduction

One of the main motivations behind the study of churches was to identify and describe the uses to which financial reports are put. We saw in chapter 2 that the literature postulates a large number of potential users and uses these potential users make of accounting reports. In this study the questions of who are users and of what uses they have for the accounts was tackled from three different perspectives: the questionnaire study of those people who received accounts; interviews of known internal users and informal interviews with certain known external users.

The questionnaire survey was distributed as far as possible to all those who received the accounts of the five churches.

It was however recognised from initial interviews that there are a number of users who would be extensive users of accounts by virtue of their management position in the organisation. It was accordingly decided that as a second line of approach a sample of these users/recipients of accounts would be interviewed with a view to discovering more about their use of the accounts. These interviews are discussed in Section 3.

Finally a further group of external users which had been identified as recipients of accounts but not included among the two groups above was omitted from the formal study. Users in this group include the Inland Revenue, the Charity Commissioners and Banks. In these three cases interviews were not sought due to the confidential nature of the relationships between users and churches. It was however possible to arrange a number of informal interviews with personnel in these user areas and some general points about these users are made in section 10.6.

The rest of this chapter gives the results derived from the questionnaire study about the uses to which church accounts are put and the extent to which accounts are read by users. This section describes the results of the open-ended questions asked about use of accounts and the next section, chapter 10.4 discusses answers to specific questions about use of accounts.

### 10.3.2. The Questionnaire Survey

The main questionnaire survey was one in which it was hoped to detect users of accounts amongst those who received accounting reports, recognising that a greater use may be made by some internal users which would be subject to further investigation (see Section 3).

The attempt to discover what uses respondents have for the accounts was approached in the questionnaire from three angles: a question about what use was made of the accounts received (chapter 10.3); a number of questions about specific areas of use suggested in the literature (chapter 10.4); and a question on the reading of the accounts themselves (chapter 10.5). From this it was anticipated that an approximate picture of use of accounts use could be drawn. There are a number of limitations to this section of the research and these are very important in relation to the conclusions reached later. The first limitation is that the questions related to the actual use of actual accounting reports presented and not to potential use of the present or possible future accounting reports. It would have been possible to include further questions about potential uses of accounts but it was decided that results of such questions would be very speculative and liable to misinterpretation, particularly from a questionnaire survey. These issues may be worth exploring further in an interview situation.

The second limitation of this area is that respondents may be unaware of the uses which they make of the accounts or they may be unable or unwilling to articulate them. This section may therefore be deficient in detecting any symbolic or signalling effect (see Feldman and March, 1981) which the accounts may have an individual recipient. In the pilot questionnaire two questions were included in an attempt to explore part of this area ("What would your reaction be if no accounts were produced?" and "If the Diocese were to wish to reduce the size of the accounts would you... agree or disagree to the removal of the following items from the accounts?") The answers to these questions proved very difficult to analyse and neither these nor similar questions were asked in the other questionnaires.

The third limitation with this section is that it did not explore the effects of the accounting reports on recipients except in the area of the effect on personal and local church giving to the organisation.

### 10.3.3 Introduction to the question about Use of accounts

The question discussed in the rest of the chapter is the 'Use' question: "What use (if any) do you make of the annual accounts". Answers to the question were obtained as open-ended responses and a summary of the results are given in table 10.3.1. These responses were categorised into eight major groups some of which were further subdivided into finer categories.

Because the responses were open-ended there was a likelihood of more than one response per respondent and so the column totals do not equal the total number of respondents. In the case of COS the question was only asked of those respondents who said they received the accounts (see chapter 9.2). Most respondents gave only a single response however with about one in seven of those who answered the question giving more than one response.

### 10.3.4 General Overview of Uses

Any analysis of open-ended questions such as that undertaken in this section is subjective and no less so the results displayed in table 10.3.1. The analysis was based on content analysis of replies by isolating key ideas in the responses, if possible by finding the key words which were used as group identifiers. Detailed analysis of each section is given below.

Overall it can be seen from table 10.3.1 that there was a high percentage of users who reported having no use for accounts or did not reply to the question. Only a small percentage (1.2%) of users responded that they made any sort of decision based on the accounts and surprisingly only in the Methodist Church was there any significant use of accounts for fund raising. These two latter groups mentioned by a total of 3.3% of respondents would correspond roughly to the decision users implied in the literature.

Table 10.3.1 Respondents declared use of accounts by church

Uses Made:		CHURCH					
<u>Main groups of Uses</u>	<u>GGO</u>	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>	<u>TOTAL</u>	<u>p&lt;</u>
NONE	16 21.1%	55 26.3%	35 29.4%	54 37.2%	101 36.9%	261 31.7%	0.014
INFORMATION	39 51.3%	114 54.5%	54 45.4%	48 33.1%	84 30.7%	339 41.2%	0.000
PASS ON TO OTHERS	11 14.5%	22 10.5%	18 15.1%	29 20.0%	30 10.9%	110 13.4%	0.068
COMMITTEE WORK	10 13.2%	17 8.1%	19 16.0%	12 8.3%	41 15.0%	99 12.0%	s/s
DECISION USE	2 2.6%	2 1.0%	1 0.8%	0 -	5 1.8%	10 1.2%	s/s
FOR AGM	3 3.9%	14 6.7%	7 5.9%	10 6.9%	19 6.9%	53 6.4%	s/s
FUND RAISING	0 -	1 0.5%	0 -	1 0.7%	15 5.5%	17 2.1%	s/s
OTHER	4 5.3%	1 0.5%	3 2.5%	2 1.4%	5 1.8%	15 1.8%	s/s
Total Responses	85 111.8%	226 108.1%	137 115.1%	156 107.6%	300 109.5%	904 109.8%	
Total Respondents	76	209	119	145* <sub>1</sub>	274	823	

- Note: 1. The 43 Missing Cases were respondents not collecting accounts in the Church of Scotland
2. Percentages are based on total respondents not responses
3. As multiple responses are reported in this table, it has not been possible to calculate an overall chi-square test. Instead chi-square test significance levels have been calculated for each row of the table (see chapter 9.3). These significance levels are indicated in the final column of each row. 's/s' indicates that the sample size is too small for chi-square statistics to be calculated.

Input to a wider decision making context would be implied from a use of accounts for committee work and the AGM. This would cover a further 18.4% of respondents' replies. In total then probably only about 20% of the respondents used accounts in any specific decision making context. This is not to say that information in the accounts did not affect any decisions but that there is no evidence here of direct use of accounts in making decisions for the majority of recipients. The significance of this for preparers of accounts is that it may not be possible to identify any key decision situation which these accounts address.

If there is little direct decision use for accounts then there are four possible explanations:

1. The accounting information is not relevant to any decisions made by users. This is a very remote possibility as it is possible to visualise some situations such as insolvency in which the users would be forced to take account of financial information. If however this situation occurred then the implications would be that there would be no possible use for accounting information.
2. Accounting information is not a major input to the decisions users have to make. This is quite a likely possibility for many users eg in their giving decision. The use of accounting information in these circumstances may be more a monitoring use to identify that there are no adverse circumstances to be taken into account. In this situation the implication would be that the accounting information would be used only sporadically.
3. Accounting information is a major input to decisions but either there are few decisions (eg limited to a particular area of church work) or they are decisions made only infrequently. This again is a likely possibility for many users eg the decision to employ an additional worker needs information about long term fund availability.
4. Accounting information is a major input to many decisions but only for a few users eg at committee or management level. This is also a very likely possibility but it is also probable that the accounting information in use would

be provided internally by the organisation. Such use of 'internal' information might well lead to a lack of use of 'external' accounts.

In the case of the second and third postulates, it is conceivable that the external accounts take on some of the characteristics of a data base, being made available for such decision questions as may arise. If this were so then we would expect that information for a wide variety of decisions might be made available in the reports but in a structured way which was fairly consistent over time. As new decision situations are encountered which could not be assisted by existing information there may be amendment of the reports accordingly. An investigation of the historical development of accounting reports in these organisations may throw some light on this though this is beyond the present remit of this study.

#### 10.3.5 The Declared Uses in Detail

We will now go on to look at the declared uses in more detail.

##### 10.3.5.1 Information Use

The largest classification of 'Use' was information or reference (41.2% of cases). In this group was included any response where the key idea expressed was information, reference or interest. The total 'information' category was broken down into four sub-categories: 'rare reference'; 'general information'; 'stronger reference' and 'specific tasks', the latter group being further subdivided into 'general' and 'congregational statistics'. The breakdown of responses between these categories is given in table 10.3.2. where we see that in all churches most of the responses fall within the general 'reference' group with smaller numbers of responses coming within the rare or stronger reference categories. There was little indication in the replies of exactly what the information was used for, particularly in the general categories, which may be taken as an indication either that information was an end use in itself or that the end use was not specified.

The 'rare reference' sub-group includes replies such as "very little" and "occasional use" but some comments may give a clue as



to what rare use is for example:

**"Not much use made of accounts but Blue Book interesting in itself informing one of happenings in the Province" RCC \***

This reply indicates that the accounts are seen as part of a total report to church members whilst:

**"Occasional reference and check query" GGO**

indicates that accounts may be a reference source even though perhaps only rarely. Both of these points are illustrated again later.

A larger proportion of the replies included in the 'information' group have been coded as sub-group 'reference' and are those where the key ideas are reference, information and interest. Many responses are simply these key words giving no further clue that there may be an end purpose eg:

<b>"For my own information"</b>	COS
<b>"Interest only"</b>	COS
<b>"Read for general information"</b>	GGO
<b>"Reference only"</b>	LPL
<b>"I read them"</b>	MET
<b>"For reference from time to time"</b>	RCC

There are some responses in this sub-group which do give a clue to a specific end-use, though not strongly enough to be included as a specific end-use:

<b>"To try to get a picture of the work of the whole diocese"</b>	GGO
<b>"Useful information on church affairs"</b>	COS
<b>"General understanding of the Diocese"</b>	LPL
<b>"Information about diocesan boards"</b>	LPL

Here we see that accounts are apparently used as part of the overall information gathering of respondents. The previous quotations show this articulated in a general sense but other respondents indicated a far more specific financial context:

<b>"To find the financial state of the Diocese"</b>	GGO
<b>"For background information in order to obtain a general indication of Methodist Finances"</b>	MET
<b>"Keep copy against enquiry or debate arising about use of the Kirk's funds"</b>	COS
<b>"Obtain brief idea of expenditure - allocation of resources and administrative costs"</b>	MET

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\* NOTE The source church of the response is given in each case.

Table 10.3.2 Breakdown of the 'Information' group of responses to the 'Use' question

<u>Sub Groups</u>	<u>Church</u>					<u>TOTAL</u>
	<u>GGO</u>	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>	
1. RARE REFERENCE	7 10.9%	24 11.5%	13 9.2%	9 6.2%	13 4.7%	66 8.0%
2. REFERENCE	22 28.9%	48 23.0%	25 21.0%	29 20.0%	35 12.8%	159 19.3%
3. STRONG REFERENCE	6 7.9%	12 5.7%	10 8.4%	4 2.8%	11 4.0%	43 5.2%
4a.SPECIFIC TASKS	3 3.9%	13 6.2%	4 3.4%	4 2.8%	25 9.1%	49 5.6%
4b.CONG STATISTICS	1 1.3%	17 8.1%	2 1.7%	2 1.4%	0 -	22 2.7%
<hr/>						
Total 'Information'	39 51.3%	114 54.5%	54 45.4%	48 33.1%	84 30.7%	339 41.2%
<hr/>						
No Reply in this category	37	95	65	97	190	484
<hr/>						
Total Respondents	76	209	119	145	274	823
<hr/>						

- Note: 1. The Chi-square test indicates that there is a difference in responses between churches significant at a level of  $p < 0.001$  (see chapter 9.3)
2. There were 43 Missing Cases who were respondents not collecting accounts in the Church of Scotland .
3. Percentages refer to Total Respondents.

Perhaps then, this illustrates that accounts in these organisations meet the need for an information base to be used either in a general information gathering context or in a general or specific monitoring context (monitoring what is going on). Both of these are part of our everyday communication activities in the non-accounting field.

A number of responses included within this general 'information' group indicated a more detailed reference than these first two sub-categories and have been grouped as 'stronger reference'.

Examples of this are:

"To look up accounts of different Boards I am interested in and to learn of (their) concerns"	LPL
"Checking quotas (and) gleaning information from Boards etc"	GGO
"None except as a check on the work and progress of Diocesan Committees"	LPL
"Study in relation to Stewardship and Home Mission"	GGO
"Attempting to relate the budget of the Division to the Mission and Service Fund"	MET
"Study the accounts rather than use - we use Diocesan statistics to help us in discussing stewardship"	RCC
"Continual referral and comparison"	RCC

In these cases, despite a much more specific use being indicated, there is still little insight into why the information is required. In the final sub-groups, specific tasks, however there is specific indication that reference is for a particular purpose. The percentage of responses in this sub-group is only 8.7% of total responses. Of these about one third are specifically related to identifying congregational statistics of contributions eg:

"Check congregational giving with my own church level"	COS
"See what Quota figures paid"	LPL
"Mainly checking information and statistics directly affecting charges"	RCC
"To check the entries of our own congregation"	RCC

As the table shows, most of these replies are in the RCC where the most comprehensive tables of all the churches' reports are given as part of the accounts. As far as other responses in this group a few examples are:

"To check on any unnecessary expenditures"	MET (1)
"As a guideline in assessing priorities in the Church Budget"	MET (2)
"Use it to put congregational giving into context"	COS
"Extract statistics"	GGO
"Monitoring that my special interests are supported"	LPL
"It helps to indicate the needs of the church and priority of spending"	RCC
"Doing graphs and statistics for my Bishop"	RCC

Only in the very occasional response, eg MET (2) above, is there any indication that a direct decision which might underlie the use of accounts. There appear to be three underlying ideas in this 'information' group of responses:

1. The use of accounting information as part of a total information base about the church which may be particularly necessary for the group of people who receive the accounts. Each of this group is a representative from a 'lower' to a 'higher' body in the church and so each may be asked questions about the workings of the 'higher' body.
2. The information may be used in assessing the officers and committees' stewardship. A few respondents, eg MET (1) above, mention this specifically, others by implication. Assessment of stewardship in the church situation, as in other NPOs is unlikely to be based solely on finance but also on reporting of achievements and work done.
3. Finally this group of responses is consistent with the idea that many people simply monitor what is going on. This monitoring may be at several levels: the fact that accounts are produced may satisfy some, the fact that they are audited may be sufficient for others and a few users such as those in sub-groups 3 and 4 above will seek more detailed assurance and want to delve deeper. The fact that this final group of monitors exists may be sufficient to reassure some members who report not looking at the accounts at all.

10.3.5.2 Use for passing on of accounts or information

About 13% of respondents reported that they **passed** on either the accounts or information from the accounts to others. In view of the fact that a large majority of recipients of accounts were representatives of some church or group of churches to a 'higher' body this may appear quite a low percentage. There may be several explanations for this: many respondents perhaps do not understand sufficient about the accounts to enable them to pass on the information in the form of a report; respondents perhaps felt that the accounting information was of no particular value to their 'audience' or they simply forgot to mention in the questionnaire that they passed on the information.

As table 10.3.3 shows it was possible to classify those who reported passing on accounting information into two distinct groups: those who actively passed the information on and those who simply handed on the accounts to someone else (Passive passing on). Active passers-on were more numerous than passive in all churches except COS. In MET there were only two respondents passing on accounts but 28 passing on information in the accounts.

Some examples of these responses are:

"Present to members of Vestry"	GGO
"When discussing finance I explain financial position"	COS
"Put a brief digest of the salient points in our parish magazine"	LPL
"Reference for answering questions - usually at circuit level"	MET
"To inform people in local churches of what happens to their money"	MET
"Encouragement of awareness and responsibility"	MET
"Keep the congregation informed"	RCC

We see here the attempt to explain finance within a broad context of stewardship and information. This is consistent with the users who reported that they use information within a broad information gathering context.

The group of passive responses indicates that the recipient merely passes on accounts to further secondary users eg:

Table 10.3.3 Breakdown of the 'Pass on' group of responses to the 'use' question

<u>Sub Groups</u>	<u>GGO</u>	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>	<u>TOTAL</u>
ACTIVE	6	17	15	5	28	71
	7.9%	8.1%	12.6%	3.4%	10.2%	8.6%
PASSIVE	5	5	3	24	2	39
	6.6%	2.4%	2.5%	16.6%	.7%	4.7%
	11	22	18	29	30	110
	14.5%	10.5%	15.1%	20.0%	10.9%	13.3%
No reply in this category	65	187	101	116	244	713
Total Respondents	76	209	119	145	274	823

- Note: 1. The Chi-square test indicates that there is a difference in reponses between churches significant at a level of  $p < 0.001$  (see chapter 9.3)
2. There were 43 missing cases who were respondents not collecting accounts in the Church of Scotland
3. Percentages refer to total respondents.

Table 10.3.4 Breakdown of the 'Committee' group of responses to the 'use' question

<u>Committee Sub-Groups</u>	<u>GGO</u>	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>	<u>TOTAL</u>
LOCAL	7	5	12	9	30	63
	9.2%	2.4%	10.1%	6.2%	10.9%	7.7%
ORG LEVEL *	2	10	5	3	6	26
	2.6%	4.8%	4.2%	2.1%	2.2%	3.2%
NONE SPECIFIED	1	2	2	0	5	10
	1.3%	1.0%	1.7%	.0%	1.8%	1.2%
Total Committee	10	17	19	12	41	99
	13.2%	8.1%	16.0%	8.3%	15.0%	12.0%
No reply in this category	66	192	100	133	233	724
Total respondents	76	209	119	145	274	823

- Note: \* This refers to the particular management level of the church concerned.
1. As over 20% of the cells have an expected frequency of under 5 the chi-square statistic for the full table is unreliable.
2. There were 43 missing cases who were respondents not collecting accounts in the Church of Scotland
3. Percentages refer to total respondents.

"Hand to treasurer"	COS
"Pass on to secretary treasurer & members of Vestry"	GGO
"Display Copy"	LPL
"Make them available to any member of congregation asking for them (this done through parish magazine but no-one has yet asked!)"	GGO
"Leave in church for anyone interested to read"	COS

As can be seen from table 10.3.3, most of the responses in COS in this group indicated that accounts were passively passed on, possibly an indication of the complexity of the statements for many respondents and their independence from the rest of the reports.

In all only 4.7% of respondents passed on the whole accounts to others, seemingly permanently. A large majority therefore appeared to keep the accounts possibly partly because they were normally bound with other, perhaps more useful, reports. The highest number of people passing on accounts was in COS where the accounts are a separate document.

#### 10.3.5.3 Use for Committee Work

The figures in table 10.3.4 show that 12% of respondents included a reference to using accounts for committee work of some sort. The majority of committees specifically referred to were local committees (PCC, Deanery, Kirk Session etc) though a number of central or regional committees were also included (see table 10.3.4). As with the 'information' group very few end uses are specified other than working out budgets and assessments.

Examples of the responses grouped under 'local committees' are:

"For discussion at Presbytery and Kirk Sessions"	COS
"Guide to Mission and General Finance budgeting in local congregation"	COS
"At Vestry and Congregational Meetings in relation to church giving and covenants"	GGO
"PCC for information"	LPL
"Refer to any particular financial needs as they arise: use Mission and Service Fund budget in consultation with court stewards when working out assessments"	MET
"Reference at Vestry Meetings"	RCC

At organisational committee level there is little additional detail given about the end use of information eg:

"On the Joint Board"	GGO
"As member of Budget Committee to assess Divisional finance"	
"Constantly in use as (Official of Committees)"	RCC
"Checking of spending of clergy Training Committee and the Board of Ministry and preparation of Budget"	LPL
"To see whether committee etc on which I serve are solvent. To see where appropriate there is money for mission"	MET

In each of these areas there are again the ideas of background information needs, preparation for meetings and accounts as an information base. Some decisions are specifically referred to in the responses eg budgeting, and more decision uses are implied by the idea of 'constant use'. Decisions made by committees are discussed in more detail in the sections covering interviews in part 3 below but in anticipation of this discussion it should be noted that in many decisions at committees, finance appears to be a potential constraining factor in a decision and becomes a key factor only when this constraint is neared.

#### 10.3.5.4 Use at Annual General Meetings

Closely related to the 'committee work' group of responses is the 'AGM' group. Responses within this category indicate that reference to accounts for some respondents was chiefly connected with attendance at the AGM as background reading along with other papers circulated before the meeting. Examples of this are:

"Only referred to at General Assembly"	COS
"To put myself in the picture of current financial position before attending Diocesan Council"	GGO
"And as a duty as a member of Conference"	MET
"In order to vote responsibly and to ask informed questions when necessary"	MET
"Conference Agenda accounts - used for voting decisions during Conference"	MET

Though included as a separate section here this is almost certainly a form of monitoring already alluded to in section 10.3.1. Monitoring would have a definite decision purpose particularly in the AGM environment where accounting information



may influence overall decisions eg to vote for a program or comment on some matter. There is however little evidence in the minutes of the AGM's that such information is openly referred to.

#### 10.3.5.5 Use for Decision Purposes and Appeals

The two groups of responses coded 'decision purposes' and 'appeals' are discussed together in this section. With only ten responses coming into the 'Decision purpose' category it is really possible to say only a little. There were clearly two sorts of decisions in these responses: how people may help the church eg:

"Study with a view to decision on methods of assessments for quota etc"	LPL
"To see if funds are used wisely and apportion personal giving accordingly"	MET

and to see what funds might be available (only two respondents):

"To see what grants are available"	RCC
------------------------------------	-----

The first area of 'how we might help' overlaps somewhat with the group of responses in this section coded 'appeals' and indeed some responses might be included in either category. Examples of the type of reference to 'appeal' or 'fund-raising' use are:

"I make very little use of the accounts except in respect of any appeal made."	MET
"Purely as information for fund raising"	MET
"For preparing exhortations to my parishionners to give as generously as possible to the whole work of the church"	RCC

Some of the reasons why there is so little reference to any decision purpose, and particularly fund raising, have been discussed above in section 10.3.4. Perhaps a major reason why accounts are not used for fund raising is that it is the current practice in all the churches for the amount of contribution by local churches to funds to be determined in the main by an assessment which is fixed by either the central, regional or district level. Though individual congregations are free to contribute more than the assessment, most simply pay what is requested. In practice this system limits the decision the amount to be given by each congregation to either not paying, paying what is asked and paying more than is asked. In MET this

assessment system does not cover all central activities of the church and there are still a number of appeals made. It is probably for this reason that 'appeals' occur almost only in the responses of this church (see table 10.3.1).

#### 10.3.6 Uses of Accounts - Conclusions and Discussion

This section has described the results of the question which asked about respondents use of accounts. We have seen that most responses could be grouped into a small number of major categories. Of these categories, the main four were: None, representing no reply or no use (31.7% of respondents); Information, indicating a general, usually non-specific, reference use (41.2%); Pass to Others, where accounts or the information they contain is passed on to others (13.4%) and committee work, indicating use for local or organisational level committees (12.0%).

We saw that only a minority of responses could be directly regarded as uses for decision purposes (committee work, decision use, fund raising and AGM) totalling 20% of replies. This has led to a hypothesis that many users, perhaps including those using the accounts for decisions, actually use the accounts as a data base, only seeking information from the accounts as they need it. The accounts do have some of the characteristics of a data base with plenty of information provided in a reasonably systematic way and changing little from year to year. If enquiries of the accounting reports are made then it may be that they are in response to infrequent or long term decisions, eg general level of support for the church, which might not have been reported in this section.

Over 40% of the respondents indicated a use of accounts classified as 'information' use. These respondents seemed to be suggesting that they used the information as part of their overall information about the organisations' affairs. This could be in order to learn about what the church was doing or to undertake a monitoring role of events to ensure that nothing untoward was happening. This whole area of use of church and other NPO accounts does not appear to have been explored in the

accounting literature, though there has been a related suggestion there may be a signalling and symbolic use for accounting information (Feldman and March, 1981).

If preparers of accounts simply prepare accounts to meet needs for information for perceived decision uses then they are implying either that this reference use of accounts is minor; that those who use accounts 'for reference' are indifferent to the form and content of accounting statements or that the referencing needs be met by accounts prepared on a decision-oriented basis. Though probably a relatively minor issue perhaps it is one ought to be explored by policymakers, particularly if they wish to reduce the amount of information in accounts.

The other significant finding from this question was that 30% of respondents did not use the accounts at all. Though this is unsurprising in view of the number of non-accountants in the study and the relative non-importance of finance in church life, it suggests that there is a good deal of paper wasted in providing information that is not used! A word of caution is needed however because though many people say they did not use the accounts there is evidence that they did read some of the accounts. These results are discussed in section 10.5 in detail but suggest that only about 4% of respondents (13% of those declaring no use for the accounts i.e. non-users) did not read any of the accounts. Even these declared non-users may therefore have read accounts for monitoring or information purposes.

It should be noted again that the question did not approach the area of potential use. This is a remaining research question as is the suggestion that users of information for background reference are indifferent to the information which is produced.

Finally it should be noted that two specific hypotheses have been advanced: that information is very largely used for monitoring purposes and that the information produced displays several of the characteristics of a data base and is used as such by users. Both these hypotheses require further testing.

## Chapter 10.4 Questions about specific uses of accounts

### 10.4.1 Introduction

We have seen in chapter 2 that the literature suggests accounting information is useful to users in deciding on the allocation of resources to an organisation. In church organisations, the main sources of financial resources have been shown to be donations, obligatory contributions, entrepreneurial receipts and interest income (chapter 8). Two of these three areas: donations and obligatory contributions, involve the respondents to the questionnaire and so specific questions about these areas were asked of respondents.

The structure of financing in all the churches in the study is that individuals give to the local church which then passes on a proportion of this to the regional and central church organisation. Though there is some direct personal giving to the regional and central church organisations, particularly in MET, most of the funds of the organisations in the study are obtained by obligatory contributions on the part of the congregation rather than direct giving. Contributions are normally assessed by either the area, regional or central organisation of the church and though there is often room for negotiation, these assessments are regarded as obligations.

With this background we shall, in this part of the chapter, discuss the results of two questions from the questionnaire: "Does the information in the accounts affect the amount of money you personally give to the church?" (section 10.4.2) and "Did your local church last year consider any of the accounts (of the church) before deciding on how much (contribution) to pay to (central church) funds" (section 10.4.3).

### 10.4.2 Effect of Accounts on Personal Giving

The results of the first question, the effect of accounts on personal giving, are given in table 10.4.1 and indicate that in four of the five churches over 70% of respondents reported that the information in the accounts had no effect on their personal giving. However in MET the percentage reporting accounts having no effect on giving was only 53.8% with 32.6% reporting that

Table 10.4.1 Reported effect of Accounting Information in the annual accounts on Personal Giving by church

	GGO	RCC	LPL	COS	MET	TOTAL
NO EFFECT	56 73.7%	156 75.4%	101 84.9%	116 81.1%	147 53.8%	576 70.4%
LITTLE EFFECT	14 18.4%	40 19.3%	14 11.8%	19 13.3%	89 32.6%	176 21.5%
QUITE AN EFFECT	3 3.9%	9 4.3%	3 2.5%	7 4.9%	34 12.5%	56 6.8%
GREAT EFFECT	3 3.9%	2 1.0%	1 .8%	1 .7%	3 1.1%	10 1.2%
Total Responses	76	207	119	143	273	818
NO REPLY	0	2	0	45	1	48
Total Respondents	76	209	119	188	274	866

Note : As over 20% of the cells have an expected frequency of under 5, the chi-square statistic for the full table (which indicates a relationship significant at a level of  $p < 0.001$ ) is unreliable. Combining 'great effect' and 'quite an effect' eliminates the small expected frequency problems and results in a relationship significant at the  $p < 0.001$  level.

Table 10.4.2 Main Factor(s) influencing personal giving to the church by church

	GGO	RCC	LPL	COS	MET	TOTAL	p<
INCOME	51 67.1%	127 60.8%	96 80.7%	119 63.3%	169 61.7%	562 64.9%	0.003
LOCAL CHURCH NEEDS	19 25.0%	43 20.6%	6 5.0%	39 20.7%	68 24.8%	175 20.2%	0.000
SPARE CASH	10 13.2%	31 14.8%	6 5.0%	22 11.7%	18 6.6%	87 10.0%	0.009
SPENDING AS LIKED	3 3.9%	10 4.8%	4 3.4%	5 2.7%	19 6.9%	41 4.7%	0.254
OTHER INFLUENCE	5 6.6%	15 7.2%	19 16.0%	14 7.4%	38 13.9%	91 10.5%	0.013
NO REPLY	2 2.6%	2 1.0%	0 .0%	3 1.6%	1 .4%	8 .9%	s/s
Total Respondents	76	209	119	188	274	866	

Note: As multiple responses are reported in this table, it has not been possible to calculate an overall chi-square test. Instead chi-square test significance levels have been calculated for each row of the table (see chapter 9.3). These significance levels are indicated in the final column of each row. 's/s' indicates that the sample size is too small for chi-square statistics to be calculated.

accounts had little effect and 12.5% quite an effect. There are two possible reasons for this lower 'no effect' response: the form of the question in MET may have been a little ambiguous in that it asked about the effect of "church accounts" whereas other questionnaires made clear the accounts in question were of the appropriate regional or central church or that MET have in the past raised funds from local churches by appeal, part of which may have included some sort of accounting information. The present respondents may therefore still use some of this information to decide on personal levels of giving to the church.

Despite these problems it is clear that the results show overall that information in the accounts has no effect on the giving of the majority of respondents. However the information was reported to have an effect on giving of about 25-30% of respondents, a significant minority. If these 25-30% of respondents, or in particular the 8% reporting accounting information had more than a little effect, are also the opinion leaders, then the accounts might be anticipated to have a greater effect on personal giving than these figures would at first indicate.

As an additional check on the results, a further question was asked: "what is the main factor that influences the amount you give to the (church)". Though a single answer was requested, many respondents gave more than one answer to the question and the results, shown in table 10.4.2, give the total responses as it was not possible to identify which of several multiple responses was the main one.

The responses to this 'influence' question indicate that in all churches over 60% of respondents reported that (the respondents') income was the main factor influencing their giving. In fact this percentage may be understated as the 'other influence' responses included comments such as 'stewardship' which could in some areas of church teaching indicate the basing of giving on income. The larger 'income' percentage in LPL is probably the result of the large number of clergy in the sample who would be expected to follow biblical tithing principles more closely than their lay colleagues.

After income the next major influence on giving is 'local congregational needs' (20.2% of respondents) and following this 'spare cash' (10.0%). In no cases were the accounts of the appropriate central or regional organisation quoted as the main factor in determining the amount of giving.

These results suggest very strongly then that the major influences on personal giving levels are the amount of income and local congregational needs. Though the results seem to conflict with those in table 10.4.1, that accounts may have some effect on giving, they may be complementary in that whilst financial information may not be the major factor influencing how much a person gives it may nevertheless be a partial influence, eg a special appeal based on financial information may attract contributions in excess of the initial level of giving. Table 10.4.3 crosstabulates the main influence on giving and reported effect of accounts on giving and demonstrates that about 22% of those respondents whose main influence on giving is income still see the accounts as having at least a little effect on giving. This table also demonstrates that even where the main effect on giving is not income a majority of respondents see the accounts as having little or no effect on the level of giving.

Basing giving on income is very much in line with church teaching on tithing (giving one tenth of one's income) but as these results show, not all respondents follow this exactly. Table 10.4.4 compares level of giving with the major influence on giving and suggests that those who give most to the church are likely to base their giving on income rather than on any other factor. This indicates that possibly the volume of giving to church based on income is higher than figure 10.4.2 would suggest.

#### 10.4.2 Local Congregational use of accounts

Not all respondents were members of the local congregational management committee and in some cases eg GGO and RCC it is possible that two respondents come from the same congregation. For these reasons percentages quoted in this section relate to positive replies instead of respondents. The results are given in

Table 10.4.3 Reported main influence on giving compared with reported effect of accounts on giving

Main Influence on giving:	Quite					Total	p<
	No Effect	Little Effect	an Effect	Great Effect	No Reply		
INCOME	410	89	28	6	29	562	0.005
	73.0%	15.8%	5.0%	1.1%	5.2%	100.0%	
LOCAL CHURCH NEEDS	95	56	14	2	8	175	0.005
	54.3%	32.0%	8.0%	1.1%	4.6%	100.0%	
SPARE CASH	54	20	6	2	5	87	s/s
	62.1%	23.0%	6.9%	2.3%	2.3%	100.0%	
SPENDING AS LIKED	19	15	5	0	2	41	s/s
	46.3%	36.6%	12.2%	0.0%	4.9%	100.0%	
OTHER INFLUENCE	51	27	6	2	5	91	s/s
	56.0%	29.7%	6.6%	2.2%	5.5%	100.0%	
NO REPLY	4	0	1	0	3	8	s/s
	50.0%	0.0%	12.5%	0.0%	37.5%	100.0%	
TOTAL REPLIES	633	207	60	12	52	964	
	65.7%	21.5%	6.2%	1.2%	5.4%	100.0%	
Total Respondents	576	176	56	10	48	866	

Table 10.4.4 Comparison of reported level of giving with reported main influence on giving

Influence on Giving	Giving					No Reply	Total	p<
	Under £100	£101-250	£251-500	£501-750	Over £750			
Income	35	220	218	48	22	19	562	0.000
	55.6%	58.8%	72.9%	76.2%	57.9%	65.5%	64.9%	
Local Church Needs	10	96	52	8	7	2	175	0.025
	15.9%	25.7%	17.4%	12.7%	18.4%	6.9%	20.2%	
Spare Cash	15	51	17	0	2	5	87	0.000
	23.8%	13.4%	5.0%	.0%	5.3%	17.2%	10.0%	
Spending as Liked	6	18	11	1	3	2	41	s/s
	9.5%	4.8%	3.7%	1.6%	7.9%	6.9%	4.7%	
Other Influence	4	32	31	12	9	3	91	0.006
	6.3%	8.6%	10.4%	19.0%	23.7%	10.3%	10.5%	
No Reply	0	1	4	0	1	2	8	s/s
	.0%	.3%	1.3%	.0%	2.6%	6.9%	.9%	
TOTAL RESPONDENTS	63	374	299	63	38	29	866	

Notes for both tables:

1. Percentages are based on respondents
2. As multiple responses are reported in this table, it has not been possible to calculate an overall chi-square test. Instead chi-square test significance levels have been calculated for each row of the table (see chapter 9.3). These significance levels are indicated in the final column of each row. 's/s' indicates that the sample size is too small for chi-square statistics to be calculated.



table 10.4.5 and show that a large majority of congregations do not consider the accounts of the appropriate regional or central church before paying what they are asked in contribution.

As with the personal giving section, MET is an exception to the general rule, probably for reasons similar to those stated above that historically appeals had been financially based and the tradition of looking at accounts is continuing. LPL and GGO also had quite large percentages of replies (25.4% and 17.9% respectively) indicating that their diocesan (regional) accounts were looked at a little before payment of contribution. This is almost certainly due to the organisations being regional and so with work more closely linked to the congregations.

In addition to the replies to the question on local church use of accounts, a number of unsolicited comments reinforced that respondents regarded assessments as fixed and not optional payments:

"local contributions to Mission and Service Fund are fixed by Circuit and district assessment" MET

"we are obliged to pay the Mission and Service Fund as part of the breakdown/building of Circuit/District assessment" MET

"not applicable - amounts determined by Presbytery" COS

In each of the local churches contributions to central funds in excess of that asked for (or assessed) could have been made but there are indications that even when other contributions are made they are based on appeals rather than accounting information.

Replies to this question therefore indicate that central or regional accounting information is not widely considered by local congregations before any decision is made about giving to central funds.

### Conclusions

This section of the chapter has summarised the results of two basic questions about specific uses of accounting information as inputs to decisions about personal giving on the one hand and congregational contributions on the other. The evidence suggests that the majority of individual users do not use accounts in deciding the amount to give to the local church and that the

local church does not use accounts to determine how much to give to the regional or central church organisation.

The evidence further suggests that as far as personal giving is concerned the major influences on giving relate to personal circumstances, mainly income, and as far as local churches are concerned the major influence is the amount requested by the central, regional or area organisation as appropriate.

The main implication of this evidence for this study is that resource allocation to the organisation, one of the main decisions which has been postulated in the literature as a decision purpose for non-profit accounts users, does not in fact seem to be a decision influenced by accounting information for a large majority of users in churches. We must however note that some users did see that there was a use of information in their giving decision.

Table 10.4.5 Did the local church use the accounts before deciding on how much to pay in contribution - by church

	<u>GGO</u>	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>	<u>TOTAL</u>
NOT AT ALL	43	148	81	154	146	572
	72.9%	86.0%	76.4%	89.0%	67.0%	78.6%
A LITTLE	15	15	19	11	40	100
	25.4%	8.7%	17.9%	6.4%	18.3%	13.7%
IN SOME DETAIL	1	9	5	6	29	50
	1.7%	5.2%	4.7%	3.5%	13.3%	6.9%
IN DETAIL	0	0	1	2	3	6
	.0%	.0%	.9%	1.2%	1.4%	.8%
TOTAL REPLIES	59	172	106	173	218	728
DON'T KNOW	13	33	8	11	44	109
NO REPLY	4	4	5	4	12	29
TOTAL RESPONDENTS	76	209	119	188	274	866

Note : As over 20% of the cells have an expected frequency of under 5, the chi-square statistic for the full table (which indicates a relationship significant at a level of  $p < 0.001$ ) is unreliable. Combining 'in detail' and 'in some detail' eliminates the small expected frequency problems and results in a relationship significant at the  $p < 0.001$  level.

## Chapter 10.5 The Reading of Accounts of the Churches in the Study

### 10.5.1 Introduction

Another area which was explored by the questionnaire was respondents' reported reading of the accounting reports. It was recognised that there need not necessarily be a relationship between the level of use of accounts and the reading of accounts and that use for a purpose such as monitoring may require a quite extensive reading of accounts. This section therefore describes the reading question and analyses the results of reading overall, reading by section of the accounts and total reading. For the latter analysis it was necessary to develop scales of reading, a procedure which is discussed in some detail. In addition the reading results were compared between committee and non-committee members and across declared uses of accounts. These results are discussed in the last two parts of the chapter.

It was felt that a question merely about overall reading would be insensitive in identifying which parts of accounts were read and would be difficult for respondents to answer. Accordingly a question was designed to enquire about the level of reading of each individual section of the accounts. As the accounts of churches differed in length considerably it was necessary to ask questions of different length in each church. Splitting the reading question down to individual sections of the accounts enabled results to be analysed in two ways: an analysis of how much individual sections (however defined) were read (a row by row analysis) and an analysis of total reading computed by adding together an individual's reading score for each line. The latter analysis entailed developing a scaling system for the different levels of reading and this is discussed below.

The basic reading question was:

"Below is a list of all the sections of the (church's) accounts. Would you indicate how thoroughly you read each section? (tick one box on each line)

Accounts sections	Do not Read	Glance At	Read Briefly	Read Thoroughly
Section 1	[ ]	[ ]	[ ]	[ ]
Section 2	[ ]	[ ]	[ ]	[ ]
etc."				

(see appendix questionnaires: GGO Question B6, RCC B7, LPL B7, COS B4, MET B9).

In the pilot study the responses allowed were:

'Do not read', 'Glance At or Read Briefly' and 'Read Thoroughly' these made up a three point scale for each section of the accounts. On analysing the replies to this question it was felt that a breakdown of the middle category 'Glance at or Read Briefly' would give more sensitive results and so in the other four questionnaires four points on the reading scale were specified: 'Do not Read', 'Glance At', 'Read Briefly', and 'Read Thoroughly'.

As with any scale each individual's perception of what each response category represents will vary to some extent particularly with the middle points on the scale, but the scales nevertheless give some indication of reading extent.

The way in which the accounts were broken down into sections for this question was similar for the first three questionnaires, GGO, RCC and LPL, slightly different for the COS and more different still for the MET. The standard method for defining sections which was set in the pilot study was to identify each individual accounting statement in the accounting report (see chapter 7) and define this as a section for this question.

This type of breakdown worked well for GGO, RCC and LPL where accounting reports were relatively short and comprised of only one or two balance sheets with supporting movement statements. However application of the same sort of breakdown in the case of

COS and MET would have identified over a hundred individual statements in each case (see chapter 7). Such a large number of statements would have produced an intolerably long question and so for these latter questionnaires it was decided to identify the major accounts statement groupings and use these as the reading sections. For the COS questionnaire these groupings tended to be all the fund accounts at a committee or function level whereas for the MET questionnaire this tended to be at the level of the individual group of accounts representing all the accounting statements for either a committee or a board function.

In general, the majority of sections in all the churches' questionnaires roughly correspond to functional areas. There are in addition Balance Sheets, Income and Expenditure accounts and other general statements relating to multiple functional areas. In MET however each section has its own self contained set of accounts eg Social Responsibility has balance sheet, source and application of funds statement and fund accounts, and there are no church-wide accounting statements.

Whilst the defined sections vary somewhat across questionnaires they are still a reasonably fragmented level on which to measure level of reading. If NPO accounts followed a more common pattern then this sort of reading score would be simpler to analyse. In summary the questionnaire asked about reading of between 13 and 37 sections of accounts as shown in table 10.5.1.

Table 10.5.1 Sections of accounts used in reading question

GGO	17 sections based on accounting statements
RCC	13 sections based on accounting statements
LPL	24 sections based on accounting statements
COS	37 sections based on account groupings
MET	33 sections based on groups of accounts

Analysing the data from this type of question presents a number of operational difficulties. The results are in interval form and as the response to each line is an independent event the summation of either total responses per line or total lines per response will not necessarily give a meaningful result. This is because it is not possible to be sure either that different

respondents perceive a particular score as the same level of reading nor that a single respondent replying 'read briefly' to two individual lines means the same thing in both cases. Despite these two areas of doubt this analysis assumes that summations are meaningful and summations have been made although the results must be interpreted in the light of these assumptions.

### 10.5.2 Standard Reading Score

This section discusses the development of an overall weighted reading score for each respondent so that levels of reading could be compared across churches. The raw results of the reading question were in the form of a score for each line, representing a section of the accounts. For each respondent these line scores could be summed so that a frequency distribution of scores is obtained for each respondent (see figure 10.5.1). These respondents' frequency distributions cannot easily be compared across different churches as they are distributions and not point estimates and their spread is dependent on the number of sections in the accounts. It was therefore decided to reduce each respondent's distribution to a single point score representing a weighted average level of reading of the accounts. This point score would be standardised to allow cross church comparison by dividing the score by the number of sections in the accounts.

Figure 10.5.1 Example of frequency distributions of scores for two respondents

Respondent	Do not Read	Glance At	Read Briefly	Read Thoroughly	Total
COS-1	5	12	3	16	37
COS-2	37	-	-	-	37
etc					

The main problem in arriving at a mean score was to decide on a weighting for each level of reading: how should 'read briefly' be compared with 'glance at' in a weighting or scoring scheme? Does 'read briefly' imply twice as much reading as 'glance at'? A number of different scoring systems were experimented with by giving a number to each level of reading response. The ideal

system would be one which ranked individuals as to their total reading and which retained in the final score an indication of the total number of sections read in each score category. This would have been relatively easy with ratio data where relationships between scores would be defined but was very difficult with interval data. The five schemes which were looked at most closely are shown in table 10.5.2.

Scheme 1 closely followed the actual coding scheme used to record the results and was therefore easiest to operationalise. It entailed scoring 'Do not read' and 'No Reply' as 1, 'Glance at' as 2 'Read Briefly' as 3 and 'Read Thoroughly' as 4. This scheme was however discarded as it gave a score to 'thoroughly read' of four times that of 'do not read' and this is not intuitively correct as it would equate a respondent not reading the accounts with a respondent who read a quarter of the accounts thoroughly.

Table 10.5.2 Possible scoring or weighting schemes  
Score given to each reply

<u>Category</u>	<u>Scheme 1</u>	<u>Scheme 2</u>	<u>Scheme 3</u>	<u>Scheme 4</u>	<u>Scheme 5</u>
Do Not Read	1	0	0	-1	-1
Glance At	2	1	1	-1	0
Read Briefly	3	2	n	0	+1
Read Thoroughly	4	3	n <sup>2</sup>	+1	+1
No Reply	1	0	0	-1	-1

- Note: 1. For Glasgow 'Glance At' and 'Read Briefly' were one response category and the schemes were revised by combining these categories.  
2. 'n' represents the number of sections in the accounts (see table 10.5.1 above)

Scheme 2 was better than Scheme 1 in this respect as it valued 'Do not Read' and 'No Reply' as zero (and 'Glance at', 'Read Briefly' and 'Read Thoroughly' as 1, 2 and 3 respectively). The scheme still suffered from the problem that a respondent reporting reading 8 out of 24 sections thoroughly and no other sections would be ranked equal to another respondent glancing at the whole of the accounts. This implies a ratio scale which the data does not support.

Scheme 3 entailed scoring 'Do not read' and 'No Reply' as 0, 'Glance at' as 1 and then 'Read Briefly' as the number of sections in the accounts (eg 13 in the case of RCC) and 'Read Thoroughly' as the square of the number of sections in the accounts (eg 269 in the case of RCC). This scheme was even worse in over-valuing the effect of a few thoroughly read sections although it did have the advantage that by factoring out the total scores it is possible for a frequency distribution of reading levels to be drawn up enabling the total number of sections read at particular levels of reading to be computed and thus overall patterns of reading established.

In the light of the problems encountered with each of these three scoring schemes it was decided to adopt two schemes embodying a dichotomous scoring scheme. These are called 'scheme 4' and its variant 'scheme 5'. Using these schemes, one level of reading was selected in each case as a 'pivot' level and then reported reading of any section above this level is scored at +1 and reading of a section at below this level is scored at -1. Under both schemes no replies are scored as -1, assuming that no reply equals no reading.

The level chosen as the pivot in scheme 4 is 'read briefly' and in scheme 5 'glance at'. thus in scheme 4 any section of accounts which was 'Read Thoroughly' would be score '+1', any 'Read Briefly' at zero and any 'Glanced at', 'Do not read' or 'No reply' would score '-1'. For scheme 5 a zero score would be attached to 'Glance at' and a '+1' score to 'Read briefly' with other scores the same.

Both schemes 4 and 5 are intuitively appealing in that they measure the extent to which the overall reading of each respondent is more or less than the pivot level. In both schemes 'Read thoroughly' is scored '+1' and 'Do not read' and 'No Reply' as '-1' thus these points on the scale are treated as equal and opposite rather than 'Read thoroughly' being worth more than 'Do not read' (by 4:1 under scheme 1 and 3:0 in scheme 2).

Although each scale by itself does not allow us to identify unambiguously all combinations of scores in the system, together



the scales allow us at least as much measurement as scales 1 and 2 in that total non-reading (and no replies) can be identified as can complete reading of accounts thoroughly. Intermediate scores also give us an approximate indication of the spread of reading across the scale with scheme 4 giving a better picture of the number of respondents reading accounts thoroughly and scheme 5 of the number of respondents not reading accounts.

Each of these scoring schemes allows the calculation of a different total reading score for each respondent. The range of the total score depends on the number of sections in the accounts eg for MET this will be from -33 (no sections of the accounts reported read) to +33 (all sections read thoroughly). In order to produce a standardised score for comparison across churches each respondent's total score is standardised by dividing it by the number of sections in the accounts of the organisation and multiplying by ten. The resulting standardised scores (one for each respondent under each scheme) can thus range from -10 to +10 and have been defined as Scheme 4 score (with a pivot on 'Read Briefly') and Scheme 5 score (with a pivot on 'Glance At'). The calculation of each score would be from the following formula:

$$\text{Scheme } n \text{ Score} = \text{Rounded result of } \left[ \frac{\text{[ sum of individual section scores ]}}{\text{[ number of sections in accounts ]}} \right] \times 10$$

Where  $n=4$  or  $5$

The results of the overall reading scores are discussed below in chapter 10.5.6.

### 10.5.3 Overall comments on replies

The question seemed to be answered carefully overall with boxes being ticked at different levels on different lines. Only in the case of a few older people (identified from the AGE question in section 1) was there any difficulty in interpreting the answers as it was not always clear which line was being ticked. In several cases replies to this reading question were answered by giving responses for only some of the sections of the accounts. In these cases the missing responses were coded as 'No Reply' and treated as 'Do not read'.

22% of respondents receiving accounts answered the question by simply ticking a whole column of boxes eg all 'Read Briefly', but the majority of respondents took the trouble to indicate individual reading levels for each section of the accounts. The number of respondents ticking a whole column of boxes is indicated in table 10.5.3. This shows that most respondents recognise that they read different sections at different levels though some either were not prepared or not able to identify the different reading.

Table 10.5.3 Respondents answering reading question by ticking a whole column of boxes

Indicated Reading level	GGO	RCC	LPL	COS (adjusted)*	MET	Total
Do not Read	-	6 2.9%	2 1.7%	8 5.5%	8 2.9%	24 2.9%
Glance at	) 15 19.7%	8 3.8%	7 5.9%	11 7.6%	12 4.4%	) 95 11.5%
Read Briefly		18 8.6%	6 5.0%	9 6.2%	9 3.3%	
Read thoroughly	8 10.5%	12 5.7%	4 3.4%	2 1.4%	3 1.1%	29 3.5%
No reply	2 2.6%	6 2.9%	4 3.4%	9 6.2%	9 3.3%	30 3.6%
Total	25	50	23	39	41	178
% of All Responses	32.9%	23.9%	19.3%	26.9%	15.0%	21.6%

\* Note that 43 COS respondents did not receive copies of accounts. These have been excluded from the table

#### 10.5.4 Overall results of reading question

The objectives of looking at the reading of accounts were threefold: an attempt to investigate the depth of reading of the accounts of particular churches in general, an attempt to see which sections of the accounts of each church were most read and a comparison of overall reading between churches. The first two of these aims can be met by a two-way analysis of the total respondents reporting reading in each of the four categories. In tables constructed for each church showing total replies in each category by section of accounts, figures in rows indicate reading levels of particular sections of accounts and column totals give overall reading of all sections of accounts in the churches. Overall reading is discussed in section 10.5.5.

The results of reading levels of particular sections of the accounts by church are summarised in tables 10.5.4 to 10.5.8. In each row of these tables an abbreviated name of the section of the accounts is given along with the number of respondents indicating a reading score at each of the four scale points (three in the case of GGO) together with the total not replying. The rows have been ranked with the highest 'Read Thoroughly' scores at the top and the lowest at the bottom to enable the reader to identify the 'most popular' accounts. There are a number of other ways of ranking the accounts each of which gives a slightly different ranking eg by combining 'read thoroughly' and 'read briefly'. These do not give rankings significantly different from the 'Read thoroughly' scores. The five tables also indicate three other 'orders'. Each of these represents a different ordering of the accounts with order 2 representing the order in which the sections appear in the accounting reports, order 3 the ranking of the 'read thoroughly' replies for committee members and order 4 the ranking of replies for non-committee members. Each of these is discussed further below.

#### 10.5.5 Overall reading

In all the churches, the accounts are read thoroughly in all sections by only a small minority of respondents (see table 10.5.3), although tables 10.5.4 to 10.5.8 indicate all sections of all accounts are read thoroughly by some respondents. There

Table 10.5.4 Diocese of Glasgow and Galloway Reading of Accounts

Order					<u>Level of reading</u>			
1	2	3	4		Do Not Read	Glance At	Read Thoroughly	No Reply
1	17	2	1	List of Cong. Contribs.	2	34	36	4
2	6	6	2	Home Mission Fund	5	33	32	6
3	5	5	8	Clergy Stipend Fund	6	35	31	4
4	3	1	5	Balance sheet	0	40	30	6
5	2	4	4	Notes to Accounts	3	35	30	8
6	9	3	5	Bishopric Inc. & Res. Fund	8	32	30	6
7	1	7	5	Fund summary	4	38	28	6
8	4	9	7	General Fund	3	41	26	6
9	13	8	11	Sites and Church Extn. Fund	5	38	25	8
10	15	13	8	Retired Clergy Res. Fund	7	41	23	5
11	14	11	11	Loans Fund	6	38	23	9
12	10	10	13	Emergency Repairs Fund	3	46	22	5
13	7	12	10	Diocesan Expenses Fund	4	44	22	6
14	12	14	17	Social Workers Fund	7	44	18	7
15	8	15	14	Bursary Fund	7	45	17	7
16	16	17	15	Assets held for Funds	9	44	15	8
17	11	16	16	Chaplains Fund	4	52	14	6
					83	680	422	107
					6.4%	52.6%	32.7%	8.3%

Table 10.5.5 Representative Church Council Reading of Accounts

Order					<u>Level of reading</u>				
1	2	3	4		Do Not Read	Glance At	Read Briefly	Read Thoroughly	No Reply
1	11	1	1	Summ. stats own Dioc.	7	25	62	109	6
2	5	4	2	Quota Contribs by Dioc.(Apx 3)	15	35	69	75	15
3	12	2	4	Summ. stats other Dioceses	14	47	76	61	11
4	13	3	3	Abstract of Statistics	18	42	73	61	15
5	1	5	5	Provincial Revenue Account	28	55	66	40	20
6	3	6	6	Provincial Balance sheet	30	60	61	37	21
7	2	8	7	Pension Fund	35	75	53	29	17
8	10	7	9	Scan Accounts	34	74	53	27	21
9	9	9	11	Unit Trust Pool Valuation	53	62	53	24	17
10	7	10	8	Unit Trust Pool Inc & Exp Acct	54	62	52	23	18
11	6	10	10	Unit Trust Pool Balance Sheet	50	65	53	22	19
12	4	12	12	Provincial Auditors' report	46	77	42	18	26
13	8	13	13	Unit Trust Pool Audit Report	64	64	45	17	19
Total Scores					448	743	758	543	225
					16.5%	27.3%	27.9%	20.0%	8.3%

Note for both tables:

- Order 1 represents rank in reading overall
- Order 2 represents order in accounting report
- Order 3 represents rank in reading for committee members
- Order 4 represents rank in reading for non-committee members

Table 10.5.6

Diocese of Liverpool Reading of Accounts

Order				Do Not Read	Level of reading				
1	2	3	4		Glance At	Read Briefly	Read Thoroughly	No Reply	
1	23	2	1	Quota Payments and Offerings	9	26	28	49	7
2	20	1	3	Stipends Fund	9	27	29	44	10
3	2	4	2	Income and Expenditure Act	5	43	33	29	9
4	17	3	6	Board of Ministry	12	41	28	29	9
5	16	5	7	Board of Education	14	35	35	25	10
6	21	6	4	Thanksgiving Fund Accts	14	32	35	25	13
7	18	8	5	Brd of Mission & Social Resp	14	39	34	22	10
8	9	7	11	Parsonages Repairs Account	18	42	28	22	9
9	8	10	10	Parsonages Admin Account	20	41	28	20	10
10	4	9	19	DBF Balance Sheet	13	44	31	18	13
11	10	11	14	Pastoral Account	20	41	29	18	11
12	19	12	8	Board for Social Welfare	19	43	27	17	13
13	24	13	9	Church House Accounts	20	42	31	16	10
14	1	14	12	DBF Audit Report	21	47	23	15	13
15	22	15	13	Building Account	18	46	25	14	16
16	5	17	15	Source & Appn of Funds Stmt	27	38	31	12	11
17	3	16	20	Notes on Accting Policies	34	41	22	12	10
18	13	19	18	Accredited Lay Ministry Acct	35	40	23	10	11
19	7	18	24	Other Boards Accounts Notes	27	47	21	9	15
20	6	20	23	Other Boards Balance Sheet	24	46	28	8	13
21	11	21	21	Publications Account	26	46	27	8	12
22	12	23	15	Laurence House Operating Acct	35	42	23	8	11
23	15	22	22	Widows and Dependant's Fund	34	47	19	8	11
24	14	24	17	Retired Clergy etc Account	33	46	23	7	10
Total Scores					501	982	661	445	267
					17.5%	34.4%	23.1%	15.6%	9.3%

Note: Order 1 represents rank in reading overall

Order 2 represents order in accounting report

Order 3 represents rank in reading for committee members

Order 4 represents rank in reading for non-committee members

Table 10.5.7

Church of Scotland Reading of Accounts

Order				Level of reading					
1	2	3	4	Do Not Read	Glance At	Read Briefly	Read Thoroughly	No Reply	
1	2	1	1	Maintenance of the Ministry	13	30	52	37	56
2	21	3	2	Stewardship and Budget	19	32	41	31	65
3	20	2	3	General Finance	21	38	36	28	65
4	31	5	4	Abstract of Cong Contribs	22	30	43	25	68
5	30	9	5	Abstract of Cong Income	23	28	50	23	64
6	1	8	6	Notes on the Accounts	24	35	47	23	59
7	33	10	7	Analysis of Admin Exps	32	33	31	22	70
8	19	9	9	General Administration	24	38	39	21	66
9	29	12	8	Consolidated Summary	33	30	31	21	73
10	32	7	12	Source of Funds	29	32	38	19	70
11	4	13	10	Retirement Scheme	28	40	34	19	67
12	14	6	18	Education for the Ministry	30	31	38	17	72
13	3	15	13	Ministry Endowment Section	30	38	29	17	74
14	37	14	15	Dept of Publicity & Pubn	29	45	26	17	71
15	12	21	11	Christian Aid	23	39	40	16	70
16	13	10	19	Board of Education	31	30	39	16	72
17	6	17	16	Home Mission	20	35	49	15	69
18	28	22	17	Congregational Funds	31	39	38	14	66
19	24	27	13	Education	31	39	33	13	72
20	8	16	22	Foreign Mission	25	36	39	12	76
21	7	23	21	National Church Extension	31	37	33	12	75
22	5	24	20	Hsg & Ln Fnd Retd Mnstrs	28	44	32	12	72
23	36	18	25	Ottee on Soc Responsibility	32	37	37	11	71
24	35	25	24	Ch of S General Trustees	37	42	26	11	72
25	9	19	27	Colonial & Continental Chs	49	31	23	10	75
26	23	30	23	Personnel	43	37	27	9	72
27	34	20	30	Ch of S Trust A/cs	41	45	20	8	74
28	16	29	26	Worship & Aids to Devotion	42	38	28	7	73
29	10	28	31	Jewish Mission	51	33	23	5	76
30	11	26	35	Scots Memorial	52	33	22	5	76
31	15	30	32	St Colm's	39	44	23	4	78
32	22	34	29	Law	50	35	23	4	76
33	25	36	28	Women's Guild	43	44	20	4	77
34	17	32	33	Diaconate Board	47	41	20	4	76
35	18	33	33	Chaplains to HM Forces	46	40	22	3	77
36	27	35	36	Special Trusts	52	38	20	2	76
37	26	37	36	College and Bursary Funds	50	40	18	2	78
Total Scores				1251	1357	1190	519	2639	
				18.0%	19.5%	17.1%	7.5%	37.9%	

Note: Order 1 represents rank in reading overall  
Order 2 represents order in accounting report  
Order 3 represents rank in reading for committee members  
Order 4 represents rank in reading for non-committee members  
'No Reply' figures include 43 people not receiving accounts

Table 10.5.8

Methodist Church Reading of Accounts

				<u>Level of reading</u>				
<u>Order</u>				<u>Do Not</u>	<u>Glance</u>	<u>Read</u>	<u>Read</u>	<u>No</u>
1	2	3	4	<u>Read</u>	<u>At</u>	<u>Briefly</u>	<u>Thoroughly</u>	<u>Reply</u>
1	16	1	1 Overseas Division	25	63	100	75	11
2	7	3	3 Home Mission Fund	27	84	87	61	15
3	27	2	4 Ministries Divisional Accts	36	74	85	61	18
4	5	9	2 Methodist Relief Fund	30	73	99	54	18
5	29	5	3 General Purposes Fund	47	71	87	48	21
6	22	4	12 M M Retirement Fund-1	54	84	71	48	17
7	4	14	6 Relief Fund	35	75	97	45	22
8	23	6	14 M M Retirement Fund-2	55	80	65	45	29
9	32	18	5 National Children's Home	43	82	85	43	21
10	17	8	13 Property Division Accounts	57	88	69	43	17
11	10	7	16 Educ. & Youth Divn. Accts	45	97	74	42	16
12	1	11	11 Divisional Accounts	42	102	71	42	17
13	6	17	7 Fund for Human Need	48	83	81	41	21
14	2	16	8 Homes for the Aged	44	93	75	41	21
15	24	13	15 Finance Divisional Accounts	58	86	64	40	26
16	30	10	17 Connexional Advance Fund	47	75	89	39	24
17	3	15	10 Wld Devt Action Fund	43	80	88	39	24
18	26	12	18 Methodist Publishing Hse	63	83	67	38	23
19	28	20	19 Wesley Deaconesses Order	90	90	47	24	23
20	8	19	20 London Mission Fund	81	92	54	22	25
21	20	21	22 Methodist Church Purposes	96	89	43	20	26
22	15	25	23 International Houses	71	111	53	16	23
23	33	27	21 Ecumenical Committee	81	100	53	16	24
24	14	22	14 Meth Residential Schools	98	94	42	16	24
25	25	24	28 Wld Meth Cncl British Cttee	103	80	47	14	30
26	9	23	30 Methodist Press Service	101	92	44	14	23
27	11	28	25 Managing Trustees Account	98	94	45	13	24
28	21	29	26 Archives and History	105	87	43	13	26
29	31	30	27 European Relations Cttee	102	96	36	13	27
30	19	26	31 Methodism in Scotland	137	67	30	13	27
31	18	31	33 Cymru District No 30	146	64	27	10	27
32	13	32	29 Southlands College Estate	105	94	40	9	26
33	12	33	32 Westminster Coll Estate	112	91	39	7	25
Total Scores				2325	2814	2097	1065	741
				25.7%	31.7%	23.2%	11.8%	8.1%

Note    Order 1 represents rank in reading overall  
           Order 2 represents order in accounting report  
           Order 3 represents rank in reading for committee members  
           Order 4 represents rank in reading for non-committee members

appears to be a great deal of selective thorough reading with some sections of some churches' accounts being read thoroughly by up to 50% of respondents (eg RCC 'Summary of Statistics for own Diocese'). The respondents who report that they are prepared to leave the accounts to those interested appear to be correct in assuming that there are some people who read all sections of the accounts. This does not mean to say however that these are either the most competent people to do this or the people with an interest in critically evaluating the accounts as for example may be some committee members responsible for controlling spending. Table 10.5.13 summarises the average percentage levels of reading broken down between committee members and non-committee members and this indicates that accounts are read thoroughly by some non-committee members in each church.

There are a number of features of these reading results which may throw further light on the information in the uses section (Chapter 10.2). First of all note that certain sections of the accounts (where they appear) are amongst the highest reading scores in each of the organisations (see table 10.5.9). These are:

1. A statement of congregational income and/or contributions.

This could suggest the importance of stewardship to users and it might also be instrumental in helping users with understanding accounts as it may establish a reference point such as the relationship between a person's congregational giving and the total church giving.

2. Accounts relating to the maintenance or support of the ministry.

These could indicate an additional stewardship interest as in some organisations this is a very large element in the contributions from local churches. Alternatively it could indicate an interest of clergy in their future remuneration!

3. A balance sheet or statement of funds.

We might hypothesise that this statement can give an indication of the total funds held by the church and be of interest for this reason.

4. An overall income and expenditure account or summary of fund movements statement.

It is not certain why this is in a high position. The sections



'Fund Summary' (GGO) 'Provincial Revenue Account' (RCC) and 'Income and Expenditure Account' (LPL) are not exactly similar and COS and MET do not have any overall movement of funds summary (though respondents from both these churches felt that a summary would be useful (see chapter 13)). It is also possible that this overall summary, when present, is used as an indication of total spending and a guide to further reading.

Without further evidence it is possible only to speculate on the reasons why the reading of certain sections is higher than others. The evidence of these relative reading scores could be consistent with the following hypothesis:

That the process of reading accounting reports involves a selection of items for reading and that the items selected are:

1. some reference point which can be used for orientation and/or an accuracy check. This would in many cases be the amount contributed to the organisation by a church or individual.
2. Some overall statement(s) which might give an impression of what is included in the accounts. This might be an income and expenditure account/summary of funds statement or a balance sheet or both. Possibly an index or overall summary may serve a similar purpose.
3. Statements which relate either to areas of particular interest for an individual or which a person might be led to following the initial reading of overall statements.

This hypothesis is not intended to make any assumption about why accounts are read. This sort of selection process may be involved in reading of accounts for either a specific decision purpose or for general monitoring, which may in itself be a wider decision situation, or for general information about an organisation.

The question set was not designed to test a hypothesis about the reading process but simply to see how much of a church's accounts are read. Further research in this area specifically designed to investigate this or related hypotheses would be beneficial as an understanding of how items are selected for reading outside the

profit seeking accounting context would assist preparers of accounting reports in structuring the reports. For example the order in which information is presented in accounting reports might improve the readability of reports for both expert and lay readers.

In this connection it is very clear that the ranking of the reading of the accounts does not correlate with the order in which they are printed in the accounting report (these orders are reported in tables 10.5.4 to table 10.5.8). Table 10.5.9 shows the rank order correlation between ranking of reports according to overall level of reading and the order of reports in the accounts. In no case is the correlation higher than 0.5 and in most cases it is considerably lower. This suggests that respondents do seek out information from individual sections despite the positioning of accounts. One still wonders however whether more would be read if accounts were either more clearly presented or better referenced.

It should also be noted in this context that in the accounting reports, apart from the Methodist Church, there was no index to guide the reader to particular statements or areas of interest although a contents page in the Church of Scotland accounts is of some assistance in discovering the whereabouts of particular statements.

Table 10.5.9    Showing, by church, rank order correlations of  
ranking of reading of sections of accounts by  
order of sections in the accounting reports

	GGO	RCC	LPL	COS	MET
Correlation between ranking of reading of accounts by committee members and order in the accounts	0.422	-0.355	-0.263	0.068	0.049
Correlation between ranking of reading of accounts by non-committee members and order in the accounts	0.402	-0.192	-0.480	0.047	0.178
Correlation between ranking of reading of accounts by total respondents and order in the accounts	0.355	-0.231	-0.269	0.057	0.083

10.5.6 Reading score by respondent

This section analyses the results of comparing the weighted average scores for respondents (developed in section 10.5.2 above) across the different churches. The percentage distribution of standard reading scores for respondents in each church was plotted in two ways: as frequency distributions (figures 10.5.4 and 10.5.5) and as cumulative frequency distribution (figures 10.5.6 and 10.5.7).

Each of the four figures contains the distributions for all five churches and though the curve GGO has been included in each of these graphs it is not strictly comparable with the other curves as the basis of calculation of the standard reading scores is different (the GGO curve is exactly the same under both scheme 4 and scheme 5). In addition the COS scores have been computed by excluding the 43 missing cases where accounts were not collected. If these 43 cases are included then the curves for COS show considerable additional skew to the left, ie a decrease in overall reading.

The percentage frequency distribution of figures 10.5.4 and 10.5.5 indicate, for each church, the spread of reading about the pivots 'read briefly' and 'glance at' respectively. There is little value in investigating the various minor peaks in these plots but it can be seen that a large number of the points lie around and to the right of the pivot point in scheme 5 (figure 10.5.5) and around and to the left of the pivot point in scheme 4 (figure 10.5.4). About 45% of the observations are in this area, indicating that just under half of the respondents read the accounts on average between the 'glance at' and 'read briefly' points. Scheme 5 frequency distribution reveals that between 5% and 10% of recipients (other than the COS cases omitted) report not reading the accounts at all whilst scheme 4 shows a lower percentage, between 3% and 11%, report reading all the accounts thoroughly.

The cumulative plots, shown in figures 10.5.6 and 10.5.7, indicate at each point on each curve the total percentage of respondents reading up to the particular score. Therefore the

Figure 10.5.4 Frequency Distribution of Percentage Distribution of Standard Reading Score (Scheme 4)

Key  
 — GGO  
 - - - - - RCC  
 - - - - - LPL  
 - - - - - COS  
 \* \* \* \* \* MET  
 See text for comment on GGO curve

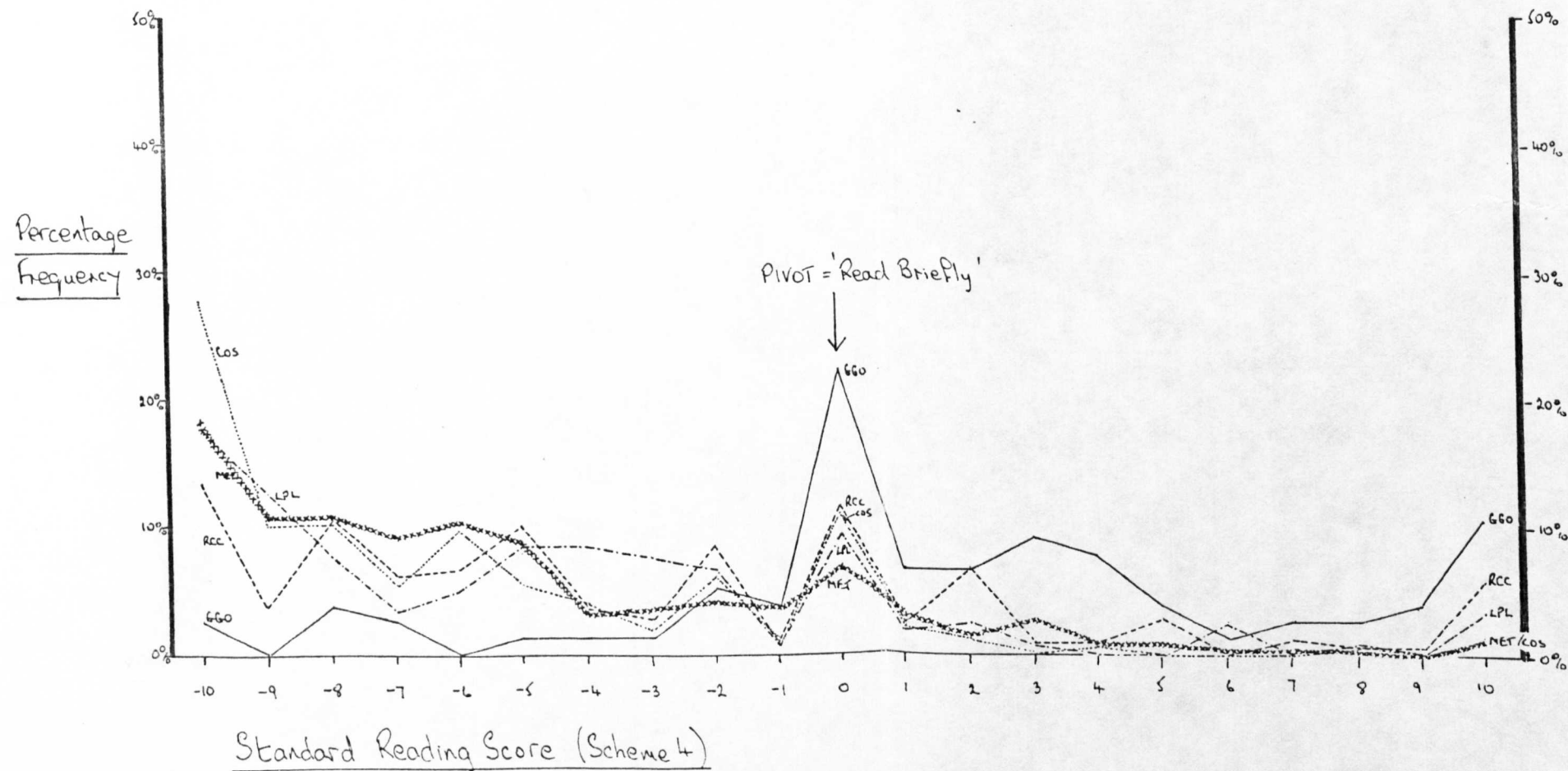


Figure 10.5.5 Frequency Distribution of Percentage Distribution of Standard Reading Score (Scheme 5)

Key  
 — GGO  
 - - - - - RCC  
 - - - - - LPL  
 - - - - - COS  
 x x x x x MET  
 See text for comment on GGO curve

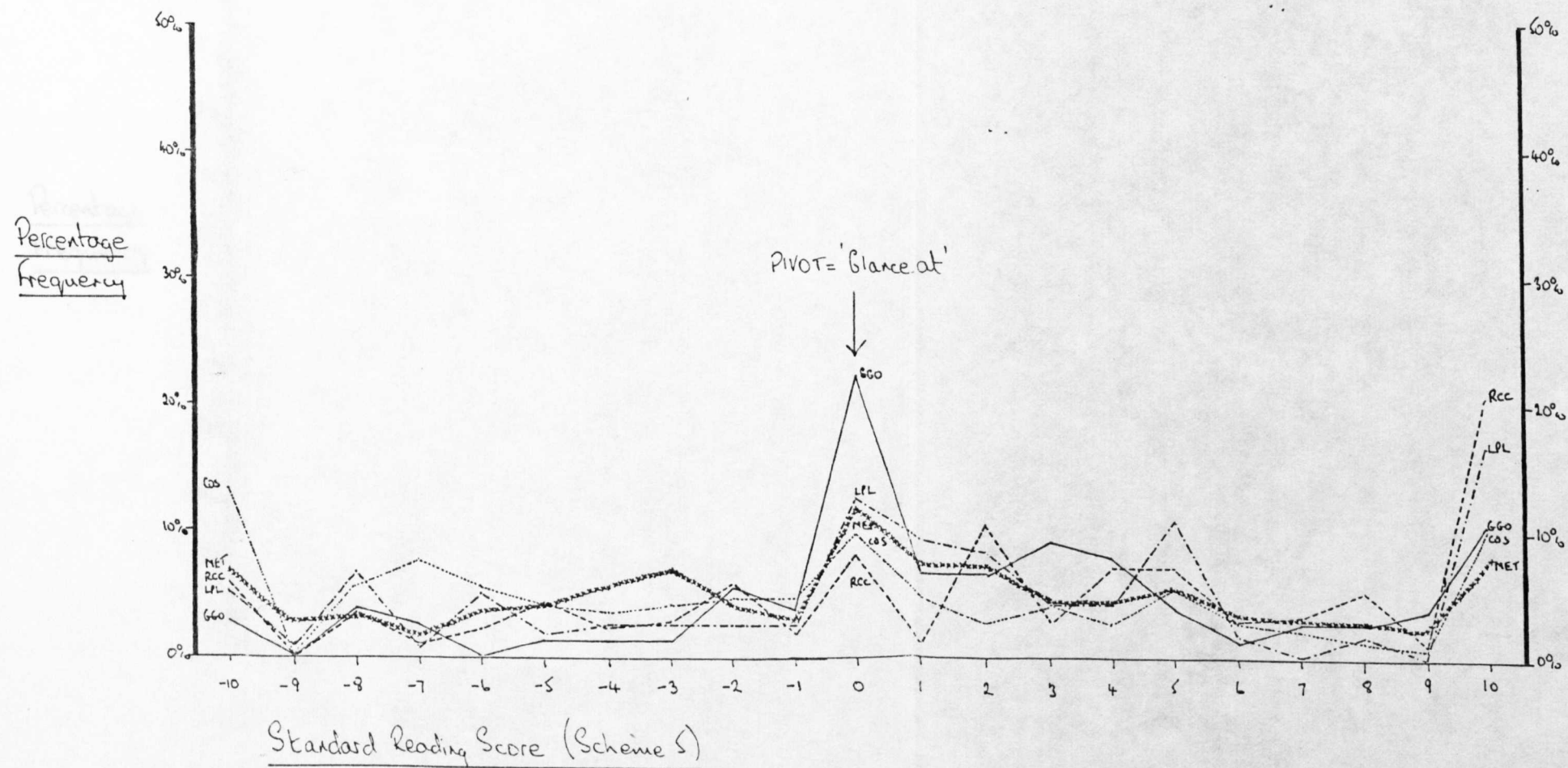




Figure 10.5.6 Cumulative Frequency of Percentage Distribution  
of Standard Reading Score (Scheme 4)

Key

— G60

- - - - - RCC

- . - . - LPL

- - - - - COS

\*\*\*\*\* MET

See text for comment on G60 curve

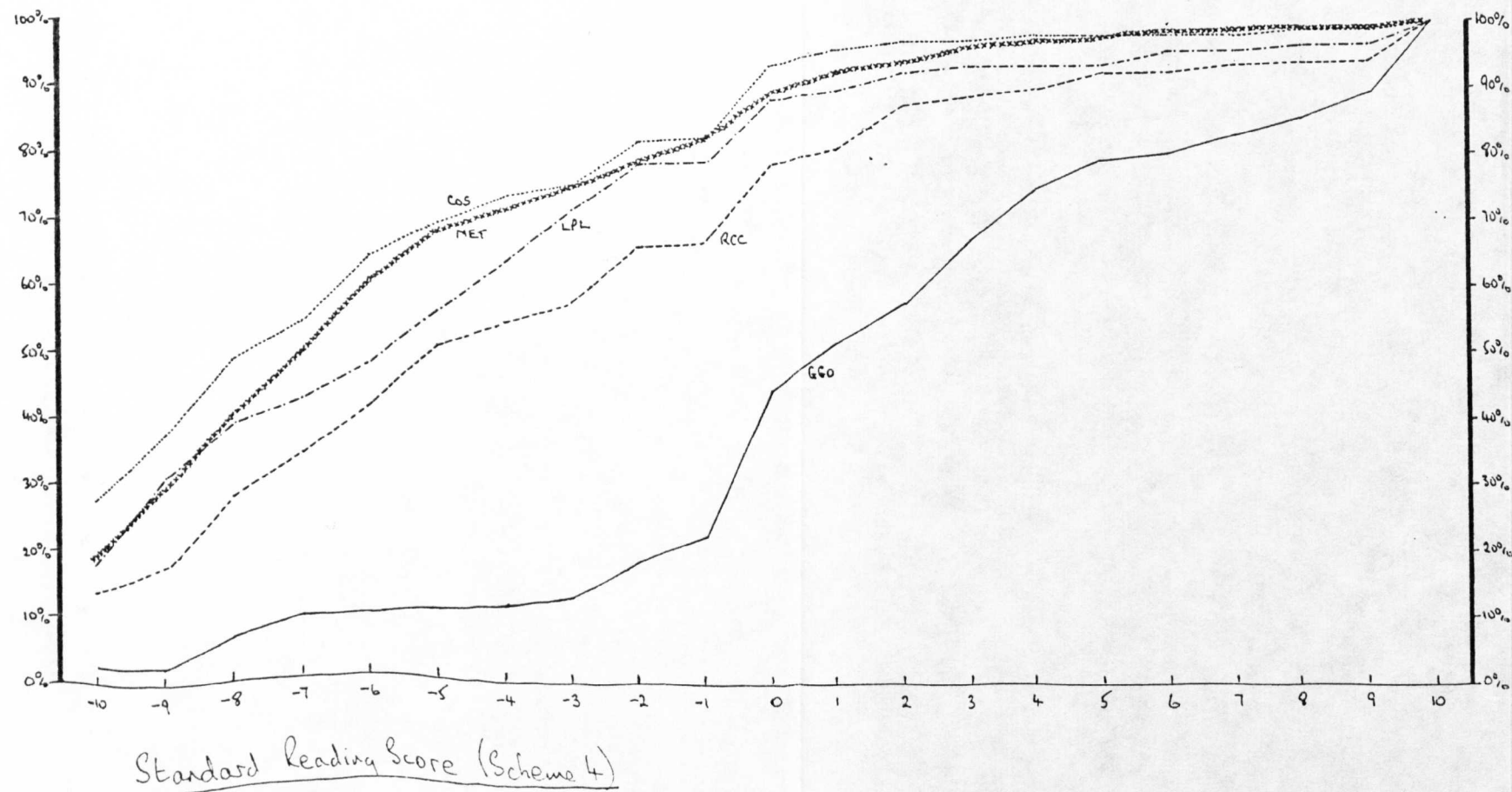
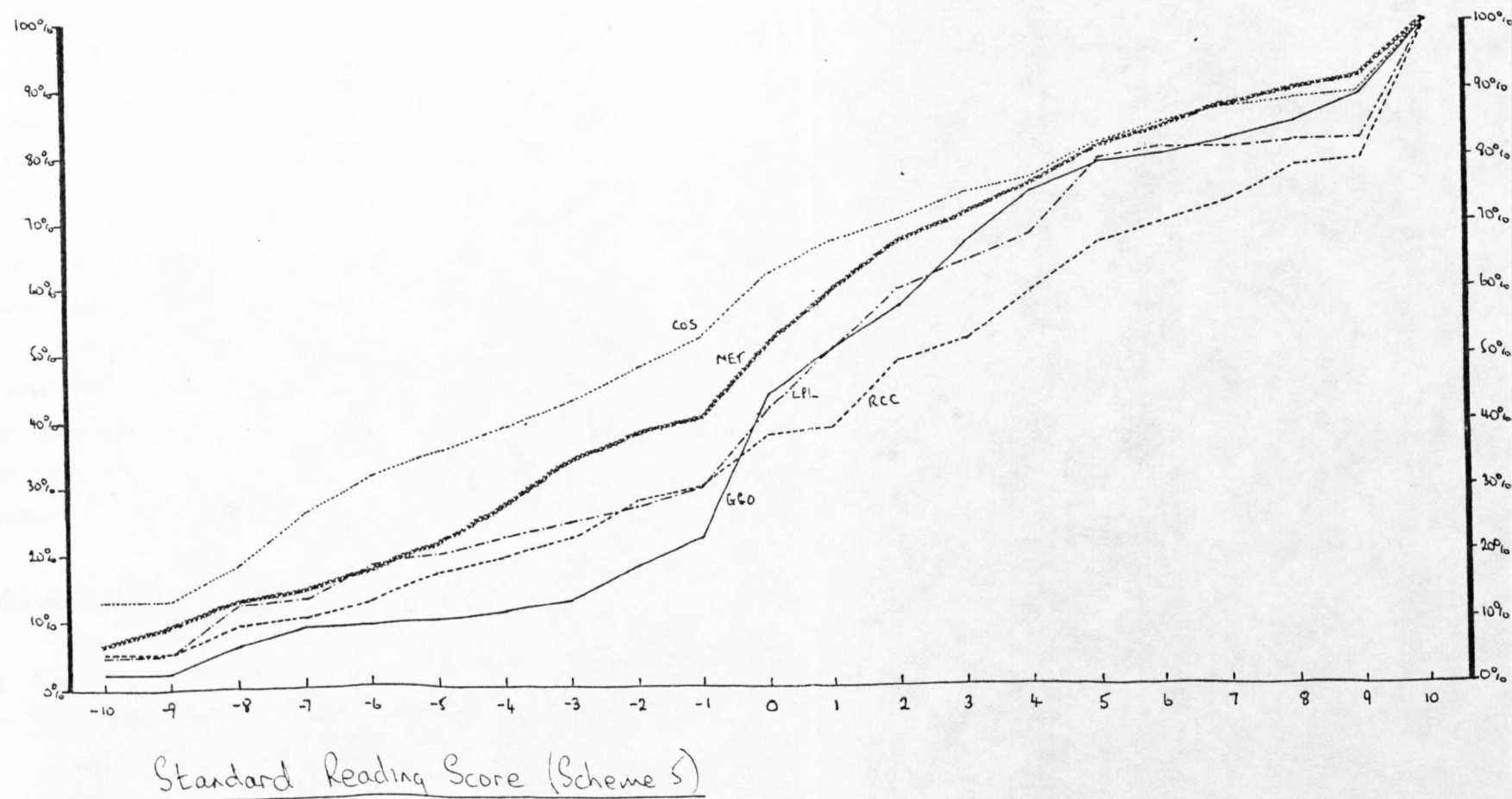


Figure 10.5.7 Cumulative Frequency of Percentage Distribution  
of Standard Reading Score (Scheme 5)

Key  
 — G60  
 - - - - - RCC  
 - - - - - LPL  
 - - - - - COS  
 x x x x x MER  
 See text for comment on G60 curve





lowest curve in each scheme represents the highest overall reading level as it signifies that fewer people have a low overall reading score. The highest curve represents the lowest overall reading level as it signifies more people have a low overall reading score. We can see that (excluding GGO) there is a gap between the top and bottom curves (COS and RCC) representing about 25% of respondents at the scheme 5 pivot and 15% or respondents at the scheme 4 pivot. This means that about 25% more respondents from RCC than from COS on average 'glance at' their accounts and similarly about 15% more respondents from RCC on average 'read briefly' the accounts. Apart from in the lowest ranges of scheme 5 there is evidence in figures 10.5.6 and 10.5.7 to show that the order of overall reading of the accounting reports is negatively related to the number of sections into which the accounts were split and the length of the accounting reports. This means that the church with the largest number of sections has the lowest overall reading score and that with the smallest number has the highest reading score. This is shown in table 10.5.10.

This is a significant finding about overall reading and raises a number of issues about the length and complexity of reports. There are a number of possible explanations for the result, four of which are discussed here: differences in numbers of unanswered questions (sampling errors); differences in the mix of respondents between questionnaires; limited capacity for reading of accounting information and, finally, simply lack of interest in long reports.

Table 10.5.10 Ranking of case study accounting reports by number of sections

Ranking of Reading	Case study	No of sections in accounts	Mean reading Score	
			Scheme 4	Scheme 5
Highest	RCC	13	-3.20	2.30
	LPL	24	-4.60	1.20
	MET	33	-5.31	0.14
Lowest	COS	37	-5.86	-0.10

If the differences were induced by the questionnaire, for instance because of an unwillingness to fill in a long question

with many sections as against a short question with fewer sections, then we might expect that the main influence on the data would be a leftward shift in the curve indicating less reading than would have been the case had the questionnaire been completed fully. Such a shift would present itself by producing a higher 'No Reply' result in the longer questionnaires. In order to check this the percentage of 'No Reply' answers for each line of the 'reading' question was ascertained for each questionnaire and an average produced for each questionnaire. The results are shown in table 10.5.11 with the cases in the order of the number of sections in the accounts.

Table 10.5.11 Number of respondents in each questionnaire not replying to any section of the 'Read' question

Case study	No of sections in accounts	Mean percentage of 'No Replies' per line of the 'Read' question	Standard Deviation of replies
RCC	13	8.3%	1.5901
GGO	17	8.3%	1.7075
LPL	24	9.3%	2.3506
MET	33	8.2%	1.8249
COS	37	19.0%	3.5863

This table indicates that there is a significant difference in level of mean percentage of 'no replies' only in the COS questionnaires and this excess of 'No Replies' explains a large part of the variation between the MET and COS questionnaires. Part of the reason for this large number of 'No Replies' is that a small number of COS respondents reported they had passed on their accounts to others by the time the questionnaire reached them and accordingly could not remember. Even if this is adjusted for the mean percent of 'no replies' is still 16.7%. We may conclude therefore that this higher 'no reply' situation has produced a bias in the COS responses. If the 'no reply' responses are eliminated from the results (eg in figure 10.5.6 and 10.5.7), then the curves for MET and COS come much closer together - but still to the left of the RCC and LPL questionnaires.

In view of the generally small differences in 'no replies' we

must conclude therefore that some of the difference between the curves results from different respondent mix, limited capacity for reading information or lack of interest in long reports. There are few pointers in the results as to which of these is the more likely cause but it is possible to suggest one or two possible hypotheses.

As far as respondent mix it is possible that some groups eg committee members, might out of necessity read more sections of the accounts than non-committee members. If in this case more committee members respond to the questionnaire than non-committee members then the sample would display a higher overall reading score by reason of committee membership alone.

The percentage of respondents in the sample who are committee members or the organisation in question differs between the five churches as shown in table 10.5.12.

Table 10.5.12 Committee and non-committee members in five churches

	<u>GGO</u>	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>
Committee Members	36	53	66	55	127
	47.4%	25.4%	55.5%	29.3%	46.3%
Non Committee Membs	40	156	53	133	147
	<u>76</u>	<u>209</u>	<u>119</u>	<u>188</u>	<u>274</u>

LPL shows the highest percentage at 55.5% with RCC the lowest at 25.4%. Overall reading of committee members was measured in two ways: summarising the number of sections read at each reading level and by comparing total reading scores under each scoring system. The first of these approaches indicates that a higher percentage of sections of accounts are 'read thoroughly' or 'read briefly' by committee members than non-committee members but as table 10.5.13 shows, this varies between churches with little difference between committee and non-committee members in COS and LPL but marked differences in RCC and MET.

The second approach, measuring total reading scores, indicates that the mean reading of committee members is higher than non-committee members except in the COS where the mean score for non-committee members is higher than for committee members. These results are shown in table 10.5.14. Here too the largest

Table 10.5.13 Percentages of total number of sections of financial reports reporting as being read in each church broken down by level of reading and committee membership.

Level of Reading	GGO		RCC		LPL		COS		MET	
	Ctte	N.C	Ctte	N.C	Ctte	N.C	Ctte	N.C	Ctte	N.C
No Reply	1.3%	14.6%	3.8%	9.8%	9.8%	8.8%	32.9%	40.0%	7.5%	8.8%
Don't Read	8.7%	4.4%	13.1%	17.7%	15.0%	20.7%	17.4%	18.2%	22.6%	28.4%
Glance At )			22.7%	28.9%	30.5%	39.2%	27.1%	16.4%	30.4%	31.8%
)	54.2%	51.2%								
Read Briefly )			26.3%	28.4%	26.5%	18.9%	14.2%	18.3%	24.3%	22.2%
Read										
Thoroughly	35.8%	29.9%	33.8%	15.1%	18.2%	12.3%	8.5%	7.0%	15.2%	8.8%

- Note: 1. The Chi-square test indicates that for all churches there is a difference in responses between committee and non-committee members significant at a level of  $p < 0.001$  (see chapter 9.3)
2. In COS 8 committee members and 35 non-committee members did not receive a set of accounts.

Table 10.5.14 Mean reading scores (scheme 5) for committee and non-committee members, by church

	<u>Mean reading score</u>
GGO	
Committee Members	2.583
Non-Committee Members	1.100
RCC	
Committee Members	4.296
Non-Committee Members	1.606
LPL	
Committee Members	2.015
Non-Committee Members	0.189
COS	
Committee Members	-1.489
Non-Committee Members	-0.908
MET	
Committee Members	0.969
Non-Committee Members	-0.585

differences between committee and non-committee members are in RCC and LPL with MET and GGO further behind. Both these groups of results indicate that except in COS committee members tend to read more of the accounts and more sections in detail than non-committee members. The COS results probably imply that a number of committee members either restrict their reading to their particular committee's work or they receive additional information which limits their need to use the Abstract.

Another hypothesis which can be put forward is that readers of accounts actually have an upper limit to the amount of reading of accounts they are prepared to undertake. This might mean that a reader would only read a certain number of accounts thoroughly and glance at the rest. The extent of thorough reading would be independent of the total number of sections in the accounts, resulting in a higher average score for shorter reports than for longer ones. If this hypothesis were correct then it would suggest that there may be an upper limit for the length of report which a producer might expect a 'normal' reader to read.

A similar though different explanation could be that longer accounting reports contain more accounts which are of limited interest eg Welsh and Scottish sections of the Methodist Church, than shorter reports. These minority interest reports are not widely read by a large number of receivers of accounts and so appear far down in the tables showing reading level and thus resulting in a depression of the overall reading score.

If this latter hypothesis is valid then it raises a policy question relating whether lengthy reports containing minority interest areas should be reduced in length by removing the minority reports. If accounts are to be prepared for user needs and a minority area is clearly part of an overall stewardship reporting need eg because the funds are held, but it is only read by a small section of the audience, should it nevertheless be included? In these churches in the study there are a number of such areas of minority interest which may eventually either be absorbed into the overall organisation or grow into general interest areas.

10.5.7 Reading and interests

An important consideration when looking at reading is to see if we might relate reading of particular sections of accounting reports to interests of respondents in areas of church life. The basic hypothesis here is that a particular section of the accounts is more likely to be read by people expressing interest in a particular aspect of church work than people not interested in that aspect of church work.

In order to test this hypothesis for each church, declared interests in church matters were cross-tabulated against levels of reading of the various sections of the accounts. For each cross-tabulation a chi-square test was performed and a significance level for the result obtained. In the chi-square calculations a number of statistics were regarded as unreliable as there were very small expected frequencies in some of the cells (see chapter 9.3). The significance levels of these tests are reported in tables 10.5.15 to 10.5.19 at the end of this chapter. Where statistics were unreliable no significance level has been given in these tables.

The results demonstrate that there are very few relationships between reported level of interest and reported reading of accounts which are significant with a probability of error of less than 1% although there are a few more significant at the 5% level. Those which are significant at the 5% level are shown in the tables in bold type and fall into two groups of relationships:

1. There is a significant relationship between level of reading of accounts and interest in administration in RCC, MET and to a lesser extent in COS. There are no correlations of these two variables significant at the 5% level in GGO and only one in LPL. This could be due to either the different organisational style eg GGO does not, apart from in one case, produce accounting information which relates directly to boards or committees, or to the irrelevance of the accounts to those with administrative responsibilities in these two churches eg administrative interest may be at a local or district level in the church.

2. There are, overall, 53 other correlations significant at the 5% level where for instance interest in 'overseas mission' has a significant correlation with reading of Overseas Division (MET) accounts. There are a number of relationships between interest in 'sick visiting' and various sections of the accounts, particularly in MET. It may be that this interest in 'sick visiting' (and to a lesser extent in 'worship' and 'education') is closely related to clergymen who would certainly have an interest in many of the areas where significant relationships are shown. A small number of these relationships eg COS interest in 'sick visiting' and European Relations Committee accounts, seem spurious but the other relationships seem to relate specific areas of interest with specific sections of the accounts.

In conclusion there is evidence that respondents interested in administration read accounts more than those not interested and those interested in specific areas of church work read the sections of the accounts relevant to their interest. However, apart from this small number of relationships it appears that there are no overall significant relationships between the level of reading of specific sections of accounts and a respondent's interest in the church. We cannot therefore conclude that an interest declared in a particular part of church work will automatically mean respondents will read those parts of the accounts thoroughly.

**Table 10.5.15**  
**Significance of Chi-Square statistics produced by cross-tabulating**  
**Reported Reading of accounts with Interest**

Order A B	Interests										
	1. H.Miss	2. Youth	3. O.Miss	4. Music	5. Women	6. Sick	7. Admin	8. S.Sch	9. Educ.	11. Other	
17	1	-	-	-	-	-	-	-	-	-	
6	2	-	-	-	-	-	-	-	-	-	
5	3	-	-	-	-	-	-	-	-	-	
3	4	-	-	-	-	-	-	-	-	-	
2	5	.078	.564	.498	.223	-	.065	.365	.858	.585	
9	6	-	-	-	.605	-	.029	.194	-	.482	
1	7	-	-	-	-	-	-	-	-	-	
4	8	-	-	-	-	-	-	-	-	-	
13	9	-	-	-	-	-	-	-	-	-	
15	10	-	-	-	-	-	-	-	-	-	
14	11	-	-	-	-	.126	-	-	-	-	
10	12	-	-	-	-	-	-	-	-	-	
13	13	-	-	-	-	-	-	-	-	-	
7	14	-	-	-	-	-	-	-	-	-	
12	15	-	-	-	-	-	-	-	-	-	
8	16	-	-	.489	-	-	-	-	-	-	
16	17	-	-	-	-	-	.657	.743	-	-	
11		-	-	-	-	-	-	-	-	-	

**Key:** Bold type indicates results are significant at a confidence level of 5% or better  
Order A is the ordering of accounts in the financial reports  
Order B is the ordering of accounts by level of reading  
- statistics have either more than 20% of cases with expected frequencies less than 5 or expected frequencies less than 1 or both



Table 10.5.16  
Significances of Chi-Square statistics produced by cross-tabulating  
reported Reading of accounts with Interest

Table 10.5.16		Representative Church Council										
Significances of Chi-Square statistics produced by cross-tabulating		Reported Reading of accounts with Interest										
		Interests										
A	B	1. Miss	2. Youth	3. O. Miss	4. Music	5. Women	6. Sick	7. Admin	8. S. Sch	9. Educ.	10. Worship	11. Other
11	1	Summary stats for own diocese	.744	.926	-	-	.122	-	-	-	-	-
5	2	Quota Contribs by Diocese	.891	.572	.220	-	.192	.010	.859	.502	.142	-
12	3	Summary stats other dioceses	.735	.883	.172	-	.549	.079	.275	.250	.994	-
13	4	Abstract of Statistics	.247	.608	.054	-	.569	.130	.990	.528	.654	-
1	5	Provincial Revenue Act	.604	.948	.186	-	.211	.000	.211	.777	.487	-
3	6	Provincial Balance Sheet	.420	.670	.087	-	.336	.000	.796	.754	.181	-
2	7	Pension Fund	.174	.742	.662	-	.088	.000	.392	.401	.134	-
10	8	Scan Accounts	.501	.710	.549	-	.422	.000	.899	.521	.034	-
9	9	Unit Trust Pool Valuation	.321	.275	.826	-	.121	.000	.592	.476	.090	-
7	10	Unit Trust Pool I & E Account	.414	.326	.938	-	.339	.000	.667	.499	.091	-
6	11	Unit Trust Pool Balance Sheet	.599	.319	.774	-	.286	.000	.697	.472	.280	-
4	12	Provincial Auditors' report	.191	.529	.187	-	.042	.001	.492	.718	.315	-
8	13	Unit Trust Pool Audit Report	.466	.332	.156	-	.278	.000	.501	.438	.059	-

Key: Bold type indicates results are significant at a confidence level of 5% or better  
Order A is the ordering of accounts in the financial reports  
Order B is the ordering of accounts by level of reading  
- statistics have either more than 20% of cases with expected frequencies less than 5 or expected frequencies less than 1 or both

Table 10.5.17  
Significances of Chi-square statistics produced by cross-tabulating  
Reported Reading of accounts with Interest

		Diocese of Liverpool										
		Reported Reading of accounts with Interest										
A	B	Interests										
		1. H.Miss	2. Youth	3. O.Miss	4. Music	5. Women	6. Sick	7. Admin	8. S.Sch	9. Educ.	10. Worshp	11. Other
20	1 Stipends Fund	.653	.171	.741	-	-	.048	.218	.388	.271	.777	.255
23	2 Quota Payments and Offerings	-	.195	.353	-	-	.477	.329	.473	.134	.444	.856
2	3 Income and Expenditure Act	-	-	-	-	-	-	-	-	-	-	-
17	4 Board of Ministry	.248	.744	.598	-	-	.967	.168	.268	.307	.438	.057
16	5 Board of Education	.400	.425	.704	-	-	.360	.206	.522	.739	.707	.097
21	6 Thanksgiving Fund Accts	.006	.491	.338	-	-	.232	.051	.964	.073	.016	.952
18	7 Board of Mission & Soc Resp	.203	.571	.488	-	-	.902	-	.977	.377	.655	.174
9	8 Parsonages Repairs Account	.722	.504	.633	-	-	.863	-	-	.333	.346	.701
8	9 Parsonages Admin Account	.502	.391	.443	-	-	.627	-	-	.162	.543	-
4	10 DBF Balance Sheet	.351	-	.623	-	-	.366	-	-	-	.361	-
10	11 Pastoral Account	.733	.665	.252	-	-	.585	-	-	.139	.028	.564
19	12 Board for Social Welfare	.406	.702	.881	-	-	.840	-	-	.116	.045	-
24	13 Church House Accounts	.844	.553	.157	-	-	.332	-	-	.349	.142	.324
1	14 DBF Audit Report	.784	.825	.822	-	-	.428	-	-	.789	.700	.853
22	15 Building Account	.106	-	.932	-	-	.679	-	-	.214	.175	-
5	16 Source & Appn of Funds Stmt	.464	.067	.620	-	-	.415	.180	-	.900	.619	.032
3	17 Notes on Actting Policies	.265	.313	.829	-	-	.647	-	.448	.635	.119	.907
13	18 Accredited Lay Ministry Act	.802	.309	.158	-	-	.532	.255	.516	.808	.498	.784
7	19 Other Boards Accounts Notes	.464	.215	-	-	-	.759	-	.434	.455	.397	.338
6	20 Other Boards Balance Sheet	-	.141	-	-	-	.608	-	-	-	.747	.775
11	21 Publications Account	-	.365	-	-	-	.599	.591	.531	-	.047	.385
12	22 Laurence Hse Operating Acct	-	.581	-	-	-	.771	.366	.491	-	.429	.836
15	23 Widows and Dependants Fund	-	-	-	-	-	.734	.043	.079	-	.526	-
14	24 Retired Clergy etc Account	-	.364	-	-	-	-	.491	.863	-	.672	.670

Key: Bold type indicates results are significant at a confidence level of 5% or better  
Order A is the ordering of accounts in the financial reports  
Order B is the ordering of accounts by level of reading  
- statistics cannot be relied on as they have either more than 20% of cases with expected frequencies less than 5 or expected frequencies less than 1 or both

Table 10.5.18  
Significances of Chi-square statistics produced by cross-tabulating reported Reading of accounts with Interest

Order A B		Church of Scotland Interests										
		1. H.Miss	2. Youth	3. O.Miss	4. Music	5. Women	6. Sick	7. Admin	8. S.Sch	9. Educ.	10. Worship	11. Other
2	1	.479	.736	.354	.964	-	.764	.004	.777	.455	.218	.830
21	2	.512	.944	.290	.959	-	.189	.005	.283	.044	.842	.914
20	3	.545	.814	.457	.556	-	.150	.000	.055	.137	.420	.946
31	4	.907	.672	.359	.793	-	.661	.277	.356	.189	.169	.811
30	5	.801	.950	.576	.718	-	.766	.580	.558	.356	.075	.485
1	6	.127	.929	.953	.550	-	.353	.008	.547	.370	.486	.721
33	7	.757	.851	.032	.491	-	.353	.111	.858	.072	.879	.685
19	8	.549	.930	.176	.328	-	.346	.000	.420	.034	.155	.363
29	9	.478	.961	.445	.692	-	.653	.324	.769	.032	.046	.531
32	10	.928	.598	.459	.877	-	.894	.080	.902	.282	.835	.485
4	11	.814	.932	.466	.379	-	.794	.025	.874	.048	.187	.886
14	12	.117	.628	.848	.530	-	.842	.138	.988	.561	.404	.070
3	13	.288	.608	.910	.464	-	.219	.013	.474	.046	.021	.289
37	14	.816	.871	.440	.827	-	.463	.398	.663	.117	.696	.311
12	15	.063	.723	.178	.091	-	.282	.934	.142	.041	.364	.988
13	16	.837	.649	.255	.612	-	.778	.397	.360	.242	.632	.806
6	17	.017	-	-	-	-	.998	.374	.827	.743	.605	-
28	18	.834	.554	.079	.489	-	.723	.091	.621	.527	.400	.649
24	19	.951	.237	.739	.486	-	.985	.304	.488	.282	.512	.266
8	20	.106	.451	.000	.802	-	.880	.497	.997	.266	.897	.774
7	21	.966	.173	.493	.384	-	.818	.465	.045	.849	.966	.613
22	22	.153	.707	.473	.980	-	.871	.064	.960	.392	.805	.537
36	23	.432	.123	.804	.610	-	.120	.032	.219	.115	.275	.799
35	24	.539	.888	.278	.867	-	.876	.031	.586	.184	.429	.057
9	25	.523	.681	.035	.262	-	.953	.411	.258	.323	.750	.964
23	26	.535	.180	.620	.467	-	.951	-	.791	-	.882	.308
34	27	.298	.794	-	.006	-	.586	-	.779	-	-	.812
16	28	-	.252	.375	-	-	.266	-	-	-	-	-
10	29	-	-	-	-	-	-	-	-	-	-	-
11	30	-	-	-	-	-	-	-	-	-	-	-
15	31	-	-	-	-	-	-	-	-	-	-	-
22	32	-	-	-	-	-	-	-	-	-	-	-
32	33	-	-	-	-	-	-	-	-	-	-	-
25	34	-	-	-	-	-	-	-	-	-	-	-
17	35	-	-	-	-	-	-	-	-	-	-	-
18	36	-	-	-	-	-	-	-	-	-	-	-
27	37	-	-	-	-	-	-	-	-	-	-	-
26	38	-	-	-	-	-	-	-	-	-	-	-

Key: Bold type indicates results are significant at a confidence level of 5% or better

Order A is the ordering of accounts in the financial reports, Order B is the ordering of accounts by level of reading - statistics have either more than 20% of cases with expected frequencies less than 5 or less than 1 or both

**Table 10.5.19**  
Significances of Chi-Square statistics produced by cross-tabulating  
reported Reading of accounts with Interest

Order	A B	Methodist Church										
		1. H.Miss	2. Youth	3. O.Miss	4. Music	5. Women	6. Sick	7. Admin	8. S.Sch	9. Educ.	10. Worship	11. Other
16	1 Overseas Division	.147	.059	.000	.579	.421	.014	.151	.524	.182	.469	.337
7	2 Home Mission Fund	.006	.925	.186	.994	.367	.080	.004	.146	.180	.587	.155
27	3 Division of Ministries	.129	.277	.024	.504	.267	.236	.003	.694	.195	.701	.066
5	4 Methodist Relief Fund	.407	.252	.008	.280	.339	.041	.187	.534	.146	.463	.241
29	5 General Purposes Fund	.220	.047	.313	.302	.374	.042	.000	.631	.062	.516	.758
22	6 M M Retirement Fund-1	.535	.609	.021	.365	.179	.024	.001	.201	.372	.055	.599
4	7 Relief Fund	.433	.682	.003	.526	.545	.037	.093	.224	.073	.221	.407
23	8 M M Retirement Fund-2	.369	.391	.031	.394	.666	.062	.001	.095	.359	.065	.545
32	9 National Children's Home	.059	.153	.283	.434	.443	.017	.000	.934	.008	.239	.778
17	10 Division of Property	.851	.779	.747	.737	.905	.119	.000	.740	.490	.640	.184
10	11 Division of Ed and Youth	.882	.006	.444	.994	.969	.137	.000	.984	.018	.135	.394
1	12 Division of Soc Respons.	.892	.766	.121	.151	.643	.126	.005	.867	.459	.478	.156
6	13 Fund for Human Need	.860	.645	.007	.463	.834	.172	.039	.883	.149	.030	.355
2	14 Homes for the Aged	.036	.781	.151	.527	.798	.147	.002	.023	.463	.036	.939
24	15 Division of Finance	.942	.665	.926	.130	.949	.908	.000	.608	.282	.399	.987
30	16 Connexional Advance Fund	.154	.760	.298	.404	.818	.262	.000	.557	.036	.315	.195
3	17 Wld Devt Action Fund	.548	.283	.061	.558	.307	.102	.137	.416	.053	.036	.346
26	18 Methodist Publishing Hse	.830	.782	.081	.477	.378	.254	.000	.423	.989	.769	.347
28	19 Wesley Deaconesses Order	.520	.614	.388	.395	.162	.180	.002	.695	.017	.190	.139
8	20 London Mission Fund	.629	.301	.304	.588	.557	.674	.010	.151	.777	.683	.302
20	21 Methodist Church Purposes	.515	.832	.596	.538	.663	.751	.000	.762	.166	.443	.053
33	22 Ecumenical Committee	.282	.970	.882	.588	.894	.541	.032	.718	.347	.074	.914
15	23 International Houses	.233	.022	.282	.403	.436	.234	.007	.475	.421	.606	.736
14	24 Meth Residential Schools	.940	.020	.361	.587	.677	.284	.199	.862	.233	.160	.930
25	25 Wld Meth Cncl British Cttee	.916	.498	.290	.484	.782	.411	.050	.425	.578	.754	.690
9	26 Methodist Press Service	.456	.362	.877	.109	.991	.552	.003	.205	.291	.765	.336
11	27 Managing Trustees Account	.749	.085	.540	.550	.715	.418	.002	.703	.157	.621	.352
21	28 Archives and History	.411	.866	.941	.412	.094	.971	.001	.841	.576	.004	.303
31	29 European Relations Cttee	.875	.775	.219	.079	-	.005	.153	.998	.224	.326	.451
19	30 Methodist in Scotland	.447	.701	.886	.796	-	.556	.000	.938	.936	.452	.706
18	31 Cymru District No.30	.310	.351	.946	-	-	.692	.001	.958	.893	.587	.268
13	32 Southlands College Estate	-	.525	.286	.935	.219	.582	.206	.550	-	.482	.555
12	33 Westminster Coll Estate	-	-	-	.992	-	-	-	.736	-	.812	-

**Key:** Bold type indicates results are significant at a confidence level of 5% or better

Order A is the ordering of accounts in the financial reports

Order B is the ordering of accounts by level of reading

- statistics have either more than 20% of cases with expected frequencies less than 5 or less than 1 or both

10.5.7 Reading and Use

The final group of tests undertaken with reading scores was to relate reading score to use of accounts in order to see whether the declared use of accounts related to the reading scores.

In table 10.5.20 each row relates to a particular declared use and in each row figures represent the percentage of respondents with scores less than or equal to the score that its column represents. Thus on the 'Information' row, which relates to the reading scores of respondents giving an 'information' answer to the use question, 40.4% of respondents had a reading score of less than or equal to zero meaning 40.4% read the accounts on average less than or equal to a level of 'glance at' (scheme 5).

As would be expected, overall reading scores tended to be higher for those respondents having a use for the accounts than those with no use for the accounts. What is surprising however is that there is a considerable amount of reading of accounts even by respondents declaring no use for accounts with only 12.6% of this category of respondents saying they did not read the accounts. There are two possible explanations for this: that those giving 'no use' were unable or unwilling to articulate their uses of accounts or that they did not perceive that they made any use of the accounts despite reading. The latter situation may also be the case if respondents were asked if they had used a newspaper when many would respond that they did not use it despite reading it.

Although the results show that 12.6% of respondents reporting not using accounts do not read accounts, it is also surprising that there are at least some respondents reporting use of accounts but indicating no level of reading!. Undoubtedly part of the reason for this may be that these respondents have not bothered to record reading and so appear to have no reading but generally this indicates no reading for at least some users.

At the opposite end of the scale, the accounts were most read by those respondents declaring a committee use for accounts. These are closely followed by those using accounts for 'decision' and 'passing on information'. These results seem intuitively correct.

Table 10.5.20 Comparing reading score (scheme 5) with reported uses of information

	<u>Reading Score (according to scheme 5)</u>					Number	Mean Score
	-10	≤-5	≤0	≤+5	≤+10		
Average							
All responses	6.9%	21.2%	48.6%	77.5%	100.0%	823*	0.241
No Use	12.6%	31.8%	63.6%	83.9%	100.0%	261	-1.123
<u>Uses</u>							
Committee Work	5.1%	11.1%	27.3%	66.7%	100.0%	99	2.899
Pass On	7.3%	19.1%	39.1%	73.6%	100.0%	110	1.736
Information	2.9%	16.2%	40.4%	73.7%	100.0%	339	1.903
At AGM	7.5%	24.5%	47.2%	73.6%	100.0%	53	1.094
Fund raising	5.9%	11.8%	41.2%	76.5%	100.0%	17	0.882
Decision	10.0%	20.0%	50.0%	70.0%	100.0%	10	0.500
Not grouped	-	20.0%	60.0%	100.0%	100.0%	15	-1.070
Average Users	4.5%	16.5%	39.0%	72.6%	100.0%	643	1.842

- Note: 1. The 'Average Users' mean is based on the total number of responses reporting use (643) this is higher than the number of repondents reporting a use for accounts due to multiple reponses.
2. The 'average all responses' includes 43 COS responses not receiving accounts. These have been excluded from the 'No Use' category. If the 43 responses are excluded from the 'average all responses' then the mean score becomes 0.7764

### 10.5.8 Conclusions about reading

This fairly long section has discussed the results of the reading question. Results have been analysed in two ways: by identifying which sections of accounts are read most and by computing two versions of an overall reading score.

The identification of reading of sections of accounts is essentially a church by church analysis because as we have seen in chapter 7 there is no common approach to the form and presentation of accounts. We were however able to identify that there were certain types of account which were more 'popular' in all churches: statements of congregational contributions, accounts relating to the support of the Ministry, a balance sheet or equivalent and an overall movement of funds statement.

The presence of these accounts sections in the 'popular' category led to an hypothesis about the order in which accounts are read by users. Testing of such a hypothesis could be important in helping preparers of accounting information to understand how to structure the way reports, particularly with significant amounts of data, are prepared. This may be a problem which begins to face companies as the amount of information being disclosed in annual reports increases.

The results were also used to demonstrate that the sections of accounts which were most read were not correlated to the order that sections were presented in the reports and this suggests that users select the information they need from the accounts and do not read the accounts as an entire document. Recognising that users do not read the entire document led to an attempt to see whether there is any relationship between a person's declared interests in the church and the accounts he reads. These tests demonstrated that in the case of some interests, eg overseas mission, the chi-square test indicated a significant relationship between reading and interest but in most cases no significant relationship existed. One significant relationship found in a number of churches is that between interest in administration and reading of a wide selection of accounts. The study therefore provides limited evidence to support a hypothesis

that reading of accounts relates in part to interest in the church work covered by the accounts but this can by no means explain all reading level differences.

Turning to reading scores, the most significant finding is that the overall reading of accounts appears to be related to the length of the accounting report. It was recognised that this difference could have been the result of a number of different factors including the number of nil responses, difference in respondent mix (particularly committee members), limited capacity for reading and lack of interest in reports. The first of these factors is an experimental difference and was shown to contribute something to the differences between churches. Committee members were shown to read accounts more than non-committee members, except in COS. However these two differences did not explain all the difference in reading between churches and we are left to hypothesise that much of the difference in reading must be due to users either not being interested in long reports, which may be long because they include many interest groups, or they have limited capacity for reading long accounts reports. Further research might usefully determine which of these is the case as preparers wishing to increase reading of accounts might be able to use education to improve 'limited capacity' but would be hard pressed to ensure that minority interest accounts were more read.



### 10.6 Special Uses of accounts

In addition to the uses of respondents related in the previous sections of this chapter, several other users have been identified. It has been possible to obtain interviews with some of these users but these are in no sense representative of all possible users in these groups. The groups discussed here were identified from the initial survey of recipients of church accounts and are: banks, the Inland Revenue, Central headquarters of regional churches and Charity Commissioners.

#### 10.6.1 Banks

The accounts of church organisations are sent to banks and informal interviews with bankers indicated that the accounts of churches are rarely used and usually only when loans are being asked for are they ever looked at. In the lending decision, criteria other than financial eg knowledge of organisation personnel, securities offered and repayment methods, are usually paramount in churches and so there is no pressure for accounting information to be presented to bankers. This is of course not necessarily the case in other NPO areas.

#### 10.6.2 Inland Revenue

In the case of the Inland Revenue accounts are normally submitted in support of reclaims of tax under deeds of covenant, repayment of tax deducted at source and income tax exemption. In these cases the inspectors do use the accounts as they are seeking to ensure that the charity is operating in accordance with S360 of the Income and Corporation Tax Act. There is no published information about how far the Inland Revenue inspectors examine the accounts.

#### 10.6.3 Charity Commissioners

Although it may be popularly believed that the Charity Commissioners receive copies of accounts of all charities in England and Wales, in practice there are a number of exemptions including almost all religious charities. In addition there are no follow up procedures to ensure accounts of non-exempt charities are submitted. Therefore the Commissioners rarely see the accounts of charities except where there is a complaint which includes reference to the charity's accounts. The Charity

Commissioners would only look at accounts to determine if activities of the charity still come within the boundary of 'charitable' as per the 1960 Charities Act.

It should be noted that the Charity Commissioners are not operational in Scotland, the domicile for three of the churches in the study. The Charity Commissioners have no accountants on their staff to look at accounts should this be necessary. This has been the subject of press comment from time to time.

#### 10.6.4 Headquarters of Regional Churches

The headquarters of regional churches do ask for copies of accounts of the regions but in the cases reviewed it was apparent that no serious use of the accounts was made. The Anglican Consultative Council, a consultative body for the worldwide Anglican Church has attempted to use accounts of dioceses to prepare an ad hoc overall statistical summary for the Anglican Communion but has been unable to produce meaningful figures due to lack of comparability. One result of the attempt was that it was found most efficient to ask for statistical information directly rather than to obtain it from the accounts. One obvious consequence of this lack of central use of accounts is that there is no pressure for conformity.

#### 10.6.5 Conclusion

The above discussion clearly shows that there is very little use made by the various special users identified. In the case of the Inland Revenue there may be some use but this is largely in terms of checking that the objects of expenditure are within the terms of the Act. None of the churches noted serious use of accounts by these special user groups.

## Chapter 11 The Purposes and Users of Accounts - User Perceptions

### 11.1 Introduction

The limitations of a study of users which tries to discover only actual use of actual accounts has been discussed in chapter 10. A further limitation of simply asking a group of respondents what they use the accounts for is that this does not identify the prior perceptions and assumptions they have about the accounts. We can only begin to understand the behaviour, in this case reported behaviour, about the use of accounts if we are able to understand the background against which that behaviour takes place.

Once again the questionnaire approach does not allow very extensive investigation of this background but it did allow exploration of two areas: level of involvement of respondents in the organisation on the one hand and prior beliefs about the accounts themselves. The level of involvement of respondents in the organisation has been discussed already in section 10.2 describing the respondents themselves. This section will discuss the results of questions included in the questionnaire to explore prior beliefs of respondents about the purposes and users of the accounts themselves.

The length of the questionnaire precluded the asking of extensive questions and so the study concentrated on four issues: beliefs about the purpose of the accounts, beliefs about the main target audience for accounts; beliefs about sensitivity of information and beliefs about direction of ownership. These four areas could have been supplemented with others (such as beliefs about the role of officers and committee members and about the need for efficiency) had time and space allowed.

The questions in the questionnaire relating to these areas of interest are as follows:

#### **The PURPOSE Question**

"For what reasons or purposes do you think annual accounts are prepared in (your) church? (give as many answers as you like)."

**The USER question**

"For whom do you think the annual (church) accounts are mainly prepared? (give as many answers as you like)."

**The SENSITIVE question**

"Do you think that any of the financial information about (your) church is so sensitive that it should not be disclosed to 1.Board 2.Church Members 3.General Public."

**The PROPERTY question**

"The property of the church is held be trustees. For whom do you believe the property is held in trust? 1.Donors 2.Present Church Members 3.God 4.Future Church Members 5.Non Church members 6.Others (Please Specify)."

These questions were repeated in the same form for all five questionnaires. The PURPOSE and USER questions were both open ended and the procedure for coding these was exactly the same as the USE question (see chapter 10.3). Preliminary coding was assigned on initial data input to the computer and this adjusted after analysis of all questionnaires ensuring as much uniformity as possible between the different studies. The SENSITIVE and PROPERTY questions were precoded with an open-ended section for those wanting to say more. A few people availed themselves of these comment sections and these results were analysed separately. The following four sections discuss the results of each of these four questions and the conclusions about background beliefs of users are discussed in chapter 14

### 11.2 User Perception of Purpose of Church Accounts

The object of this question was to explore users beliefs about the purpose for which accounts are prepared. The responses to this question are categorised into broad response groups shown in table 11.2.1. The coding system used on this open-ended question allowed for eight different purposes with additional codes allocated for no responses and other replies. As with the 'USE' questions the coding is subjective and is based on content analysis of the responses. Key ideas or phrases in the replies were used as a basis for the coding and where there was more than one idea evident the ideas were reported as two or more separate ideas, resulting in more responses than respondents. The subjective nature of coding means that certain responses might have been included in different categories by different researchers but there are relatively few responses of this type, most responses fitting one category quite clearly.

The following sections describe and illustrate each of the groups of answers to the 'purpose' question. The ideas expressed in the responses to this question fall into five major categories: general information, similar it seems to the category with the same name in the Use question; Stewardship and Audit covering the answer groups 'Stewardship', 'Audit' and 'Check Abuses'; 'Legal Reasons'; 'Management' covering 'Planning' and 'Control' groups and finally 'Fund Raising'.

The level of responses in each of these answer groups varies across churches but with only four outstanding features. In GGO there were very few respondents who mentioned legal reasons as a purpose for accounts preparation. This compares with much higher percentage of respondents in LPL & MET who mentioned legal reasons. Possibly the explanation of these features is that LPL and MET are wholly or mainly English bodies where there is a Charity Commission which respondents believe has oversight of the affairs of charities whereas GGO (and the RCC and COS) are Scottish organizations where no charity commission exists, a fact presumably respondents are aware of. This difference between churches in responses of 'legal reasons' is statistically significant (at a level of  $p < 0.001$ ).

Table 11.2.1

Responses to the Purpose question

Answer Group	<u>GGO</u>	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>	<u>Total</u>	<u>p&lt;</u>
INFORMATION	31 40.8%	79 37.8%	44 37.0%	73 38.8%	101 36.9%	328 37.9%	0.973
STEWARDSHIP	25 32.9%	56 26.8%	36 30.3%	56 29.8%	123 44.9%	296 34.2%	0.000
LEGAL REASONS	4 5.3%	37 17.7%	39 32.8%	30 16.0%	77 28.1%	187 21.6%	0.000
NONE	12 15.8%	27 12.9%	14 11.8%	24 12.8%	15 5.5%	92 10.6%	0.017
PLANNING	7 9.2%	9 4.3%	15 12.6%	11 5.9%	23 8.4%	65 7.5%	0.063
CONTROL	6 7.9%	14 6.7%	6 5.0%	11 5.9%	14 5.1%	51 5.9%	0.869
FUND RAISING	4 5.3%	2 1.0%	7 5.9%	4 2.1%	31 11.3%	48 5.5%	0.000
AUDIT	1 1.3%	5 2.4%	0 0.0%	5 2.7%	12 4.4%	23 2.7%	s/s
IDENTIFY NEEDS	3 3.9%	3 1.4%	1 0.8%	1 0.5%	8 2.9%	16 1.8%	s/s
CHECK ABUSES	3 3.9%	5 2.4%	0 0.0%	1 0.5%	4 1.5%	13 1.5%	s/s
OTHER REPLY	8 6.6%	23 10.6%	17 13.4%	22 11.2%	42 12.4%	112 12.9%	-
Total Responses	101	257	178	237	442	1215	
Total respondents	76	209	119	188	274	866	

Note: As multiple responses are reported in this table, it has not been possible to calculate an overall chi-square test. Instead chi-square test significance levels have been calculated for each row of the table (see chapter 9.3). These significance levels are indicated in the final column of each row. 's/s' indicates that the sample size is too small for chi-square statistics to be calculated.

The second interesting feature is that MET has two differences from the other churches: the percentage of responses in the 'stewardship', 'audit' and 'fund raising' areas is higher than in other churches and there are significantly less 'no replies'. Each of these features is the major factor in making the differences between all churches statistically significant at a level of probability of  $p < 0.001$ . The fund raising emphasis in the use question has already been discussed and the emphasis on stewardship will be discussed later. Finally the chi-square test indicates that there is no statistically significant difference between the churches in the number of respondents indicating an 'information' purpose for the accounts. This 'information' response therefore appears to be independent of the church organisation. The rest of this section will describe in detail the responses included in individual groups of purposes identified in the responses.

#### 11.2.1 Stewardship group of responses

In discussing stewardship we need to note first that in church circles the term 'stewardship' carries two specific meanings and care has to be taken as to which meaning is being used in a specific context. The first meaning of stewardship is the normal accountants' meaning of the word, that relating to the management of property. The second meaning of stewardship has arisen out of the use of stewardship of a person's 'time, talent and treasure' in connection with increased giving campaigns. In this sense stewardship has become closely equated to a giving campaign and we may see the term used in this sense. There are a number of related shades of meaning and for the purpose of this section 'stewardship' is taken to include only those replies relating to management of property. Any responses where stewardship clearly relates to giving have been placed in the giving category.

It was possible to break down the replies in this general section into three broad areas: general stewardship, stewardship linked with effectiveness and stewardship linked with approval. As table 11.2.2 indicates there were very few replies in these latter two areas compared with the general area. The small number of replies in these latter areas makes statistics unreliable.

In this stewardship section the main ideas identified were those of 'Stewardship' and 'Accountability'. These two words were taken as the key words of analysis into this section. The section therefore includes all those replies which have these keywords used in their ordinary sense and examples of these replies are given below. There are many short replies such as:

"To check on Stewardship"	COS *
"Accountability, Stewardship"	COS
"Expression of Stewardship"	LPL
"Accountability to Conference, District, Circuit, Church"	MET

and then a number of replies a little longer than this eg:

"To give public accounting of all monies handled by various funds, Boards and bodies"	MET
"and responsible to its members for stewardship of resources in the name of Christ"	COS

Even though the majority of replies included in this category explicitly mentioned stewardship it is an idea only implied in some responses eg:

"So that all transactions are open"	COS
"To satisfy congregations"	COS
"To allow the fears of the members of General Assembly"	COS
"Public honesty"	GGO
"to show that the accounts are accurate"	MET
"so that justice (or whatever) is seen to be done"	RCC

and in some cases this is expressed quite bluntly.:

"We want to know how monies are spent"	LPL
--	-----

Just as in the case of the uses made of accounts we saw that accounts may be an 'information base' so this comes through in a few of the responses to this question eg:

"because it is correct to put the 'Financial cards' on the table"	RCC
"to give a full account of the finances held by the Church of Scotland"	COS

---

\* Note that the code given here refers to the church which is the source of the comment.



Some responses to this section also indicate understanding of why stewardship might be needed. There is the effect of stewardship reports on fund raising:

"That more money may be given with confidence that it would be rightly handled".	LPL
"To safeguard the financial board in the eyes of the givers to church causes"	COS
"To ensure correct administration of funds and properties of the Diocese"	GGO
"To ensure treasurers/Divisions give account of their stewardship"	MET

There is in addition a group of replies which indicates that people may see the need for stewardship reporting but would not use the accounts themselves:

"The COS like any other business must publish an abstract to give public account of how it stewards its finance and those who understand figures soon pass on the implications to others like myself to whom figures mean or convey relatively little"	COS
"To ensure that an accurate statement of accounts is available at any time for any interested party"	GGO
"To show that money has been honestly dealt with - how it has been spent- where it has come from. It is important that this should be open to general inspection"	MET

We can see in table 11.2.2 that within the stewardship group have been included two specific sub-groups. The first sub-group contains 14 replies which have some emphasis on effectiveness or efficiency. Examples of these are:

"See money is spent wisely"	LPL
"and that (the finances) are being used properly"	LPL
"Church makes best use of the assets without making a profit"	RCC

There are very few replies of this nature and this perhaps indicates that generally in the church there is either very little understanding of efficiency and effectiveness or that these problems are thought to be dealt with 'automatically'.

The second sub-group is that concerning with approval. These twelve responses imply stewardship or accountability but see it specifically as related to the approval of the organizations handling of finances. There are implications of this aspect in other responses classified as stewardship some examples of this sub group are:

"For the scrutiny and approval or questioning of  
the Conference"  
"and approval or disapproval"

MET  
LPL

This formal acceptance of accounts is an item on the agenda of most organizations and is probably a symbolic aspect of stewardship accounting.

Except for MET there is very little difference between churches in the percentage of responses which came with this category indicating widespread recognition of the importance of stewardship - even though, as we saw from the USE responses, the accounts are not explicitly used for this purpose. Stewardship did not occur at all in the responses to the question on USE made of accounts

#### 11.2.2 Check Abuses

Closely related to the 'stewardship' answer group is a small group of thirteen responses grouped together as "Check Abuses". It was decided not to group these together with the stewardship replies as there is a definite idea here of preventing fraud and abuses rather than simply accounting to someone. Some examples are:

"To eliminate fraud"  
"As a check against misappropriation of funds"  
"To satisfy accountants that the (named officers) have  
not embezzled the funds"

MET  
GGO  
RCC

This fraud elimination involves the agency relationships in the churches and whilst it is clear that this may be a purpose of the accounts, particularly audited accounts, it is surprising is that there are only thirteen responses in this vein.

### 11.2.3 Audit group of responses

Again related to the stewardship group is another small group of twenty three responses which simply mention audit as a purpose. Once again it is surprising that there are so few responses in this vein. Perhaps the reason for the few responses is that it is so obvious that it need not be restated? Only two examples of this need be given:

"For the auditor"

COS

"and to satisfy auditors"

MET

Though it is quite possible to see this purpose simply as an extension of the stewardship purpose it may also be indicative of an underlying idea that the audit is the satisfaction of stewardship and thus an end-purpose in itself. In the next section of the chapter we shall look at the perceived users of accounts where Auditors are mentioned fifty times, an indication that this is perhaps a more significant belief than responses to this question seem to indicate.

11.2.4 General Information group of responses

In total 37.9% of respondents gave a reply in this category with the distribution between churches being extremely similar (this being confirmed by a chi-square test, see above). In an attempt to break down this group of responses into smaller units the replies were placed in one of three categories depending on the content of that information. The categories are: information about State of Funds (Balance sheet, how much have we got); information about Movement of Funds (Movement statement, how have we received or spent funds) and finally a group for the other responses ('General'). The breakdown of the responses into these groups is shown in table 11.2.3

The key words in this group of responses are 'Information' and 'Reference' similar to the 'Uses' question and many responses consist basically of these key words eg:

"for information"	COS
"For reference purposes"	COS
"An information source"	LPL
"To give members information contained therein"	COS
"Information to Check"	MET
"For sharing information"	MET
"For reference when required"	RCC
"A concise report for reference purposes"	RCC

A number of respondents included in this group gave an indication of who the information was for even though this information had been asked for in a question immediately prior to the current question under discussion. Within the 'general' sub group it was also possible to identify a few subjects in which respondents felt interest would be concerned with. On the whole however this 'general' sub-group of responses included more general replies such as:

"And through Conference to inform Methodist People"	MET
"To inform those interested in the state of affairs"	LPL
"To give members a statement on the finances of the church"	COS
" Information to members of synod, PCC etc"	LPL
" So that we have some idea of what is going on in the Diocese"	GGO

Table 11.2.2 Breakdown of the 'Stewardship' response to the Purpose question

	<u>GGO</u>	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>	<u>TOTAL</u>
STEWARDSHIP	25	49	30	54	112	270
	32.9%	23.4%	25.2%	28.7%	40.9%	31.2%
AND EFFECTIVENESS	0	4	5	0	5	14
	.0%	1.9%	4.2%	.0%	1.8%	1.6%
AND APPROVAL	0	3	1	2	6	12
	.0%	1.4%	.8%	1.1%	2.2%	1.4%
	25	56	36	56	123	296
	32.9%	26.8%	30.3%	29.8%	44.9%	34.2%
No Reply in this Category	51	153	83	132	151	570
Total Respondents	76	209	119	188	274	866

Note: As over 20% of the cells have an expected frequency of under 5, the chi-square statistic for the table is unreliable.

Table 11.2.3 Breakdown of the 'Information' responses to the Purpose Question

	<u>GGO</u>	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>	<u>TOTAL</u>
GENERAL	14	65	31	52	61	223
	18.4%	31.1%	26.1%	27.7%	22.3%	25.8%
STATE OF FUNDS	6	8	5	12	17	48
	7.9%	3.8%	4.2%	6.4%	6.2%	5.5%
MOVEMENT OF FUNDS	11	6	8	9	23	57
	14.5%	2.9%	6.7%	4.8%	8.4%	6.6%
	31	79	44	73	101	328
	40.8%	37.8%	37.0%	38.8%	36.9%	37.9%
No Reply in this Category	45	130	75	115	173	538
	59.2%	62.2	63.0%	61.2%	63.1%	62.1
Total Respondents	76	209	119	188	274	866

Note: 1. The Chi-square test indicates that there is a difference in responses between churches significant at a level of  $p < 0.001$  (see chapter 9.3)  
 2. This table contains only nominal data and so only the Lambda statistic has been calculated. The Lambda statistic is 0.073 (see chapter 9.3)

Examples of responses where subjects of interest are given are:

"To show financial stability of church"	COS
"And the general lines of Diocesan Financial position"	GGO
"Comparability with other denominations"	MET
"To show viability"	MET
"To give information on the financial state of the church eg draw attention to those calls which are underfinanced or which require further finance."	RCC

Finally in this sub group a number of responses indicated that the accounts are seen as a sort of data base eg:

"To enable genuine questions at 'grass roots' level to be answered without the need of too much reference to General Assembly"	COS
"To give authoritative information on the financial state as wide a circulation as possible"	GGO
"As an earth for criticism"	LPL
"To provide a written data bank of data rather than expect people to become walking books of records"	RCC

The 'State of Funds' sub group includes responses where the purpose of the accounts is seen as provision of information about the state of the funds. Again the actual emphasis varies from one reply to another but generally could be regarded as a balance sheet emphasis. Responses include:

"To inform the above (receipients) and to make public, as is required, the financial state of the church"	COS
"To see that we are solvent"	MET
"To give a true picture of the state of all funds"	GGO
"To see that we are not in debt"	MET

Not all responses are as clear as this eg:

" To inform the Diocese of its financial position"	GGO
" To show the state of Financial Health "	MET

It is possible of course to regard this and the following sub-group as implying a stewardship purpose for the accounts but the responses in these groups only imply stewardship whereas they explicitly contain the information idea. In fact, as with the information responses give the reason for the information being provided.

The final sub group is that where 'Movement of Funds' is the subject of the information. In this group the dividing line between simple information purpose and stewardship is very difficult to establish and has been done almost exclusively on the basis of whether the keyword or idea is stewardship (or accountability) or information (or reference or knowledge), the latter only being included in this group. Some examples of responses in this group are :

"Inform church how money is spent"	COS
"Information to all church members on the use and desposition of central funds"	COS
"To illustrate to individual churches the disposal of their giving"	GGO
"To explain where cash goes"	LPL
"To enable church members to know what we are doing with their money"	MET
"To give information about movement of money into or out of the hands of the church"	RCC

The information groups of replies to the purpose question contain about the same percentage of responses (40%) in all churches and the chi-square test indicates there is no statistically significant difference between churches (see table 11.2.1 above). This therefore indicates a fairly wide distribution of this underlying belief about purpose. In addition the information group contains about the same percentage for each USE response group (except Fund Raising use and Other use) indicating again that this level of belief about purpose is fairly widely held across individual uses for accounts.

We can conclude therefore that about 40% of respondents believe that accounts are prepared for information purposes though, as with the 41% who use accounts for information, it is not clear exactly what this information is used for.

#### 11.2.5 Legal Reasons group of responses

There were three levels of information in the group of replies classified as Legal Reasons those where the phrase "Legal reasons" "Matter of Law" etc. were the Key phrase, those where the main idea was following the organization's constitution and

finally those containing the idea of moral duty or necessity. The breakdown of these responses is given in Table 11.2.4.

The majority of responses classified with the general sub section comprise of little more than the Key phrases eg:

" To satisfy the Law"	COS
" Legal purposes"	COS
" Legal requirements"	LPL
" To keep up with the Law"	MET

Although a few responses were more specific:

" To satisfy requirements of charity law"	MET
" Required for a limited company"	LPL
" Because the Kirk is a registered charity"	COS
" To meet taxation (requirements)"	RCC

These clearly indicate an awareness of the legal framework which the organization works under and as can be seen from table 11.2.4 this is a much more widely reported response in English based organizations (LPL & MET and Scottish ones GGO, RCC, & COS). As was explained in chapter 2 there is charity law in both England & Scotland which determines charitable activity but in England most charities\* must register with the Charity Commissioners to obtain charitable status whilst in Scotland charitable status for tax and rating purposes is obtained without registration (despite the COS reply above!).

Only one of the organizations under study, LPL, is a registered company and so only this organization has to comply with the Companies Act. It seems therefore that the number of respondents giving a reply with this general legal sub-section quite clearly reflects the perceived underlying legal report constraints under which the organization operates with the highest level of responses being LPL subject to company, charity and tax law followed by MET subject to charity & tax law followed by the RCC COS & GGO subject only to tax law.

In fact we saw in our discussion of users that for all the organizations under study the taxation reporting requirements are approximately similar for all the organizations - they need to demonstrate that expenditure was all for charitable purposes

\*See Chapter 10.6.3



whereas the Charity Commissioners requirements only may require lodgement of accounts, which are very loosely policed, with no reporting requirements. Company Law did not at the time of this study produce any severe constraints (though whether this will continue to be the case under the 1981 Companies Act is not yet clear).

The second sub-section of the 'legal requirements' replies is a group of respondents who believed there was an organisation's constitutional requirement to produce accounts. Perhaps suprisingly there were only 18% of respondents overall (16 Persons) who replied in this category. Examples of replies in this group are:

" To meet standing orders"	MET
" Decree of General Assembly"	COS
" Constitution requires the production of accounts"	RCC

The few responses in this section is perhaps indicative not of the lack of understanding of constitutional matters but that this purpose is taken as read by respondents and the preponderance of other than 'legal' replies to the question indicates respondents attempting to identify the reason for the constitution requirements.

The final general sub-group of responses in this section, 'moral purposes', is very close to the stewardship idea eg:

" Accounts of public bodies must be published"	COS
" Required to do so"	MET
" To fulfil annual obligation of accounting"	COS

But it does contain some responses which indicate that accounts are somehow part of our culture and as such merely part of the tradition of management eg:

"If one has assets one must keep accounts"	RCC
"All organizations have annual accounts. This is not peculiar to the Methodist church"	MET
"It has to be done irrespective of who needs this-for obvious purposes. What a silly question"	MET

These replies indicate that there may be an underlying cultural belief that accounts should be kept and an implication that the keeping of those accounts is itself a valid action, perhaps even

if they are not used. This fits into the symbolic model suggested by March and Feldman (1981).

#### 11.2.6 The 'Management' group of responses

Although the question was particularly addressed to annual accounts, 5.9% of respondents gave replies related to control of the organization and 7.5% replies related to planning, both of these areas which perhaps one would associate more with more detailed and more frequent accounts than the annual accounts.

The responses included in the control section are similar to :

"To inform boards"	MET
"Control of expenditure"	LPL
"For efficient financing of RCC"	RCC
"For control of budgets by boards"	GGO
"Informs the committees"	MET

There are a number of responses which are not quite so specific such as the 'good housekeeping' or 'business' variety eg:

"Administrative necessity"	MET
"For good housekeeping - or aid debts & user needs"	MET
"As a business procedure"	COS

The related group of 'planning' responses includes the three ideas of forecasting, planning and budgeting, though the emphasis is very much on budgeting.

"Forecasting & budgeting"	LPL
"To show where the money comes from and goes to so that future needs might be assessed"	MET
"To help committees to budget"	COS
"Fairly basic for budgeting"	COS
"Analysis and planning"	LPL

Whether these responses are based on factual use of accounts for control and budgeting is not at issue. What these replies indicate is that some respondents believe that they are and so expect in the accounts the sort of information which would be used for planning and control. The responses may also indicate that however much intended information is used the respondents indicated that they believe that the basis for planning and control is the annual results.

11.2.7 'Fund Raising' and 'Identification of Need' responses

The final category of responses to be discussed is those comprises two groups, fund raising and identification of need, classified as "Fund Raising". For reasons already explained, fund raising as a use of accounts is most prevalent in MET and we see this as a relatively large group in this question. Some examples of responses are:

"Respond to the need of greater stewardship (stewardship used here in its giving context)"	COS
"And help in raising funds for Central funds"	GGO
"Appeals for support"	MET
"To enable officers of divisions to secure adequate resources for their work"	MET
"Basis of Circuit/District assets"	MET
"To stimulate congregations giving"	RCC

The small overall percentages (5.5% of respondents) seeing the purpose of accounts as related to fund raising is perhaps as indication that there is not much fund raising done directly by the church organizations under study as they raise a good deal of their finance by assessment.

There are 16 replies where the tenor of the responses is the identification of needs. These have been grouped with the fund raising purposes as they cover a similar area eg:

"Identification of priorities and problems"	COS
"Highlight specific points of need"	MET
"To highlight any deficiency of money. Where the work of the church is being impaired for lack of funds"	MET

11.2.8 Other Replies

There were a number of other replies which could not be assigned easily to any of the above categories but some of which are worthy of note. These were grouped into several small categories and the numbers of replies in each category is given in table 11.2.5 below.

Several respondents saw that accounts were prepared for the record or:

" For historical records"	COS
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This is another group of responses which indicates accounts have a symbolic role, in this case as part of the the historical process.

Table 11.2.4 Breakdown of the Legal Reasons responses to the Purpose question

	<u>GGO</u>	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>	<u>TOTAL</u>
GENERAL	4	25	36	17	67	149
	5.3%	12.0%	30.3%	9.0%	24.5%	17.2%
CONSTITUTION	0	4	1	7	4	16
	.0%	1.9%	.8%	3.7%	1.5%	1.8%
NECESSITY	0	8	2	6	6	22
	.0%	3.8%	1.7%	3.2%	2.2%	2.5%
	4	37	39	30	77	187
	5.3%	17.7%	32.8%	16.0%	28.1%	21.6%
No Reply in this Category	72	172	80	158	197	679
	94.7%	82.3%	67.2%	84.0%	71.9%	78.4
TOTAL	76	209	119	188	274	866

Note : As over 20% of the cells have an expected frequency of under 5, the chi-square statistic for the full table is unreliable.

Table 11.2.5 Breakdown of the 'Other Replies' to the Purpose question

	<u>GGO</u>	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>	<u>TOTAL</u>
UNCLASSIFIED	1	6	4	4	11	26
	1.3%	2.9%	3.4%	2.1%	4.0%	3.0%
FOR THE RECORD	1	3	1	3	4	12
	1.3%	1.4%	.8%	1.6%	1.5%	1.4%
FOR AGMS	0	6	1	3	3	13
	.0%	2.9%	.8%	1.6%	1.1%	1.5%
COMMUNICATION	0	0	3	3	6	12
	.0%	.0%	2.5%	1.6%	2.2%	1.4%
FLIPPANT REPLIES	2	1	4	2	1	10
	2.6%	.5%	3.4%	1.1%	.4%	1.2%
UNCLEAR	1	2	2	4	7	16
	1.3%	1.0%	1.7%	2.1%	2.6%	1.8%
DON'T KNOW	0	2	1	2	2	7
	.0%	1.0%	.8%	1.1%	.7%	.8%
	5	20	16	21	34	96
	6.6%	10.6%	13.4%	11.2%	12.4%	12.9%
No Reply in this Category	71	189	103	167	240	770
	93.4%	90.4%	86.6%	88.8%	87.6%	88.9%
TOTAL	76	209	119	188	274	866

Note : As over 20% of the cells have an expected frequency of under 5, the chi-square statistic for the full table is unreliable.

A second group of responses is that accounts are prepared:

" For annual meeting" RCC

These responses could perhaps be included in the legal, or information control and the comments in each of these sections may apply here.

Another group is communications eg:

"Public relations" LPL

"Communication" LPL

"Propaganda" MET

Finally there are a number of responses which perhaps indicate interesting attitudes held by at least a minority of respondents:

" People who love figures like to see them in print" MET

" Laughter in Heaven" GGO

### 11.2.9 Conclusion

The object of this section was to identify the background beliefs of respondents about the purpose of the accounting reports. The responses related here closely match the purposes of accounts given in the literature with two or three important differences. The accounting literature suggests that accounts should be prepared to assist decisions of users whereas this does not seem to be an underlying belief of the users of accounts except for relatively few responses in the areas of fund raising and management. There is also little emphasis in the literature about stewardship reporting, yet this is a widely held belief about the reasons for the preparation of accounts here. Finally the literature does not consider, in any detail, the general information requirements of users.

These discrepancies between the emphasis given in the literature and the study results have two possible implications: first that the literature emphasis on decision making as the main purpose for accounts is incorrect and the 'information base' or 'stewardship' reporting would be at least as useful and, secondly, that these responses to the purpose question are deficient in that they fail to identify the decision purpose present in beliefs about the purposes of accounts. This second implication would suggest that a decision purpose is nevertheless

present in these accounts and should still be the main purpose in the mind of preparers. The first of these implications will be discussed in a later section (chapter 14) but the second implication is discussed further here.

Clearly the respondents to the question do make descisions about the organizations in the study. Decisions may be as varied as to whether to belong to the organization, whether to support it financially or in other ways, whether to remain an officer, whether to vote one way or another etc. In these organizations these decisions are very rarely based soley on financial criteria. As we saw in chapter 10, the amount of money given to the church for most people depends on their income rather than the church's needs. Similarly decisions about whether to dispose of a particular church property may be constrained as much by the donors conditions as by financial consideration. Decisions may however need a significant amount of financial data input which is considered with much other non-financial data. The very fact that it is only one element of a decision means that though not ignored it is rarely emphasised. In such a decision situation many properties besides financial information may be relevant.

### 11.3 Background Beliefs about those who use church accounts

#### 11.3.1 Introduction

Closely related to the question exploring respondents understanding of why accounts are prepared is the question of whom they believe the accounts are prepared for. Replies to this User question were placed into sixteen main groups with additional groups for 'don't know', 'no reply' and other replies. The analysis of these groups is shown in table 11.3.1.

There were no limits placed on the respondents as to the number of answers to be given and the average number of users identified was 1.76 with a maximum of seven. In looking at the responses, detail of individual responses will not be given as there is very little ambiguity in the replies in each group and little value in illustrating a group where all responses are virtually the same.

It is possible to describe the users in two ways: we may simply describe them in isolation or we may relate them to a model. Both approaches will be used here beginning with a broad description of the perceived users and going on later to relate them to the model of participants postulated in chapter 2.3.

#### 11.3.2 General description of perceived users

The group with the highest percentage of responses is the Annual General Meeting (AGM) group where respondents indicated accounts were prepared mainly for either the AGM itself or for members of that meeting. Slightly more of the Episcopal church (GGO & RCC) respondents felt this was the case than in the other churches (the differences were statistically significant at a level of  $p < 1\%$ ). It is probable that one reason for this overall level of response is that accounts were distributed with other AGM papers and most respondents would be members of the AGM.

Given this high level of responses in the AGM group coupled with the low rate of passing on information declared from the 'Use' and 'number of readers' questions it is a little surprising that respondents gave the next highest number of responses in the Church Members group - where few accounting reports appear to go directly or indirectly unless the church member is also a member

Table 11.3.1

	<u>Responses to the User question</u>					<u>Total</u>	<u>p&lt;</u>
	<u>GGO</u>	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>		
AGMS	32 42.1%	91 43.5%	37 31.1%	52 27.7%	89 32.5%	301 34.8%	0.006
CHURCH MEMBERS	26 34.2%	62 29.7%	20 16.8%	33 17.6%	88 32.1%	229 26.4%	0.000
CENTRAL CTTEES	6 7.9%	31 14.8%	4 3.4%	24 12.8%	83 30.3%	148 17.1%	0.000
LEGAL REQUIREMENT	2 2.6%	8 3.8%	10 8.4%	5 2.7%	64 23.4%	89 10.3%	0.000
CONGRGAIN OFFICERS	10 13.2%	23 11.0%	12 10.1%	27 14.4%	15 5.5%	87 10.0%	0.024
REGIONAL CTTEES	9 11.8%	15 7.2%	37 31.1%	2 1.1%	13 4.7%	76 8.8%	0.000
ANYONE INTERESTED	7 9.2%	12 5.7%	12 10.1%	18 9.6%	25 9.1%	74 8.5%	0.578
CENTRAL OFFICERS	1 1.3%	22 10.5%	0 0.0%	21 11.2%	29 10.6%	73 8.4%	0.000
REGIONAL OFFICERS	7 9.2%	13 6.2%	21 17.6%	8 4.3%	13 4.7%	62 7.2%	0.000
CLERGY	5 6.6%	22 10.5%	16 13.4%	9 4.8%	7 2.6%	59 6.8%	0.000
FINANCIAL EXPERTS	3 3.9%	9 4.3%	9 7.6%	12 6.4%	24 8.8%	57 6.6%	0.295
LOC CHCH BOARDS	10 13.2%	17 8.1%	14 11.8%	11 5.9%	3 1.1%	55 6.4%	0.000
AUDITOR	5 6.6%	11 5.3%	1 0.8%	10 5.3%	27 9.9%	54 6.2%	0.013
NO REPLY OR USE	6 7.9%	17 8.1%	11 9.2%	12 6.4%	7 2.6%	53 6.1%	0.040
AREA COMMITTEES	0 0.0%	0 0.0%	0 0.0%	16 8.5%	4 1.5%	20 2.3%	s/s
GENERAL PUBLIC	1 1.3%	3 1.4%	4 3.4%	2 1.1%	6 2.2%	16 1.8%	s/s
FUNDS AND TRUSTS	1 1.3%	1 0.5%	2 1.7%	0 0.0%	6 2.2%	10 1.2%	s/s
DON'T KNOW	1 1.3%	1 0.5%	1 0.8%	4 2.1%	2 0.7%	9 1.0%	s/s
OTHER REPLY	1 1.3%	12 5.8%	7 5.9%	15 8.0%	16 5.8%	51 5.9%	-
Total Responses	133	370	218	281	521	1523	
Total Respondents	76	209	119	188	274	866	

Note: 1. As multiple responses are reported in this table, it has not been possible to calculate an overall chi-square test. Instead chi-square test significance levels have been calculated for each row of the table (see chapter 9.3) and are shown in the final column of each row. 's/s' indicates that the sample size is too small for chi-square statistics to be calculated.

2. Committees in **bold** and officers underlined are those at organisational level. This is explained below.



of the AGM. This Church Members group is an amalgamation of responses of three types: responses with the key words 'church members'; responses with key words 'church' (or Diocese or Connection where appropriate) and responses with the key word 'congregation'. In normal church use all three of these terms imply church members and have thus been grouped together. The relative proportions of these key word groups are shown in table 11.3.2 which also analyses out a number of responses where further qualifications are made to the term 'church members'.

There are two of these groups of qualifications: 'members who are interested' and 'members who understand'. Possibly these are implying that there is a recognised group of 'observers' in the church who understand the accounts, read them and monitor what is going on.

The percentage of respondents giving church members as a response varied from church to church with GGO RCC and MET being the highest (around 30%) whilst LPL and COS were around half this level (about 17%). This is a statistically significant difference and is possibly an indication of the perceived relevance of the accounts to members.

Next in order of level of responses are a group where replies relate to committees. The organisational level of the committees identified varies from church to church as was explained in chapter 5. For GGO and LPL the committee level representing the organisation under study is the regional committee whilst for the RCC, COS and MET it is the central committee. For GGO and LPL central committees therefore represent a 'higher' authority equivalent to a national headquarters of the church. The percentage of respondents who saw accounts as being prepared for the organisational committees was similar for GGO (11.8%), RCC (14.8%) and COS (12.8%) (the Scottish churches) but significantly higher for LPL (31.1%) and MET (30.3%). It is possible that in the LPL case this is largely due to the respondents having more committee responsibilities than in other churches and in the MET that the Divisional structure is seen as a large controlling influence, possibly as a second AGM. The differences reported

here between committees are significant with a probability of error of less than 1%.

Area committees and local church boards are perceived as possible users but to a much lesser extent than relevant organisational committees and local boards were mentioned by only 3 respondents (1.1%) in MET. Central committees are seen as being the objective of accounts preparation by a few of the regional organisations' (GGO and LPL) respondents and regional and area committees by a few of the respondents of central organisations (RCC, COS and MET).

Respondents also indicated that they felt accounts were prepared for officers at the different levels, here analysed as Central, regional and congregational with clergy being treated as a separate group. Again the organisational officer level for GGO and LPL is the regional officer and for the RCC, COS and MET it is the Central Officer (underlined in table 10.3.1). Unlike the responses classified as organisational committee above, these organisational officer responses are quite similar in proportion in each of the five churches with about 10-12% of respondents identifying these as key targets for accounts. There is no statistically significant difference in responses between the five churches.

There is similarly little difference in congregational officer emphasis between churches except in the case of MET where we see only 5.5% of respondents replies as against 10-15% in other churches. The Clergy emphasis however shows a remarkable difference between churches with more respondents in the RCC and LPL seeing clergy as targets for accounts than in COS, MET and GGO. This can almost certainly be explained by the different organisational structure which in the COS and MET emphasises that ministers have a less authoritarian role than the clergy would have in the RCC and LPL. GGO actually fits into the same organisational pattern as RCC and LPL and the discrepancy in the percentage response between GGO and the RCC and LPL is almost certainly due to the difference in mix of respondents.

As we can see from table 11.3.1, a discussion of these users has

virtually exhausted the responses to this 'target user' question. The only major remaining group of users is that classified as 'legal requirement' and this contains responses with key ideas such as 'Charity Commissioners', 'Inland Revenue' and 'legal requirement'. The breakdown between these replies in the legal requirement category is given in table 11.3.3.

As became clear in the previous section, the area of legal requirements for accounts is much more noticed in English churches than it is in Scottish churches and in this question the MET has a significantly higher percentage of replies than LPL. It is quite possible that this is because in LPL the major interest is in legal responsibility to present accounts to the AGM (and thus a response to prepare accounts for the AGM would be a surrogate for legal requirements) whilst in MET the major legal interest is to present accounts to the Charity Commissioners. Another factor in this could be that for charity law reasons the World Development Fund of the Methodist Church has had to be split and now a non-charitable fund has been created. The reporting of this item could well have influenced the large number of 'Charity Commission' replies in the MET responses to the question.

As in the purpose question a number of respondents seemed to see the auditors as a group of people for whom the accounts were prepared rather than seeing them as being part of the accounts preparation process. Possibly the implication of this is that a number of people see the auditors as performing a role of stewardship checkers rather than being involved in commenting on the way accounts have been prepared. LPL was the exception to this with less than 1% giving this reply.

In a similar vein a number of people said the accounts were prepared for financial experts, again indicating that perhaps respondents see that there is a group of financially expert people who perform the stewardship function. These responses and the similar replies indicating that accounts were prepared for those interested perhaps suggest that though there may be a lack of immediate personal interest on the part of many respondents this

Table 11.3.2 Breakdown of the Church Members replies to the User Question

<u>Sub Category</u>	<u>GGO</u>	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>	<u>TOTAL</u>
MEMBERS	17 22.4%	28 13.4%	15 12.6%	21 11.2%	54 19.7%	135 15.6%
CHURCH/DIOCESE ETC	3 3.9%	8 3.8%	3 2.5%	2 1.1%	15 5.5%	31 3.6%
CONGREGATION	4 5.3%	6 2.9%	2 1.7%	3 1.6%	1 .4%	16 1.8%
MEMBERS WHO UNDERSTAND	0 .0%	4 1.9%	0 .0%	1 .5%	2 .7%	7 .8%
MEMBERS INTERESTED	2 2.6%	16 7.7%	0 .0%	6 3.2%	16 5.8%	40 4.6%
TOTAL MEMBERS	26 34.2%	62 29.7%	20 16.8%	33 17.6%	88 32.1%	229 26.4%
No Reply in This Section	50	147	99	155	186	637
TOTAL	76	209	119	188	274	866

Note: As over 20% of the cells have an expected frequency of under 5, the chi-square test statistic for the full table is unreliable.

Table 11.3.3 Breakdown of the Legal Requirement responses to the User question

<u>Sub Category</u>	<u>GGO</u>	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>	<u>TOTAL</u>
GENERAL LEGAL	1 1.3%	5 2.4%	9 7.6%	4 2.1%	13 4.7%	32 3.7%
CHARITY COMMISSIONERS	0 .0%	0 .0%	1 .8%	0 .0%	51 18.6%	52 6.0%
INLAND REVENUE	1 1.3%	3 1.4%	0 .0%	1 .5%	0 .0%	5 .6%
TOTAL LEGAL REPLIES	2 2.6%	8 3.8%	10 8.4%	5 2.7%	64 23.4%	89 10.3%
No Reply in This Category	74	201	109	183	210	777
TOTAL RESPONDENTS	76	209	119	188	274	866

Note: As over 20% of the cells have an expected frequency of under 5, the chi-square test statistic for the full table is unreliable.

lack of interest may to a large extent be the result of a belief that there are expert commentators looking at the accounts.

The 'other reply' responses contained a number of sensible and a few rather whimsical replies. Three examples of these are given below to round off this section:

"God"	MET
"Certainly not God"	COS
"and for ecclesiastical Statesmen in particular"	COS

Before we finish discussing perceived users it would be helpful to discuss which of the 'target users' identified are external and which are internal to the organisation in question. Certain users can be easily identified as part of the organisation i.e. central or regional officers and central or regional committees. The AGM is in most of the organisations the final executive authority and, unlike in a commercial organisation, may have considerable power to direct policy if it so chooses and may be asked to debate and advise on an extremely wide range of matters relating to the running of the organisation. In view of this it is probable that the AGM members ought really to be considered as a part, albeit a distant part, of management and therefore quasi-internal users.

The representative nature of the AGM membership in all churches means that many levels of the church may be involved in decision-making or decision implementation. This is particularly the case where membership of organisational committees is deliberately shared out on a regional or area basis. Where this happens it is quite possible that any area or regional boards ought also to be considered fringe areas of the organisation and only partly external, again possibly being regarded as quasi-external users.

Moving on to consider members of a church, even these may be considered on the fringe of management because the representative nature of the church means that their views on policy matters may well be taken right into the centre of the organisation. In the churches under study therefore we see a gradual increase in

responsibility and power from members on the outside through to the committees in the centre.

Therefore in certain circumstances many who are members of a church, and certainly those who are members of the AGM and certain regional committees, are actually internal to the management of the church. This is of course distinctly different from the situation in companies where the Board of Management and the employees and officers answerable to it would be regarded as internal and everyone else external.

The above discussion suggests that in the case of churches there are a few truly external users such as the General Public, legal bodies and maybe auditors. It also suggests however that there are a whole range of users of accounts more or less within the organisation each of whom has a moral and possibly also legal right to a great deal of information on the detailed financial workings of the church. It would be inaccurate to call all these internal users as many are not involved in the detailed day to day workings of the organisation. Similarly it would be incorrect to call them external users because they are clearly in some senses internal to the church. It is proposed therefore that we give these users the term quasi-internal users and that we reserve the term internal user for the users concerned with the day to day administration of the church. There are similarities between this discussion and the discussion in chapter 2 on the economics of NPOs where one of the preconditions of NPOs continued existence was seen to be open-ness of information to contributors and members.

### 11.3.3 Comparison of perceived users with target users

As a final part of this section we will briefly compare the target users identified by respondents with those postulated in the literature (and shown in table 2.3). An attempt at comparing these has been made in table 11.3.4 below.

We can see here immediately four differences between the models. Business is not included at all by respondents. Employees and recipients of goods and services are not specifically mentioned but might be implied from the inclusion of clergy and local

churches. These groups might be employees and recipients of goods and services as well as being involved in the management of the church. Auditors are not specifically included in the table 2.3 model as they would be included as parties to the preparation of accounts. The model which underlies the respondents view of target users does not however appear to be substantially different from that developed in the literature.

**Table 11.3.4 Comparison of the users identified in the study with those suggested in the literature**

	Table 2.3 categories (Consolidated)	'Target Users' identified by USER question
Group 1	Grantors Members Donors	Church Members Local Church Bodies/Officers Area Committees/Officers Regional Committees/Officers Funds and Trusts
Group 2	Directors and Operational Management	Regional Committees/Officers Central Committees/Officers AGMs
Group 3	Business	-
Group 4	Governments	Legal requirements
Group 5	Employees	(Clergy/Officers)
Group 6	Recipients of Goods and services	(Clergy/Local Churches)
Group 7	Society at large	General Public Financial Experts Anyone interested
Group 8	-	Auditors

11.4 User Perceptions about beneficial owners of church property  
NPOs, including churches in this study, are often organised, for tax and legal reasons if for nothing else, in such a way that the on dissolution of the organisation the assets do not accrue to the organisation members or directors but to beneficiaries. It is for this reason that 'residual beneficiaries' are identified as a specific participant group in the model in table 2.3. The NPO thus rarely had a clear group of owners in the sense that shareholders own a business. Instead the NPO is usually organised as some form of trust with the purpose of carrying out some particular purpose(s) and/or benefiting certain groups of individuals.

In the face of the lack of an obvious owner beneficiary it was felt important to try to understand who respondents believed property was being held in trust for. If it was for themselves, as present members, then this might imply a deeper interest in how property was administered than if it was held for others where they would be administering property as agents and where in consequence agency theory might be an important consideration.

In order to investigate this then the 'Property' question was asked. The results of this are given in table 11.4.1. From this table we can see that overall about 65% of respondents felt that property is held for present members and this is a fairly consistent response over the five churches (no significant differences between churches). A lesser percentage, 48.2% overall, felt that property is held for future members and smaller percentages believed property is held for donors (9.1% overall) and non-members (9.7% overall). Perhaps the most interesting feature of these answers is that a fairly large percentage of respondents, 39.8% overall, believed that property is held in trust for God.

These answers cannot of course be interpreted very strictly and a number of respondents pointed out that there may be different answers to the question depending on whether the context were theological, legal or moral. A number of respondents would not be committed as to a specific group of persons in answer to the



question preferring instead to state that the trust was for church purposes. One or two respondents wondered if the comment that assets were held by trustees was in fact correct.

The results of this question indicate that respondents seem to understand that the property is not simply held for themselves or present church members but is also held in large part for future members and to some extent for non-members. This may give rise to two suggestions: firstly that they understand that the church, and they as representatives of the church, stand in an agency capacity with respect the property, aware that the funds and property they manage are for third parties and secondly that in view of the future benefits to be derived from the assets held, the respondents have some notion that the organisation's property can provide future benefits and will continue to exist.

The fairly substantial agreement that property is held in trust for God would no doubt have some interesting theological implications but this is not our concern here. At a non-theological level it is possible to identify in this response that many respondents have some high moral constraint on the way in which they manage, or expect others to manage, the property of the church and though this may not come out in their other answers it may well be an underlying belief.

As this question was one in which respondents could give a number of responses there are a number of possible combinations of answers. The six most common patterns of answers are shown in table 11.4.2. The most common pattern is present members alone which is given by 22% of respondents overall and this is followed by present and future members (15.8% of respondents) with God alone given by 13.3% of respondents.

#### 11.5 Perceptions about sensitivity of accounts

The final question in the questionnaire related to background views about the accounts is the 'Sensitive' question. The results of the question are given in table 11.5.1. They indicate that very few respondents think that any accounting information would be too sensitive to release to board members but 6.4% of respondents overall felt that some information was too sensitive for church

Table 11.4.1 Analysis of the PROPERTY question results by church

	<u>GGO</u>	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>	<u>Total</u>	<u>p&lt;</u>
PRESENT MEMBERS	47	122	70	124	185	548	0.280
	65.3%	60.1%	60.3%	68.1%	68.3%	64.9%	
FUTURE MEMBERS	46	89	53	82	137	407	0.062
	63.9%	43.8%	45.7%	45.1%	50.6%	48.2%	
GOD	29	78	44	57	128	336	0.011
	40.3%	38.4%	37.9%	31.3%	47.2%	39.8%	
NON-MEMBERS	10	12	8	11	41	82	0.001
	13.9%	5.9%	6.9%	6.0%	15.1%	9.7%	
DONORS	7	22	17	12	19	77	0.094
	9.7%	10.8%	14.7%	6.6%	7.0%	9.1%	
OTHERS	6	13	9	11	50	89	0.000
	8.3%	6.4%	7.8%	6.0%	18.5%	10.5%	
Total Responses	145	336	201	297	560	1569	
	201.4%	165.5%	173.3%	163.2%	206.6%	182.3%	
Missing cases	4	6	3	6	3	22	
Total Respondents	76	209	119	188	274	866	

- Note: 1. Percentages and totals based on respondents  
 2. As multiple responses are reported in this table, it has not been possible to calculate an overall chi-square test. Instead chi-square test significance levels have been calculated for each row of the table (see chapter 9.3). These significance levels are indicated in the final column of each row.

Table 11.4.2 Most Common Patterns of responses to PROPERTY question  
(numbers of repondents in each church with each pattern)

<u>Combination of Response</u>	<u>GGO</u>	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>	<u>TOTAL</u>
Present Members Alone	10	51	27	56	49	193
	13.1%	24.4%	22.7%	29.8%	17.9%	22.2%
Present and Future Members	17	28	18	35	39	137
	22.4%	13.4%	15.1%	18.6%	14.2%	15.8%
God Alone	8	35	16	26	30	115
	10.5%	16.7%	13.4%	13.8%	10.9%	13.3%
Future Members Alone	6	56	18	9	15	104
	7.9%	26.8%	15.1%	4.8%	5.5%	12.0%
Presnt & Futre Membs & God	7	18	11	10	33	79
	9.2%	8.6%	9.2%	5.3%	12.0%	9.1%
Other Reply	4	10	6	6	27	53
	5.3%	4.5%	5.0%	3.2%	9.9%	6.1%

members generally and about 12% overall felt there was some information too sensitive to release to outsiders to the church. The vast majority of respondents did not see any information as being too sensitive to disclose to outsiders.

The table also illustrates that more respondents in LPL and MET feel that there is sensitive information which should not be disclosed to ordinary church members and outsiders than in the other churches but this does not alter the overall conclusion that most respondents even in these churches do not see the information as sensitive.

The information which was felt sensitive falls into two categories: firstly grants, donations and pension payments to individuals, which may presumably be embarrassing for the individuals concerned, and secondly certain payments overseas which might be politically sensitive.

Table 11.5.1 Number of respondents reporting information in accounts sensitive to distribution to various possible users

<u>Possible Users</u>	<u>GGO</u>	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>	<u>TOTAL</u>	<u>p&lt;</u> <u>s/s</u>
Board Members	0 0.0%	3 1.4%	3 2.5%	2 1.0%	5 1.8%	13 1.5%	
Ordinary Church Members	0 0.0%	10 4.8%	10 8.4%	10 5.3%	25 9.1%	55 6.4%	0.033
Non-church members	9 11.8%	18 8.6%	18 15.1%	16 8.5%	43 15.7%	104 12.0%	0.059
Total Respondents	76	209	119	188	274	866	

Note: As multiple responses are reported in this table, it has not been possible to calculate an overall chi-square test. Instead chi-square test significance levels have been calculated for each row of the table (see chapter 9.3). These significance levels are indicated in the final column of each row. 's/s' indicates that the sample size is too small for chi-square statistics to be calculated.

## Chapter 12 Respondents Understanding of Accounts

### 12.1 Introduction

We have seen in the preceding sections the uses which respondents report making of accounts and some of their background understanding of the reasons why accounts are produced. Alongside these areas the questionnaire also explored respondents level of understanding of accounts.

The variation in the form of accounts in the five churches made it extremely difficult to formulate questions about understanding which would be comparable across the five questionnaires. It was accordingly decided to ask three questions, one asking a simple question about general understanding of accounts and another two asking about specific accounting terms used in the accounting reports: 'what is a balance sheet' and 'do users understand the difference between an Income and Expenditure and Receipts and Payments account'. The answers to these questions were crosstabulated against each other and against other variables. and the replies to all these questions are reported in this chapter.

In two churches there were source and application of fund statements and in one of these, MET, specific questions about understanding of these statements were asked. A further complication arose with the COS accounts is that the main accounts do not really have a balance sheet, though the Consolidated Summary of Funds statement is very near to being an 'investment balance sheet' and so respondents were asked which statement was most like a balance sheet.

### 12.2 Overall understanding of accounts by users

The question about understanding of accounts generally was:

" On the whole do you find that the 1981 accounts in the (accounts publication):

Very easy to understand	[ ]
Quite easy to understand	[ ]
Quite difficult to understand	[ ]
Very difficult to understand	[ ]"

Exactly the same question was asked in all five questionnaires

and the results are shown in table 12.2.1. This indicates that overall 66.7% of those who replied said that they found the accounts 'very easy' or 'quite easy' to understand. Of the remaining 33.3% who replied, only a small percentage admitted finding the accounts 'very difficult' to understand, the majority of this group finding understanding merely 'quite difficult'.

It is interesting that there is a large difference in those who reported 'easy' and 'very easy' understanding between churches from 77.8% of RCC respondents to only 56.3% of COS respondents. The table has been arranged in an order different from that adopted in the rest of the study so that the organisation with the smallest number of sections in the accounts is on the left and the one with the largest number of sections is on the right. This indicates that there appears to be a progressive improvement in understanding of the accounts as we move from churches with a large to a small number of sections in the accounts. As was stated in Chapter 7 there are in actual fact more subsections in the Methodist church accounts than in the COS accounts but the inter-relationships are simpler in the MET accounts and so the accounts may well be regarded as simpler to understand because of this.

There is one result here which does not fit the general pattern and that is that in MET the accounts are found very difficult to understand by a lesser percentage of respondents than any other accounts. The reason for this may be either that there are plenty of explanatory notes in most of the MET accounts or that more explanation is given on presentation of the accounts at the meeting. These few difficulties in interpreting the results must not detract from the fact that a majority of respondents in all churches reported the accounts very easy or quite easy to understand. This is of course only perceived understanding but can probably be taken to indicate that some of the information gets to users despite the difficulties we have discussed in earlier chapters.

Analysis of the results was undertaken to see if there is any relationship between level of reading and understanding and table

12.2.2 has been prepared to show the cumulative percentages of respondents having up to a particular reading score for each of the four levels of perceived understanding. The table demonstrates that 78% of respondents finding accounts very difficult to understand have a reading score of zero or less (scheme 5) compared with only 29% of respondents finding accounts very easy to understand. This demonstrates that respondents who have easy understanding of the accounts also read more of the accounts and conversely those finding difficulty understanding read less of the accounts. The causality of this relationship is not clear however.

Further analysis of the results indicated that there was no significant relationship between the number of years the accounts had been received and the reported level of understanding, except that few people for whom this was their first year of receipt found the accounts easy to understand. There also appeared to be a slightly easier understanding for respondents who had received accounts for over eight years. This suggests a hypothesis that recipients make little progress in advancing their understanding of accounting information over the years. One respondent wrote:

"..of course if there is some crisis I do my best to understand it but in general I leave the money side to those better qualified than I"

-RCC respondent

The results which demonstrate this are reported in table 12.2.3 where it can be seen that percentages of respondents finding accounts very easy to understand range from 3.6% of those receiving them for the first time to 11% of those receiving them for over over eight years. Similarly there is a slight reduction in those finding difficulty of understanding from 37.5% (32.1%+5.4%) of those receiving accounts for the first time to 26.4% of those having received the accounts for over 8 years. The Tau, Gamma and Somer's d statistic all demonstrate this fairly weak relationship.

If the hypothesis, that little advancement is made in

Table 12.1.1 Reported Overall Understanding of accounts by Church

<u>Level of Understanding</u>	<u>RCC</u>	<u>GGO</u>	<u>LPL</u>	<u>MET</u>	<u>COS</u>	<u>TOTAL</u>
(Sections in accts	13	17	24	33	35)	
VERY EASY	30 15.2%	10 13.5%	5 4.3%	20 7.5%	4 3.0%	69 8.7%
QUITE EASY	124 62.6%	47 63.5%	69 59.0%	147 54.9%	72 53.3%	459 58.0%
Sub Total	154 77.8%	57 77.0%	74 63.3%	167 62.4%	76 56.3%	528 66.7%
QUITE DIFFICULT	36 18.2%	15 20.3%	34 29.1%	96 35.8%	46 34.1%	227 28.7%
VERY DIFFICULT	8 4.0%	2 2.7%	9 7.7%	5 1.9%	13 9.6%	37 4.7%
SUB TOTAL	198 100.0%	74 100.0%	117 100.0%	268 100.0%	135 100.0%	792 100.0%
DON'T KNOW	1	0	0	3	3	7
NO REPLY	10	2	2	3	50	67
Total respondents	209	76	119	274	188	866

Note: 1.The Chi-square test indicates that there is a difference in reponses between churches significant at a level of  $p < 0.001$  (see chapter 9.3)

2.This table contains only nominal data and so only the Lambda statistic has been calculated. The Lambda statistic for the overall table is 0.021 (see chapter 9.3)

Table 12.2.2 Cumulative percentages of respondents having up to given reading scores for each of the four levels of reported understanding of accounts

<u>Perceived Understanding</u>	<u>Scores (scheme 5)</u>					<u>Number</u>
	<u>-10</u>	<u>-5</u>	<u>0</u>	<u>+5</u>	<u>+10</u>	
Very Easy	5.8%	10.1%	29.0%	53.6%	100.0%	69
Quite Easy	3.7%	15.7%	41.2%	74.3%	100.0%	459
Quite Difficult	5.7%	26.0%	59.9%	86.3%	100.0%	227
Very Difficult	21.7%	54.1%	78.4%	97.3%	100.0%	37
Total Replies	5.3%	19.9%	47.2%	77.0%	100.0%	792
Total Respondents	6.9%	21.2%	48.6%	77.5%	100.0%	823

Note: Scheme 4 results have a similar pattern but bunched to the '-10' end of the scale. These have not been produced.

understanding for years accounts are received, is correct then it has implications for the preparers of information: that understanding can only be improved either by positive education of recipients or by altering the reports to improve general understandability for the people concerned. The results suggest that we cannot expect that recipients will automatically learn much more just by receiving accounts for a longer period of time.

Although number of years received did not have a very strong relationship to reported understanding of accounts, the holding of accounting qualifications did. Table 12.2.4 gives these results which indicate that of those who had some accounting qualifications 19.4% reported 'very easy understanding' against 7.4% of those with no accounting qualifications. Equally 19.4% of those with accounting qualifications found accounts 'very difficult' or 'quite difficult' to understand against 35.4% of those who did not report having accounting qualifications. Whilst this might have been foreseen, it is interesting that only 19.4% of those holding some accounting qualifications found the accounts 'very easy' to understand and a sizable minority found the accounts 'very difficult' or 'quite difficult' to understand. The explanation for this could be that the term 'accounting qualifications' covers a breadth of possible qualifications from '0' levels to fellowships of accounting bodies. It could also indicate that even those more highly trained in accounting find these accounts somewhat difficult to understand.

Difficulty in understanding accounts also appears to be related to respondents finding that there is too much information in the accounts. Table 12.2.5 gives these results and from the table we can see that of those reporting that there is too much information in the accounts 64.7% found the accounts 'quite difficult' or 'very difficult' to understand against 20.5% of those reporting that there is the right amount of information and 51.8% of those reporting that there is too little information. This double peak in the results shows that difficulty in understanding these accounts may be related to either too much or too little information being present in the accounts but that



Table 12.2.3      Comparing number of years accounts received with understanding

<u>Number of Years</u> <u>Accounts received</u>	<u>ONE</u> <u>YEAR</u>	<u>2-4</u> <u>YEARS</u>	<u>5-8</u> <u>YEARS</u>	<u>OVER 8</u> <u>YEARS</u>	<u>Total</u>	<u>Not</u> <u>Recd</u>	<u>Don't</u> <u>Know</u>	<u>No</u> <u>Reply</u>	<u>Total</u>
<u>Understanding</u>									
Very Easy	6 3.6%	17 8.1%	15 12.1%	30 11.0%	68 8.5%	0	0	1	69
Quite Easy	99 58.9%	114 54.5%	65 52.4%	170 62.5%	448 56.0%	1	1	9	459
Quite Difficult	54 32.1%	68 32.5%	37 29.8%	64 23.5%	223 27.9%	2	0	2	227
Very Difficult	9 5.4%	10 4.8%	7 5.6%	8 2.9%	34 4.3%	0	1	2	37
Sub-Total	168 100.0%	209 100.0%	124 100.0%	272 100.0%	776 100.0%	3	2	60	841
Don't Know	2	4	0	1	7	0	0	0	7
No Reply	2	7	6	5	20	1	0	46	67
Total	172	220	130	278	800	4	2	106	866

Note: 1. The Chi-square test indicates that there is a difference in reponses between churches significant at a level of  $p < 0.049$  (see chapter 9.3)  
2. This table contains ordinal data and so the relevant Tau, Gamma and Somer's d statistics have been calculated. They are Tau (c) -0.090, Gamma -0.160 and Somer's d -0.103 (see chapter 9.3).

Table 12.2.4      Comparing Understanding with Holding of Accounting Qualifications

<u>Accounting</u> <u>Qualifications?</u>	<u>None</u>	<u>Some</u>	<u>Total</u> <u>Replies</u>	<u>No</u> <u>Reply</u>	<u>Total</u>
Very Easy	51 7.4%	18 19.4%	69 8.8%	0	69
Quite Easy	396 57.2%	57 61.3%	453 57.7%	6	459
Quite Difficult	209 30.2%	17 18.3%	226 28.8%	1	227
Very Difficult	36 5.2%	1 1.1%	37 4.7%	0	37
Sub-total	692 100.0%	93 100.0%	785 100.0%	7	792
Don't Know	6	1	7	0	7
No Reply	63	4	67	0	67
Total	761	98	859	7	866

Note: 1. The Chi-square test indicates that there is a difference in reponses between churches significant at a level of  $p < 0.001$  (see chapter 9.3)  
2. This table contains ordinal data and so the relevant Tau, Gamma and Somer's d statistics have been calculated. They are Tau (c) -0.097 Gamma -0.401 and Somer's d -0.124 (see chapter 9.3)

difficulty in understanding is related more markedly to a perception of too much information. We should beware of attaching causality to these relationships but it is clear that the two variables are related in some way. This is emphasised by the tau, gamma and Somer's  $d$  statistics each of which indicate a moderate relationship. The general result seems to suggest that the difficulty in understanding is consistent with at least three hypotheses one relating to each of the causalities:

1. That lack of overall understanding results from users being faced with too much information, ie there is information overload.
2. That difficulty in understanding is one of the major reasons why accounts are seen to have too much information.
3. That difficulty of understanding may also be related to a lack of certain information.

If as a policy matter preparers of financial information wish to improve understanding of information in the accounts, an area of particular concern to non-profit organisations, then these results suggest that we may improve understanding by reducing the amount of information in the accounting reports. However there is one other possible solution, which was hinted at in chapter 7, that the accounts could be improved by giving more details of the structure and organisation of the accounts. This would accord with the comments one or two respondents that the information in the accounts is 'the wrong sort of information'.

This relationship between the perceived amount of information in the accounts and perceived understanding seems to lend support to the 'information overload' hypothesis above but we should note that about half of the respondents found that there was both the right amount of information and it was 'quite easy' or 'very easy' to understand. In addition 63.3% of respondents felt that there was either the right amount or too little information in the accounts. These figures do not suggest that everyone who receives the accounts of the organisations suffers from information overload even though a substantial proportion may do so.

It may not be possible for understanding of the present reports to be improved for a number of respondents who are 'figure blind' and the results of those not understanding accounts may contain at least some respondents for whom no amount of education or change in the accounts would help. Again, comments of respondents confirm this but there is no indication in the results of the extent of this group.

Table 12.2.5

<u>Amount of Information?</u>	<u>Comparing Understanding with Perception of amount of information in accounts</u>							
	<u>Too</u>	<u>Not</u>	<u>Right</u>	<u>Little</u>	<u>Too</u>	<u>Total</u>	<u>No</u>	<u>Total</u>
	<u>Little</u>	<u>Quite</u>	<u>Amount</u>	<u>Too</u>	<u>Much</u>	<u>Replies</u>	<u>Reply</u>	<u>Respdnts</u>
		<u>Enough</u>		<u>Much</u>				
<u>Understanding</u>								
Very Difficult	2	0	7	6	19	34	3	37
	7.4%	0.0%	1.5%	6.3%	16.4%	4.5%		
Quite Difficult	12	14	89	39	56	210	17	227
	44.4%	25.9%	19.0%	40.6%	48.3%	27.6%		
Sub Total	14	14	96	45	75	244	20	264
	51.8%	25.9%	20.5%	46.9%	64.7%	32.1%		
Quite Easy	11	32	321	47	37	448	11	459
	40.7%	59.3%	68.6%	49.0%	31.9%	58.9%		
Very Easy	2	8	51	4	4	69	0	70
	7.4%	14.8%	10.9%	4.2%	3.4%	9.1%		
Total Responses	27	54	468	96	116	761	31	792
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
Don't Know	1	0	3	0	1	5	2	7
No Reply	0	0	7	1	3	11	56	67
Total Respondents	28	54	478	97	120	777	89	866

Note: 1. As over 20% of the cells have an expected frequency of under 5, the chi-square statistic for the full table (which indicates a relationship significant at a level of  $p < 0.001$ ) is unreliable.  
 2. This table contains ordinal data and so the relevant Tau, Gamma and Somer's d statistics have been calculated. They are Tau (b) 0.250 Gamma 0.401 Somer's d 0.250 (see chapter 9.3).

### 12.3 Users understanding of specific accounting issues

The second way in which understanding was tested was in two questions about specific accounting issues. During the questionnaire design stage a good deal of time was spent in trying to identify any common statements or accounting ideas which might be found in all five sets of accounts. The only common areas identified between the different accounting reports were the balance sheet (and even that is not very obvious in the COS accounts) and the receipts and payments vs income and expenditure dichotomy. It was accordingly decided to ask the respondents two questions: did they understand the difference between the concepts of Receipts and Payments and Income and Expenditure (and if they did which did they think should be adopted) and what is the Balance Sheet. Both questions were in a very simple form but this was deemed necessary as it was anticipated that many respondents would not be trained in accounting. Responses to the balance sheet question are shown in table 12.3.4 and to the R&P/I&E in table 12.3.1.

From the results in table 12.3.1 we can see that 50.6% of the respondents replying say that they understand or they think they understand the difference between receipts and payments and income and expenditure accounting bases (difference in bases) whereas 49.4% don't understand or are not sure. The difference between the churches (which is significant at a level of  $p < 1\%$ ) does not seem to be systematic in any way and particularly not related to the basis on which the churches do their accounts (GGO, RCC and COS use R&P whilst LPL and MET on the whole use I&E).

When reported level of understanding is compared with reported understanding of difference in bases as in table 12.3.2 it is obvious that there is a significant relationship between ease of understanding and reported understanding of the difference in bases. The exact form of the relationship cannot be defined but it seems as if ease of understanding is related to understanding of difference in bases and conversely difficulty in understanding is related to non-understanding of the difference in basis. Once again causality is not clear.

Table 12.3.1 Reported understanding of difference between Receipts and Payments and Income and Expenditure basis of accounting

<u>Understand?</u>	<u>GGO</u>	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>	<u>TOTAL</u>
No	13 18.1%	73 36.7%	43 36.8%	39 27.5%	60 22.1%	228 28.4%
Not Sure	20 27.8%	38 19.1%	16 13.7%	34 23.9%	60 22.1%	168 20.9%
Sub-Total	33 45.8%	111 55.8%	59 50.4%	73 51.4%	120 44.1%	396 49.4%
Think so	26 36.1%	62 31.2%	34 29.1%	42 29.6%	85 31.3%	249 31.0%
Definitely	13 18.1%	26 13.1%	24 20.5%	27 19.0%	67 24.6%	157 19.6%
Total Responses	72	199	117	142	272	802
No reply	4	10	2	46	2	64
Total Respondents	76	209	119	188	274	866

Note: 1. The Chi-square test indicates that there is a difference in responses between churches significant at a level of  $p < 0.001$  (see chapter 9.3)  
 2. This table contains only nominal data and so only the Lambda statistic has been calculated. The Lambda statistic is 0.076 (see chapter 9.3)

Table 12.3.2 Comparing Understanding with Reported understanding of Difference in Bases Perceived Understanding

<u>Understand Difference in Bases?</u>	<u>Very Easy</u>	<u>Quite Easy</u>	<u>Quite Diffi cult</u>	<u>Very Diffi cult</u>	<u>Don't Know</u>	<u>No Reply</u>	
NO	9 13.4%	96 21.6%	84 37.2%	28 75.7%	2	9	217 28.0%
NOT SURE	6 9.0%	86 19.3%	64 28.3%	2 5.4%	2	8	158 20.4%
THINK SO	21 31.3%	167 37.5%	54 23.9%	3 8.1%	2	2	245 31.6%
DEFINITELY	31 46.3%	96 21.6%	24 10.6%	4 10.8%	1	1	155 20.0%
Total Replies	67	445	226	37	7	67	775
No Reply	2	14	1	0	0	47	64
Total Respondents	69	459	227	37	7	114	839

Note: 1. The Chi-square test indicates that there is a difference in responses between churches significant at a level of  $p < 0.001$  (see chapter 9.3)  
 2. This table contains ordinal data and so the relevant Tau, Gamma and Somer's d statistics have been calculated. They are Tau (b) -0.285 Gamma -0.430 Somer's d -0.283 (see chapter 9.3)

In the questionnaire we were not able to test the level of understanding of differences in bases and such a test may produce responses significantly different from these. However about half of respondents appear to understand the differences despite only 11.8% admitting to any accounting qualifications.

The difference between the I&E and R&P measurement bases probably has little effect on the figures presented in the accounting statements in the study. This is particularly the case in the smaller organisations having no fixed or non-monetary current assets and in any accounts without fixed assets as the depreciation adjustment is the major difference between the two bases in these organisations. Although the difference could be quite significant a large percentage of respondents say they do not understand the difference between the two bases.

Of those who say they understand the difference in bases, the majority feel that an income and expenditure account basis is the preferred one for the following year's accounts although in the Episcopal Church (GGO and RCC) this is less clear (see table 12.3.3). This bias is found even in COS which prepares accounts on a receipts and payments basis.

The second specific question asked of respondents was about understanding of a balance sheet. Once again the lack of commonly accepted methods of accounting in these organisations restricted the way in which the question could be phrased. It was decided to ask the following question:

"... do you think the balance sheet is: (tick one box)  
 A summary of all the assets held by the (church trustees)  
 and the funds they relate to ☐  
 or Lists of Balances from the accounts books ☐  
 or Something else (if so please specify) ☐  
 or Don't Know ☐

The answers to the question are summarised in table 12.3.4. This is the only question which had a 'correct' answer in that the balance sheet is a list of balances from the accounts. In certain circumstances it may also be a list of all assets and liabilities, but in all the churches in the study this was known to not be the case. The results show that 39.2% of responses

indicated 'don't know'. This is slightly lower than the 'no' and 'no reply' responses to the question on difference in bases but is not dissimilar. 28.3% of responses were 'correct' and a few of the responses under 'other' could be regarded as correct as they recognised that the balance sheet did not include all assets.

There are again significant differences between churches with the highest percentage of don't knows in COS and the lowest in MET. The highest percentage of 'all assets' replies was in GGO (45.7%) where the researcher actually pointed out in his report to the AGM that the balance sheet did not contain all assets!

We can see therefore that there is only a minority of respondents who seem to understand what a balance sheet contains and there are at least as many people who admit to not knowing the answer. Perhaps the most worrying aspect about this is that these users do not know whether the balance sheet satisfies a very basic information need about stewardship ie whether it includes all assets of the organisation or just a selection. A large minority believe that the balance sheet contains all assets and their related funds even when they clearly do not eg in COS the audit report notes the exclusion of fixed assets from the Consolidated Summary.

Table 12.3.3 Basis of measurement preferred by respondents reporting they definitely or think they understand the difference in basis

<u>Basis Preferred</u>	<u>GGO</u>	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>	<u>TOTAL</u>
Receipts and Payments	17 53.1%	37 48.1%	9 19.6%	14 25.0%	16 11.9%	93 26.9%
Income and Expenditure	15 46.9%	40 51.9%	37 80.4%	42 75.0%	119 88.1%	253 73.1%
Total positive replies	32	77	46	56	135	346
Don't Understand	33	113	61	74	120	401
Don't know	6	7	8	9	15	45
No reply	5	12	4	49	4	74
	76	209	119	188	274	866

- Note: 1. The Chi-square test indicates that there is a difference in reponses between churches significant at a level of  $p < 0.001$  (see chapter 9.3)
2. This table contains only nominal data and so only the Lambda statistic has been calculated. The Lambda statistic is 0.076 (see chapter 9.3)

Table 12.3.4 Responses to the question What is a Balance Sheet?

<u>Balance Sheet is:</u>	<u>GGO</u>	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>	<u>TOTAL</u>
All Assets	32 45.7%	47 24.1%	32 28.6%	15 11.5%	82 30.6%	208 26.8%
Accounts Balances	12 17.1%	38 19.5%	28 25.0%	35 26.9%	107 39.9%	220 28.4%
Something Else	3 4.3%	8 4.1%	1 .9%	7 5.4%	24 9.0%	43 5.5%
Don't Know	23 32.9%	102 52.3%	51 45.5%	73 56.2%	55 20.5%	304 39.2%
Total Responses	70	195	112	130	268	775
No Reply	6	14	7	58	6	91
Total Respondents	76	209	119	188	274	866

- Note: 1. The Chi-square test indicates that there is a difference in reponses between churches significant at a level of  $p < 0.001$  (see chapter 9.3)
2. This table contains only nominal data and so only the Lambda statistic has been calculated. The Lambda statistic is 0.110 (see chapter 9.3)



## Chapter 13 Changes recommended in the accounts

### 13.1 Introduction

We have seen in previous chapters the uses which respondents have for accounts and something of their background beliefs about the accounting reports produced. In this chapter we discuss the results of some of the questions included in the questionnaire about the changes which respondents would like to see in the accounts. These questions are in two groups: one which asked respondents what changes they would like in the accounts to improve their understanding, usefulness and readability, another group of questions asked about specific changes which have been suggested in the literature about inclusion of summary accounts, half year accounts and budgets. The results of first question about general changes are reported in section 13.2 and the second group of questions are reported in section 13.3. These results are brought to a conclusion in section 13.4.

### 13.2 Reported needs for change

The question about changes was the final question in the third section of the questionnaire invited comments from respondents on any changes which they would like to see in the accounts "in order to improve understandability, usefulness, readability etc.". The question was open-ended and responses were analysed in the same way as similar kinds of response reported in chapters 10,11 and 12.

The overall results of this 'changes' question are reported in table 13.2.1. The first very striking feature about the results is that overall 48% of respondents did not reply to the question at all. The reasons for this might indicate a lack of interest in the accounts, a lack of knowledge about what might be provided in the accounts, satisfaction with the present accounts or simply a lack of stamina to complete the questionnaire. It is not clear which of these is most likely the case.

Multiple replies were possible in this question and so the totals in the table do not add to 100%. It was very difficult to codify many of the responses to this question and so there are a large number of responses included in the 'other replies' category.

Apart from this category there are however three major groupings of responses: those replying that 'no change' was necessary, 19.9% of respondents; those suggesting 'more simple' accounts were needed, 13.3% of respondents and those wanting 'more detail' or explanation, 11.0% of respondents.

### 13.2.1 Respondents indicating 'no change' in accounts needed

As far as the 'no change' category is concerned, more respondents in GGO and RCC felt that no change was necessary than in LPL, COS and MET. The replies in the 'no change' category have been broken down into three sub-categories: 'content', indicating that respondents are happy with the accounts as they are, 'don't know' and 'no comment'. Table 13.2.2 gives these breakdowns and illustrates that there are similar levels of 'don't knows' in all but GGO with more 'no comment' and 'content' in GGO and the RCC. The higher percentage in the RCC may reflect the fact that RCC accounts are in summary form at present.

Comments in the 'don't know' category illustrate three themes which have appeared in other sections of the results. These are:

1. There are those who receive the accounts who don't feel qualified to comment on the accounts. This simply reinforces the idea that many users of the accounts are naive users eg
 

"Not qualified to make positive suggestions"	LPL
"Beyond my expertise"	LPL
"I do not feel competent to answer this question"	RCC
"Don't Know"	COS
2. There is a learning problem for some people eg
 

"Not fully conversant with the post yet to comment"	GGO
"I am just beginning to get used to finding my way round it"	RCC
3. There is a felt need for experts to be involved in the accounts production and interpretation and these experts are trusted in most matters relating to accounts:
 

"Not being a financial person I am prepared to trust those appointed"	COS
"Prefer to leave such judgements to those who are professionally qualified"	MET
"I feel we have experts on the job to work out changes. (I am) willing to trust them"	MET

Table 13.2.1 Showing the total of all changes recommended in the

	<u>Changes Question</u>					<u>TOTAL</u>	<u>p&lt;</u>
	<u>GGO</u>	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>		
No Change	22 28.9%	53 25.3%	21 17.6%	33 17.7%	41 15.7%	170 19.9%	0.011
More Simple	7 9.2%	15 7.2%	12 10.0%	29 15.4%	52 19.0%	115 13.3%	0.000
More Explanation	6 7.9%	12 5.8%	21 17.7%	23 12.2%	33 12.0%	95 11.0%	0.014
Other Replies	9 11.8%	23 11.0%	10 8.4%	16 8.5%	49 17.9%	107 12.2%	0.016
Total Replies	44 57.9%	103 49.3%	64 53.8%	101 53.7%	175 64.6%	487 56.5%	
No reply	37 48.7%	110 52.6%	62 52.1%	93 49.5%	114 41.6%	416 48.0%	
Total Respondents	76	209	119	188	274	866	

Note: 1. As multiple responses are reported in this table, it has not been possible to calculate an overall chi-square test. Instead chi-square test significance levels have been approximated for each row of the table (see chapter 9.3). These significance levels are indicated in the final column of each row.

Table 13.2.2 Breakdown of the 'No Change' replies to the Change Question

	<u>GGO</u>	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>	<u>TOTAL</u>
Don't Know	2 2.6%	19 9.1%	11 9.2%	11 10.2%	18 7.3%	61 8.2%
No Comment	13 17.1%	22 10.5%	8 6.7%	8 4.3%	18 6.6%	69 8.0%
Content with situation	7 9.2%	12 5.7%	2 1.7%	6 3.2%	5 1.8%	32 3.7%
Total No Change Responses	22 28.9%	53 25.3%	21 17.6%	33 17.7%	41 15.7%	172 19.9%
No Reply in this Section	54 71.1%	156 74.6%	98 82.4%	163 86.7%	233 85.0%	704 81.3%
Total Respondents	76	209	119	188	274	866

Note : As 20% of the cells have an expected frequency of under 5, the chi-square statistic for the table (which indicates a relationship significant at a level of  $p < 0.105$ ) is unreliable.

There were 3.7% of responses overall which expressed the view that the accounts are all right as they are. Most responses in this group simply stated this eg:

"I think it is a good clear precis"	LPL
"I am perfectly satisfied"	RCC
"Quite happy as at present"	COS

But other responses included here indicated that the accounts had to be produced in their present form, even though they are not fully understood:

"The Abstract <u>is</u> the Abstract. Other church public- ations cater for (improvements in understanding etc)"	COS
"The accounts appear perfectly understandable (with a small degree of explanation maybe)"	MET

8% of the responses did not give any comment about changes other than saying 'no change' or 'none'. No examples of these are given here.

### 13.2.2 Respondents indicating 'more simple' accounts needed

In the 'more simple' category the responses were broken down into two sub-groups: those where the response indicated the need for simpler accounts and those where briefer accounts were requested. The two requests are not necessarily the same as it may be possible to simplify a set of accounts without actually reducing their length.

Replies in the first category of 'simpler' accounts include:

"Simplify form and language"	COS
"Simpler method of communicating financial information. Many district reps are ordinary church members who may have little or no experience of accounts"	MET
"Accounts should be presented using everyday layman's terminology rather than professional and often legalistic terms"	MET
"Maximum simplification while still giving basic and essential information"	MET
"I would need it simplified"	RCC

In a few cases respondents said what they would like the accounts to contain eg:

"A simple idea of whether we are making ends meet and how much we need for future needs"	COS
"A simple statement of our position eg we have fx but we need fy to maintain the work"	LPL

"A brief statement as to solvency of the organisation" COS  
"I want to know three things only: 1. Are we solvent  
2. What is likely to happen financially in the future  
3. If there's a surplus or a deficit what are we going  
to do about it?" MET

These are indications that the accounting reports are not meeting users present needs but not that the information is not provided, rather that it is not in a form that is simple enough to digest by a number of respondents.

Some respondents were very clear as to how they wanted simplification:

"Less use of technical jargon" MET  
"Simplicity of presentation to improve readability" MET  
"Less detail perhaps and more readable for the ordinary  
layman" COS

and others on the effect that simplification would have:

"Simplified versions for use by church members will  
increase sense of shared responsibility both in  
spending and working for outreach mission of the  
church" MET

There is thus a felt need for generally more simplified accounts.

There were also a group of replies where though the suggestion was 'simpler' accounts, there was specific mention of the need for accounts to be briefer or shorter in length or with summaries eg:

"Much greater brevity" COS  
"A more simple but short account of financial position  
of the church as a whole for those members of the  
church who have little knowledge of the affairs of the  
church" COS  
"A plain sheet saying just what has come in and where  
it has gone - simply or is that impossible?" GGO  
"Simple summaries to enable situation to be taken in at  
a glance" MET

There were several responses which indicated that simpler accounts or summaries should be in addition to the present full accounts but perhaps with a different circulation:

"An easy to follow account for ordinary church members  
in addition to the present full statement" LPL

"a greatly simplified series of accounts with the  
opportunity for access to information if reasonably  
required" LPL

and some which implied that summaries would be a useful guide as  
to where to look for further information in the accounts:

"popular summaries attached to each section of the  
accounts in layman's language" COS

These ideas expressed about simplification are consistent with a  
number of possible hypotheses about information presentation. The  
overall tenor of these responses seems to suggest an hypothesis  
that a reader/recipient presented with a mass of accounting  
information seeks first an abstract to see if that information is  
relevant to his needs and that if a reading of the abstract  
signals further investigation he will use either the abstract or  
other guide (eg and index) to guide him as to where to  
investigate. For many people in receipt of church accounts the  
signal produced by the abstract would be sufficient to satisfy  
their basic need - and the openness of the system to further  
investigation would lend credibility to the reporting system.  
This call for 'simpler' and 'summary' information presentation  
would fit the need for an abstract in this information search  
hypothesis. It would not however mean that more detailed accounts  
should not be made available. We shall return to this discussion  
later.

13.2.3 Respondents indicating 'more detail' in accounts needed

Table 13.2.4 gives a breakdown of the responses grouped together as wanting 'more detail or explanation'. These responses fall into three groups: those where explanation is requested, 5.3% of respondents; those where more details are requested, 3.7%, and those where graphical presentation is requested, 2% of respondents.

For COS and LPL together there are ten requests for more details of congregational giving and income eg:

"Stipend quota payment should be included in detail"	LPL
"Restore the former Presbytery lists cut out now for the sake of economy. Previously I found them most interesting and useful"	COS

The other detail requested is to do with various aspects of expenditure or assets and is the direct opposite of the simplification requested by those respondents above. Examples of this are:

"Heritable Properties statement" (ie land and buildings in accounts)	COS
"More detailed information re expenditure of individual boards"	LPL
"Further breakdown of 'miscellaneous' heads"	MET
"More detailed accounts. I suspect that money is spent on pet projects by forceful Bishops or some pressure groups but I can't prove it."	RCC

In this 'more detail' section has been included responses containing the idea of pictorial presentation. Though this might have been include under the 'simplification' section, it has been included here because graphs and pictures can help explain the items in the accounts without simplifying them and the idea expressed in many of the responses is to add to the accounts rather than present graphs/pictures instead of accounts.

Table 13.2.3 Breakdown of the 'More Simple' replies to the Change Question

	<u>GGO</u>	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>	<u>TOTAL</u>
SIMPLER	2	9	6	14	37	68
	2.6%	4.3%	5.0%	7.4%	13.5%	7.9%
BRIEFER	5	6	6	15	15	47
	6.6%	2.9%	5.0%	8.0%	5.5%	5.4%
Total More Simple	7	15	12	29	52	115
	9.2%	7.2%	10.0%	15.4%	19.0%	13.3%
No Reply in this section	69	194	107	159	222	751
	90.8%	92.8%	89.9%	84.6%	81.0%	86.7%
TOTAL	76	209	119	188	274	866

Note : As 20% of the cells have an expected frequency of under 5, the chi-square statistic for the table (which indicates a relationship significant at a level of  $p < 0.15$ ) is unreliable.

Table 13.2.4 Breakdown of the 'More Detail' replies to the Change Question

	<u>GGO</u>	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>	<u>TOTAL</u>
Explanation	4	5	7	10	20	46
	5.3%	2.4%	5.9%	5.3%	7.3%	5.3%
More Details	0	5	12	10	5	32
	.0%	2.4%	10.1%	5.3%	1.8%	3.7%
Graphs, Pictorial etc	2	2	2	3	8	17
	2.6%	1.0%	1.7%	1.6%	2.9%	2.0%
TOTAL FOR THIS SECTION	6	12	21	23	33	95
	7.9%	5.8%	17.7%	12.2%	12.0%	11.0%
No Reply in this section	70	197	98	165	241	771
	92.1%	94.3%	82.4%	87.8%	88.0%	89.0%
TOTAL	76	209	119	188	274	866



Suggestions here are for example:

- |   |     |
|---|-----|
| "Presentation could be greatly improved by use of graphics and more illustrations"  | COS |
| "Pie charts added"  | LPL |
| "In some cases graphs and charts are better than figures - in most cases the treasurer who presents the accounts is not a good speaker and rarely clarifies or explains accounts or answers questions." | MET |
| "Visual aids - diagrams etc popularise accounts but these need to be in addition to, not instead of the current presentation."  | MET |

The majority of replies included in this section are however those seeking more explanation in the accounts. The wide range of replies includes several key ideas:

1. There needs to be an overview commentary or directors report:

- |  |     |
|--|-----|
| "Order should start with an overview then be followed by section details."           | COS |
| "A simple commentary should highlight current trends in the financing of the church" | MET |

2. There should be some sort of explanation of financial policy:

- |  |     |
|--|-----|
| "Some explanation ought to be given about the need for reserves" | MET |
| "Also explanation of financial policies"                         | RCC |

3. There need to be an explanation of structure of accounts and terminology:

- |   |     |
|---|-----|
| "Purpose of various trusts"   | GGO |
| "Explain all terms in a glossary ie Quota, Endowment for new members" | GGO |
| "Glossary of terms"   | MET |

4. An explanation is needed of particular aspects of the report:

- |   |     |
|---|-----|
| "Note on various balances ie consolidated summary, would be useful but possibly too expensive to print in detail" | COS |
|---|-----|

Apart from the comments where more detail is requested, most of the responses in this 'more detail' section seem to be suggesting that what is needed is a better guide to the accounting report and this would fit the information search hypothesis which was posited above, that readers need to be able to discover their way around the accounts and understand its various sections.

13.2.4 Respondents giving 'other replies' to change question

The final group of responses are those 'other replies' where classification was quite difficult. Table 13.2.5 gives the breakdown of these replies and they will be discussed only briefly. In the general section are a number of individual replies which range from:

"The Cymru accounts in Welsh and English" MET

to comments about financial policy:

"The Mission and Service Fund should embrace all divisional expenditure" MET

and about the availability of accounts:

"I only get the Abstract at the General Assembly by asking. It should be made available" COS

There few themes running through these replies but five are worth mentioning:

1. Presentation is the subject of a number of responses and suggestions are made to include precentages (COS), have larger print (MET), publish an index (LPL) and make them more attractive (MET).
2. Closely related to this is the call for a common format to accounts in the Methodist Church where there are a large number of differing structures. (Note this is a current aim of the Finance Division of the church).
3. Some respondents felt that budget and budget/actual information would be useful, but this was included as a separate question as well (see chapter 13.3).
4. A few replies indicated that 5 or 10 year trends would be useful.
5. Six responses indicated that a change in accounting measurement basis would be helpful - some to a R&P basis and some to an I&E basis!

13.2.6 Conclusions

The results of the question asking about changes are therefore quite varied. Only about half of the respondents replied to the question though those that did often gave quite long answers with several ideas included. There are three main groups of replies:

respondents wanting no change, respondents wanting more simple accounts and respondents wanting more explanation. These were a further group of mixed other replies which contain many small points.

Where positive changes are suggested, the answers do not really help us to understand more about how users use accounts but they give an indication of the problems which respondents might have in reading and using the accounts. Some of these suggestions are relevant to policy makers especially: the simplification comments relating to the form of the accounts and technical jargon; the replies asking for more explanation about financial policy, purpose of trusts etc. and the requests for the provision of simpler (probably additional) accounting reports for the average layman. These comments accord with conclusions from the description of the accounting reports in chapter 7. These users comments, it should be noted, do not seem to suggest needing the accounts for further uses but rather enabling users to understand more easily the information which is already presented.

The replies on the whole do not indicate a need for major changes in the accounts presented and particularly that there is no need to increase the amount of information disclosed, even in the more abbreviated accounts such as the RCC, though some would like this in specific cases. A sizable minority (35%) of those giving an answer to the question are actually content with the present form of accounts and want little change. Many of this group of respondents are not only happy with the information produced but think that accountants do a very good job in producing the accounts as they do.

Table 13.2.5 Breakdown of the 'Other Reply' replies to the Change Question

	<u>GGO</u>	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>	<u>TOTAL</u>
General Comments	1 1.3%	9 4.3%	6 5.0%	6 3.2%	19 6.9%	41 4.7%
Improved Presentation	1 1.3%	6 2.9%	2 1.7%	2 1.1%	11 4.0%	22 2.5%
Common Layout	0 .0%	0 .0%	0 .0%	1 .5%	8 2.9%	9 1.0%
Include Budgets	2 2.6%	1 .5%	1 .8%	3 1.6%	1 .4%	8 .9%
Include Trends	2 2.6%	0 .0%	0 .0%	1 .5%	2 .7%	5 .6%
Change Basis	2 2.6%	3 1.4%	0 .0%	0 .0%	1 .4%	6 .7%
Include Per capita figures	1 1.3%	2 1.0%	1 .8%	1 .5%	2 .7%	7 .8%
Unclear meaning	0 .0%	1 .5%	0 .0%	2 1.1%	4 1.5%	7 .8%
Flippant	0 .0%	1 .5%	0 .0%	0 .0%	1 .4%	2 .2%
Other Replies	2 2.6%	17 8.2%	8 6.7%	11 5.9%	43 15.7%	81 9.2%
No Reply in this Section	74 97.4%	192 91.9%	111 93.3%	177 94.1%	231 84.3%	785 90.6%
TOTAL	76	209	119	188	274	866

Note : As over 20% of the cells have an expected frequency of under 5, the chi-square statistic for the full table is unreliable.

### 13.3 Additional questions about possible changes in accounts

#### 13.3.1 Introduction

In addition to the open ended questions about the changes which respondents would like to see in the accounts, three questions were asked about specific changes which might be made to the accounts. Two of these possible changes, summary accounts and budgets, have been discussed in the literature reviewed in chapter 3 whilst the third, half year accounts, is a practice in existence in the profit-making sector. In all six questions were asked of respondents: would a summary of the accounts be (a) useful and (b) interesting (discussed in Ramanathan and Weis, 1981); would the addition of a budget statement be (a) useful and (b) interesting (see for example CICA, 1980) and would half-yearly accounts be (a) useful and (b) interesting. The results to each of these questions are presented in this chapter in sections 13.3.2 to 13.3.4. In addition certain other questions about changes in specific church's accounts were asked and these are reported in section 13.3.5.

We have already seen that the various differences in the structure and content of accounting reports between churches make designing a questionnaire about accounting reports difficult for this sector. This lack of uniformity, most probably the result of the separate development of each organisation with no need for finance from a common source or trading of ownership rights, meant that questions had to be adjusted for each questionnaire so as to fit the differing reports in the study.

The form of the questions in the three areas was nevertheless very similar across questionnaires. In three of the churches no summaries of fund movements were produced, whilst in the RCC the accounts were themselves summary accounts and in GGO an attempt at a summary of fund movements had been tried for the first time. In the area of budgets GGO, COS and MET did not produce budgets as part of the annual accounting reports. LPL had a one page budget statement linked to the required contribution for the following year and the RCC had budgets giving more detail than the actual accounts. The half-year accounts questions were identical for all five churches as none of the churches published

half-year accounts for AGM members, though some did produce these for committee members.

### 13.3.2 Summary Accounts

For the three churches not producing summary accounts, the question about summary accounts was:

"The (1981 accounts) do not contain an overall summary (of movements on the fund accounts) for (the church). Do you think that an overall summary would be:

Very Useful

Very Interesting

Useful

Interesting

Not Useful

Not interesting

Don't Know

Don't Know

" (see note below  
re RCC)

The question was slightly different in GGO as an overall statement had been produced though the results are reported here. In RCC a different question was asked as the accounts are summary accounts and this is discussed at the end of this section. The results of this question for all but RCC are summarised in tables 13.3.1 and 13.3.2.

Overall it can be seen from the responses to the 'usefulness' part of the question shown in table 13.3.1 that, apart from in LPL, a majority of respondents said that they would find a summary of accounts either 'useful' or 'very useful' with respondents in the COS and MET giving the largest number of 'very useful' responses (26.2% and 19% respectively). The reason that LPL does not follow this pattern is that there are a very large number of 'don't know's, possibly due to the fact that to the casual reader it seems as if LPL accounts have a summary in them in the form of the Income and Expenditure (I&E) account. As our analysis of structure has shown, this I&E account is not the only movement statement in the accounts and so an overall summary of movements would still be possible and would give figures including those in the I&E account. Another reason for the high proportion of 'don't know's' in LPL could be the relatively larger number of priests in the respondents though neither the proportion of people with some accounting qualifications nor the level of reported understanding is proportionately higher than in other churches.

Table 13.3.1 Usefulness of summary accounts by church

	LPL	COS	MET	SUB- TOTAL	GGO	TOTAL
NOT USEFUL	11 9.2%	6 4.1%	34 12.4%	51 9.5%	10 13.2%	61 9.9%
USEFUL	42 35.3%	58 40.0%	119 43.4%	219 40.7%	43 56.6%	262 42.6%
VERY USEFUL	8 6.7%	38 26.2%	52 19.0%	98 18.2%	8 10.5%	106 17.3%
DON'T KNOW	47 39.5%	16 11.0%	40 14.6%	103 19.1%	0 .0%	103 16.7%
TOTAL	108	118	245	471	61	532
NO REPLY	11 9.2%	27* 18.6%	29 10.6%	67 12.5%	15 19.7%	82 13.4%
	119	145*	274	538	76	614

- Note: 1. \* In the case of 43 COS respondents who did not receive accounts, the question was not asked.  
 2. Percentages relate to respondents  
 3. A number of chi-square tests have been performed for the table and these indicate:  
 a) Test for columns 1-3 & 5 and rows 1-4 significant at  $p < 1\%$   
 b) Test for columns 1-3 and rows 1-4 significant at  $p < 1\%$   
 c) Test for columns 4 & 5 and rows 1-4 significant at  $p < 1\%$

Table 13.3.2 Interest in summary accounts by church

	LPL	COS	MET	SUB- TOTAL	GGO	TOTAL
NOT INTERESTING	15 12.6%	6 3.1%	24 8.8%	45 8.4%	6 12.7%	51 8.3%
INTERESTING	46 38.7%	61 32.4%	108 39.4%	215 40.0%	47 61.8%	262 42.7%
VERY INTERESTING	6 5.0%	25 13.3%	41 15.0%	72 13.4%	3 3.9%	75 12.2%
DON'T KNOW	35 29.4%	6 3.2%	29 10.6%	70 13.0%	0 .0%	70 11.4%
TOTAL	102	98	202	402	56	458
NO REPLY	17 14.3%	90* 32.4%	72 26.3%	179 33.3%	20 26.3%	231 25.4%
	119	145*	274	538	76	614

- Note: 1. \* In the case of 43 COS respondents who did not receive accounts, the question was not asked.  
 2. Percentages relate to respondents  
 3. A number of chi-square tests have been performed for the table and these indicate:  
 a) Test for columns 1-3 & 5 and rows 1-4 significant at  $p < 1\%$   
 b) Test for columns 1-3 and rows 1-4 significant at  $p < 1\%$   
 c) Test for columns 4 & 5 and rows 1-4 significant at  $p < 1\%$

Table 13.3.2 reports the results of the second part of the question: whether respondents would find a summary interesting. The RCC results have again been excluded from this table. There is very little difference between the answers to this interest question and the previous usefulness question except that more people report that they would find the summary interesting than useful. Part of the difference in 'no replies' to these questions may be partly due to some respondents not realising that both interest and usefulness questions were to be answered.

We should note that in LPL, COS and MET the interest and usefulness questions were hypothetical as it was not possible to show an illustrative copy of a summary account for the church. In GGO a form of summary account had been prepared for the first time (and has been modified in the following year's accounts) and so the question was less hypothetical and consequently a 'don't know' response was not allowed for. The results and the statistics indicate that there are significant differences between GGO and the other churches with a probability of error of less than 1% but the results also show that there are differences significant at  $p < 1\%$  even between the churches LPL, COS and MET, these being mainly due to the LPL results already discussed above.

Overall, approximately 60% of respondents thought that a summary statement either was or would be 'useful' or 'very useful' and 55% thought it would be 'interesting' or 'very interesting'. The lowest percentages were in LPL (42% and 43.7%) with other churches being remarkably similar as regards usefulness: GGO 67.1%, COS 66.2% and MET 62.4%, though slightly different as regards interest: GGO 65.7%, COS 45.7% and MET 54.4%.

The larger proportion of 'very interested' and 'very useful' responses in COS and MET probably indicates a greater felt need for a summary in the more complex accounts of these churches. Several MET respondents also noted that such a summary would be difficult to produce and so expensive, a constraint which would probably mean that it would not be produced (see interview in chapter 16).



Although a majority of recipients do or would find summaries useful and interesting, in such a general research question as this it was not possible to test why this is the case or what form a summary should take. Each of these questions would make an interesting area for further research and would be areas which would have direct benefits to users and producers of accounts. In investigating each of these questions the two hypotheses about the need for such a summary of funds which were first proposed in the early part of this chapter would be relevant ie firstly the need for a summary account for the naive user for overall monitoring of the financial position and to identify whether any further investigations should be made and secondly the need for a summary account to help identify where in the accounts further investigations should take place.

### RCC Results

As the main RCC Accounts are themselves basically a summary the question asked of RCC respondents was in the form:

"The 1981 RCC Blue Book accounts are a summary of movements on the main fund accounts of the RCC. Would you find the reporting of the detailed fund movement accounts which go into this summary to be (Useful) and (Interesting)"

The RCC results thus represent an enquiry into potential usefulness of and interest in detailed accounts rather than in summary accounts and are an investigation almost exactly opposite to the earlier part of the section.

The results of the RCC question, which are reported in table 13.3.3, relate to whether respondents would like detailed statements as well as the summary accounting statements. The results show that 21.7% of respondents would find detailed accounts 'useful' or 'very useful' (though 33% would find them 'interesting' or 'very interesting') in addition to the presently produced summary accounts. However 44.5% of respondents felt that detailed accounts were not useful (and 33% not interesting). It seems then that this very small sample is suggesting a hypothesis that there are two groups of users, one of which would be satisfied with merely summary accounts whilst another, smaller though sizable minority would like to see detailed accounts as

Table 13.3.3 Usefulness and interest of RCC respondents in detailed accounts

NOT USEFUL	93	NOT INTERESTING	69
	44.5%		33.0%
USEFUL	43	INTERESTING	61
	20.6%		29.2%
VERY USEFUL	4	VERY INTERESTING	8
	1.1%		3.8%
DON'T KNOW	38	DON'T KNOW	39
	18.2%		18.7%
	-----		-----
TOTAL	178	TOTAL	177
NO REPLY	31	NO REPLY	32
	14.8%		15.3%
	-----		-----
TOTAL RESPONDENTS	209	TOTAL RESPONDENTS	209
	-----		-----

well. Again the questionnaire was not designed to explore this more fully and it must remain an area for future research.

These results support the first of the hypotheses noted above in that they suggest that many people would not find additional information interesting or useful and thus it may be concluded that they are satisfied with the summary accounts they receive. The results may also support the second hypothesis in that they indicate that between 20 and 30% of respondents would be looking for more information than is presented in the summary accounts.

Respondents may require further information in detailed accounts for a number of reasons. One of these may be the need to ascertain just which funds are included in the summary: facts which are not available in the RCC accounts. Perhaps this area of giving details of the funds included in summary accounts, either balance sheets or movement statements, is one where a clear accounting standard may be required?

The difference between the usefulness of detailed RCC accounts and interest in them indicates that detailed accounts may be interesting rather than useful. This lends support to the hypothesis, identified in the user question, that there is a

quite significant area of use of accounts for general background information purposes as opposed to decision purposes.

In conclusion therefore a majority of recipients of accounting statements in these churches reported that they would find a summary of fund movements useful and a sizable minority would also find it interesting. This is not to say that summaries are by themselves indicated to be useful or interesting. In the case of the RCC where the accounts are themselves summaries we found that about 20-30% of respondents would find detailed accounts useful and interesting in addition to the present accounts. Together these results suggest that in these churches there are two groups of respondents, one for whom summary accounts by themselves would provide adequate information about finances and another for whom summary accounts by themselves would be inadequate.

Further research in this area is indicated not only on the different groups of people that summary and summary plus detailed accounts would best serve but also on why summaries are needed by these groups and what form of summary statements would be most appropriate for users. Such research might usefully concentrate on the two hypotheses. Firstly, that summaries are needed for the naive user for overall monitoring and, secondly, the need to identify where in the accounts further investigations should take place. Any research in this area will take the investigator into how users actually process information and will thus involve general human information processing literature from outside the NPO area and will need to take into account that users might not use accounts for 'decision purposes' but possibly for background knowledge.

### 13.3.3 Budgets

The questions to general respondents about usefulness and interest in budgets were very similar to questions about summaries. Additional questions about use of and interest in budgets were asked of respondents who were also committee members and the results of these are reported at the end of this section. As was indicated in chapter 7, only the RCC and LPL produced budgets as part of their accounting report and so for these groups of respondents the results relate to actual budgets produced whilst for other respondents they relate to hypothetical statements.

The RCC budgets are more detailed than the accounts themselves (see exhibit 7.3.3) and in the RCC questionnaire respondents were additionally asked to report the extent to which the budgets were read. This is discussed further below. In LPL a budget statement was presented in the annual report and accounts where it preceded the annual accounts. Respondents were not asked about their reading of this budget.

The results of questions about the usefulness of and interest in budgets are given in tables 13.3.4 and 13.3.5 respectively. Table 13.3.4 indicates that overall 66.7% of respondents felt that budgets would be 'useful' or 'very useful' and that 64.4% of respondents felt they would be 'interesting' or 'very interesting'. There are differences between the churches in both reported interest and usefulness which are statistically significant mainly with less than a 1% chance of error. Differences between churches do not seem to relate to whether the budgets are actual or hypothetical (differences between both RCC and LPL and GGO, COS and MET are significant at  $p < 1\%$ ) and so we must begin to look elsewhere for differences in perceived usefulness and interest between churches.

Amongst the factors which might be responsible for this difference between churches are the organisational level, style of management, complexity of accounts and differences in respondent mix. The responses of 'very useful' and 'useful' for budgets appear to fit into three bands: GGO (78.9%) and LPL

Table 13.3.4

	<u>Usefulness of budget by church</u>							TOTAL
	RCC	<u>Actual</u>		GGO	<u>Perceived</u>			
		LPL	SUB-TOTAL		COS	MET	SUB-TOTAL	
NOT USEFUL	29	15	44	8	34	69	111	155
	13.9%	12.6%	13.4%	9.5%	18.1%	25.2%	20.6%	17.9%
USEFUL	126	68	194	41	84	121	246	440
	60.3%	57.1%	59.1%	53.9%	44.7%	44.2%	45.7%	50.1%
VERY USEFUL	22	30	52	19	27	42	88	140
	10.5%	25.2%	15.9%	25.0%	14.4%	15.3%	16.4%	16.6%
DON'T KNOW	0	0	0	0	26	22	48	48
	0.0%	0.0%	0.0%	0.0%	13.8%	8.0%	8.9%	5.5%
TOTAL	177	113	290	68	171	254	493	783
NO REPLY	32	6	38	8	17	20	45	83
	15.3%	5.0%	11.6%	10.5%	9.0%	7.3%	8.4%	9.6%
	209	119	328	76	188	274	538	866

Note: 1. Percentages relate to respondents

2. A number of chi-square tests have been performed for the table and these indicate:

a) Test for columns 1-2 and 4-6 (rows 1-4) significant at  $p < 1\%$

a) Test for columns 1-2 (rows 1-3) significant at  $p < 1\%$

b) Test for columns 4-6 (rows 1-4) significant at  $p < 1\%$

c) Test for columns 1&2 c/f 4,5 & 6 (rows 1-4) significant at  $p < 1\%$

Table 13.3.5

	<u>Respondents Interest in budget by church</u>							TOTAL
	RCC	<u>Actual</u>		GGO	<u>Perceived</u>			
		LPL	SUB-TOTAL		COS	MET	SUB-TOTAL	
NO INTEREST	32	14	46	2	19	52	73	119
	15.3%	11.8%	14.0%	2.6%	10.0%	19.0%	13.6%	13.7%
INTERESTING	128	57	185	42	92	117	251	436
	61.2%	47.9%	56.4%	55.3%	48.9%	42.7%	46.7%	50.3%
VERY INTING	18	25	43	14	22	43	79	122
	8.6%	21.0%	13.1%	18.4%	11.7%	15.7%	14.7%	14.1%
DON'T KNOW	0	0	0	0	25	10	35	35
	0.0%	0.0%	0.0%	0.0%	13.3%	3.6%	6.5%	4.0%
TOTAL	178	96	274	58	158	222	438	712
NO REPLY	31	23	54	18	30	52	100	154
	14.8%	19.3%	14.5%	23.7%	16.0%	19.0%	18.6%	17.8%
	209	119	328	76	188	274	538	866

Note: 1. Percentages relate to respondents

2. A number of chi-square tests have been performed for the table and these indicate:

a) Test for columns 1-2 and 4-6 (rows 1-4) significant at  $p < 1\%$

a) Test for columns 1-2 (rows 1-3) significant at  $p < 1\%$

b) Test for columns 4-6 (rows 1-4) significant at  $p < 1\%$

c) Test for columns 1&2 c/f 4,5 & 6 (rows 1-4) significant at  $p < 1\%$

(82.9%); COS (59.1%) and MET (58.5%) and finally the RCC (70.8%). Both GGO and LPL are regional organisations with an 'Anglican' style of management. The RCC is a national organisation but also of 'Anglican' tradition. All these three, and particularly the first two, have activities with much local impact and therefore much local interest in ongoing affairs. On the other hand, COS and MET have different management traditions and are central organisations having a less immediate influence on local affairs.

We saw above in chapter 10 that the level of reading appeared to be related directly to the number of sections in the accounts and it is possible that use for and interest in budgets might be in some way related to complexity in the accounts. The churches with longer accounts (COS and MET) do have respondents with less use for and interest in budgets but this is a pattern not repeated for the shorter accounts where LPL shows a higher interest than GGO and RCC.

In chapter 10 we also saw that one of the key elements in respondent mix was committee membership. The percentages of committee members and the percentages of 'useful' and 'very useful', 'interesting' and 'very interesting' responses are shown in table 13.3.6 and indicate that there is no obvious relationship between the variables. We must conclude therefore that the differences between churches in answering this question about budgets may include elements of each of these explanations but there is little which is obvious from the data collected in this study.

Table 13.3.6 Percentages of Committee members and perceived

	<u>interest in and use for budgets</u>				
	LPL	GGO	RCC	COS	MET
% Committee members	55.5%	47.4%	25.4%	29.3%	46.3%
% Useful & V Useful replies	82.9%	78.9%	70.8%	59.1%	58.5%
% Interesting and V I replies	68.9%	73.7%	69.8%	60.6%	58.4%

The very strong overall interest in and use for budgets may be ascribed to two possible causes: that the budgets are important in affecting future decisions of members and their local churches or that the budgets are an indication of implementation of future policy of the church so providing information for church members.

Both these observations are consistent with the hypothesis that whilst past performance might be of interest for evaluation purposes, the main financial decision-making taking place in churches, whether at a local church, central church or a personal level, is related to the allocation of future resources and this takes place in the budgeting process rather than on the basis of any past financial information.

We shall see later (in chapter 15) that budgeting is an important activity in nearly all the churches in the study and as budgets are the formal allocation plans of churches it is not difficult to see that they might be of great interest to the respondents to the questionnaire who, besides being users of financial information, might also be regarded as the main policy-making body of the various churches. We shall also see in chapter 15 that the budget is a key element in controlling the expenditure of the church organisations in the study, especially where financial resources are the main constraint on the way the organisation operates.

The allocation of resources in the churches does not appear to be done on the basis of any performance criteria but instead is decided via a political process. This process has as its result the budget which summarises and operationalises the outcome of the political process.

#### RCC Budget Reading

There are several detailed budgets shown in the RCC Blue Book, it was decided to try to find out how many respondents to the RCC questionnaire were asked to indicate how much they read these budgets in order to see how the results of the questions in the first part of this section agreed with reported reading.

The results are shown in table 13.3.7 and these indicate that over 50% of respondents reported reading the budgets in the RCC Blue Book at least briefly with only around 11% not reading them at all. Though these are quite high readership figures, they are in fact similar to the overall reading scores for the RCC accounts, though there was considerably less variation in

reported reading between particular statements in the budgets than in the accounts. Of the budgets, the ones most highly read are those relating to the allocation of congregational contributions (quota) between the various boards and the allocation of quota to dioceses. The detailed budgets for the spending funds are less well read than these but still read by about 50% of respondents.

Table 13.3.7 Percentages of RCC respondents reporting reading budgets included in the Blue Book

	Do not Read	Glance at	Read Briefly	Read Thoroughly	No Reply
Quota Allocation	7.2%	18.2%	34.4%	35.4%	4.8%
1982 Diocesan Quotas	7.7%	17.7%	34.9%	34.0%	5.7%
Clergy Stipend Fund Grants	11.0%	24.9%	33.0%	25.8%	5.3%
Home Mission Fund Grants	11.0%	26.3%	37.3%	18.2%	7.2%
Joint Board Budget	12.4%	30.6%	28.7%	18.2%	10.0%
Theological College Budget	11.5%	31.1%	32.1%	17.7%	7.7%
Board of Education Budget	9.6%	33.5%	32.1%	16.7%	8.1%
Overseas Mission Bd Budget	11.5%	29.7%	35.4%	16.3%	7.2%
Social Service Bd Budget	11.5%	28.7%	36.8%	15.8%	7.2%

The RCC budget statements contain not only the budget information for the next, current and previous years but also the actual spending for the previous year and an estimate of spending for the current year. It is possible therefore that these budgets may be viewed as a surrogate for the detailed accounting information not provided by the summary Provincial Revenue Account, although it is not possible to reconcile the total estimated spending shown on budgets with the Provincial Revenue account. One or two respondents reported that the budgets should have actual figures for the current year rather than the estimates they have at present.

The reported reading of budgets reported here seems to agree with the reported usefulness and interests in budgets. About 14% of respondents reported finding the budgets not useful and a similar percentage reported not reading them. This suggests at the very least that the results in this questionnaire are consistent.



Committee Use of Budgets

Section D of the questionnaire allowed the asking of questions about use of and interest in budgets to be directed to committee members in relation to their work as committee members. The form of the questions used is exactly the same as that in the main questionnaire but it was necessary to adjust the questions to allow for respondents to comment on both actual budgets received and hypothetical budgets as it was possible, certainly in COS and LPL for different committees to have different practices about providing budgets for members. In GGO no budgets were provided at the time of the study and in the RCC budgets were provided for each committee.

The results are shown in two tables 13.3.8 and 13.3.9. Table 13.3.8 is 'hypothetical' usefulness of budgets and 13.3.9 is 'actual' usefulness of budgets. The tables for 'interest' have not been reproduced though as show similar patterns. In commenting on the results, the first item of importance to note is that there are significantly more 'no replies' in both these tables than in the general tables above. Perhaps some of this is related to respondents running out of patience to fill in the last part of the questionnaire but it has also been possible to isolate several other reasons for non-reply: that the respondent is a member of a non-financial committee, that the respondent is a new member of the committee and that the particular committee does not produce a budget for table 13.3.9 or it does for table 13.3.8. The balance of 'no replies' is still extremely high for table 13.3.8 and these results must be suspect. However in both cases, of those who gave a reply, between 33% (table 13.3.8) and 48.8% (table 13.3.9) felt that budgets were 'very useful' and 46.2% and 48.8% respectively felt they were 'useful'. This is not of course unexpected but it does confirm that this sort of accounting information is helpful to the committees in these churches.

Table 13.3.8 Reported Use of budgets for committee work if they were produced

	<u>GGO</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>	<u>TOTAL</u>
NOT USEFUL	1 2.8%	5 7.6%	4 7.3%	9 7.1%	19 6.7%
USEFUL	11 30.6%	6 9.1%	5 9.1%	20 15.7%	42 14.8%
VERY USEFUL	15 41.7%	2 3.0%	2 3.6%	11 10.2%	30 6.3%
<b>SUB-TOTAL</b>	<b>27</b>	<b>13</b>	<b>11</b>	<b>40</b>	<b>91</b>
NON-FINANCIAL CTTEE	2 5.6%	2 3.0%	1 1.8%	13 10.2%	18 6.3%
NEW MEMBER (DON'T KNOW)	0 0.0%	3 4.5%	3 5.5%	0 0.0%	6 2.1%
NOT APPLICABLE	0 0.0%	2 3.0%	8 14.5%	27 21.3%	37 13.0%
NO REPLY	7 19.4%	46 69.7%	32 58.2%	47 37.0%	132 46.5%
	<b>36</b>	<b>66</b>	<b>55</b>	<b>127</b>	<b>284</b>

Note : As over 20% of the cells have an expected frequency of under 5, the chi-square statistic for the full table (which indicates a relationship significant at a level of  $p < 0.001$ ) is unreliable.

Table 13.3.9 Reported Use for actual budgets for committee work

	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>	<u>TOTAL</u>
NOT USEFUL	4 7.5%	0 0.0%	0 0.0%	0 0.0%	4 1.3%
USEFUL	17 32.1%	16 24.6%	20 36.4%	31 24.4%	84 27.9%
VERY USEFUL	14 26.4%	16 24.2%	11 20.0%	43 33.9%	84 27.9%
<b>SUB-TOTAL</b>	<b>35</b>	<b>32</b>	<b>31</b>	<b>74</b>	<b>172</b>
NON-FINANCIAL CTTEE	6 11.3%	2 3.0%	1 1.8%	13 10.2%	22 7.3%
NEW MEMBER (DON'T KNOW)	3 5.7%	4 6.1%	3 5.5%	0 0.0%	10 3.3%
NOT APPLICABLE	0 0.0%	15 22.7%	12 21.8%	23 18.1%	50 16.6%
NO REPLY	9 17.0%	13 19.7%	8 14.5%	17 13.4%	47 15.6%
	<b>53</b>	<b>66</b>	<b>55</b>	<b>127</b>	<b>301</b>

Note : As over 20% of the cells have an expected frequency of under 5, the chi-square statistic for the full table (which indicates a relationship significant at a level of  $p < 0.001$ ) is unreliable.

#### 13.3.4 Half-Year Accounts

Accounts for periods of less than one year (here generically called 'half-year accounts') were not produced by any of the churches in the study for 'external' consumption though they were produced for internal use by boards, committees and managers mainly for control purposes (see chapter 15). The results of the questions about interest and usefulness of half-year accounts for all respondents are shown in tables 13.3.10 and 13.3.11. In addition a similar question was asked of committee members about their use of half-year accounts for committee work and the results of this are shown at the end of this section.

The overall impression of the general results is that half-year accounts would not be useful (65.4% of respondents) nor interesting (43.1%). Though there are differences between churches significant with a chance of error of less than 1% there seems to be little pattern to these differences and it is not proposed to investigate these here. Despite this general impression there is a significant minority in all churches who expressed interest in half-year accounts of the churches. The church where perceived usefulness and interest is highest is GGO (26.3% and 42.1%) and the lowest RCC (15.3% usefulness) and LPL (23.5% interest).

In the questionnaires there were a number of unsolicited comments added to the replies to these half-year accounts questions. These were not analysed in detail but they indicate that the production of half-year accounts was regarded by some respondents as a waste of resources. As the respondents or their churches ultimately have to pay for the cost of any accounts production this must be taken as indicating that half-year accounts would have less value to these respondents than the additional cost they would incur.

The reasons for lack of perceived usefulness of and interest in half-year accounts may be related to a general lack of interest in accounting matters but another explanation is that the organisation's spending, resource allocation and resource collection is meaningful, for most AGM members, primarily in an annual context. Interim figures of both funds received and

Table 13.3.10 Perceived Usefulness of half-year accounts by church

		GGO	RCC	LPL	COS	MET	TOTAL
NOT USEFUL	1.	44	154	95	95	178	566
		57.9%	73.7%	79.8%	50.5%	65.0%	65.4%
USEFUL	2.	18	28	15	37	47	145
		23.7%	13.4%	12.6%	19.7%	17.2%	16.7%
VERY USEFUL	3.	2	4	4	4	8	22
		2.6%	1.9%	3.4%	2.1%	2.9%	2.5%
DON'T KNOW	8.	0	0	0	29	19	48
		.0%	.0%	.0%	15.4%	6.9%	5.5%
TOTAL		64	186	114	165	252	781
NO REPLY		12	23	5	23	22	85
		15.8%	11.0%	4.2%	12.2%	8.0%	9.8%
		76	209	119	188	274	866

Note : As over 20% of the cells have an expected frequency of under 5, the chi-square statistic for the full table (which indicates a relationship significant at a level of approximately  $p < 0.01$ ) is unreliable.

Table 13.3.11 Perceived Interest in half-year accounts by church

		GGO	RCC	LPL	COS	MET	TOTAL
NO INTEREST	1.	27	97	73	61	115	373
		35.5%	46.4%	61.3%	32.4%	42.0%	43.1%
INTERESTING	2.	30	70	25	46	75	246
		39.5%	33.5%	21.0%	24.5%	27.4%	28.4%
VERY INTING	3.	2	5	3	4	10	24
		2.6%	2.4%	2.5%	2.1%	3.6%	2.8%
DON'T KNOW	8.	0	0	0	31	16	47
		.0%	.0%	.0%	16.5%	5.8%	5.4%
TOTAL		59	172	101	142	216	690
NO REPLY		17	37	18	46	58	176
		22.4%	17.7%	15.1%	24.5%	21.2%	20.3%
		76	209	119	188	274	866

Note : As over 20% of the cells have an expected frequency of under 5, the chi-square statistic for the full table (which indicates a relationship significant at a level of approximately  $p < 0.01$ ) is unreliable.

expended are not a reliable guide to annual figures without considerable (and costly) interpretation and so such figures are not generally seen as a need.

Nevertheless there is a sizable minority of AGM members who would be interested in half-yearly reports of spending and it must be concluded that these members are looking for some sort of indicator of part year spending either for a general information use or as a specific monitoring device for decision making.

In order to investigate this matter more thoroughly more research would be needed probably with more information about the sort of information that may be presented. Such research should be undertaken before any general non-profit accounting policy is made in this area. If half-year accounts are forced onto churches by way of an accounting standard and the first of these interpretations is correct then such a policy would lead to a misallocation of the internal resources of the organisation.

It should be noted however that none of this implies that internal accounts are not useful to assist the internal operation of the organisation, a matter that is taken up in more detail in chapter 15. In the questionnaire a separate question about half year accounts was directed to committee members and the results are shown in tables 13.3.12 and 13.3.13. As with the similar questions on budgets only the results of the 'usefulness' question are reported here and the same comments apply to the 'no reply' responses which are not repeated again.

In the three churches LPL, COS and MET, an average of 29% of respondents report that their committees prepare some sort of interim accounts. Of these 72 respondents 90% felt that the half-year accounts were 'useful' or 'very useful' with the highest percentage of 'very useful' responses being in MET (53% of respondents). This indicates that committee members see value in the half-year accounts and this could be part of the explanation for the minority of respondents in the general section who would like half-year accounts.

Table 13.3.12 Reported Use for half-year accounts for committee work if they were produced

	<u>RCC</u>	<u>LPL</u>	<u>COS</u>	<u>MET</u>	<u>TOTAL</u>
NOT USEFUL	18	14	5	20	57
	34.0%	21.2%	9.1%	15.7%	18.9%
USEFUL	11	12	3	10	36
	20.8%	18.2%	5.5%	7.9%	12.0%
VERY USEFUL	5	1	1	5	12
	9.4%	1.5%	1.8%	3.9%	4.0%
<b>SUB-TOTAL</b>	<b>34</b>	<b>27</b>	<b>9</b>	<b>35</b>	<b>105</b>
NON-FINANCIAL CTTEE	6	2	1	13	22
	11.3%	3.0%	1.8%	10.2%	7.3%
NEW MEMBER (DON'T KNOW)	3	3	3	0	9
	5.7%	4.5%	5.5%	0.0%	3.0%
NOT APPLICABLE	3	2	6	26	37
	5.7%	3.0%	10.9%	20.5%	12.3%
NO REPLY	7	32	36	53	128
	13.2%	48.5%	65.5%	41.7%	42.5%
	<b>53</b>	<b>66</b>	<b>55</b>	<b>127</b>	<b>301</b>

Note: 1. As over 20% of the cells have an expected frequency of under 5, the chi-square statistic for the full table (which indicates a relationship significant at a level of  $p < 0.001$ ) is unreliable.

2. The question was not asked in GGO.

Table 13.3.13 Reported Use for actual half-year accounts for committee work

	<u>LPL</u>	<u>COS</u>	<u>MET</u>	<u>TOTAL</u>
NOT USEFUL	1	2	4	7
	1.5%	3.6%	3.1%	2.8%
USEFUL	6	6	18	30
	9.1%	10.9%	14.2%	12.1%
VERY USEFUL	5	5	25	35
	7.6%	9.1%	19.7%	14.1%
<b>SUB-TOTAL</b>	<b>12</b>	<b>13</b>	<b>47</b>	<b>72</b>
NON-FINANCIAL CTTEE	2	1	13	16
	3.0%	1.8%	10.2%	6.5%
NEW MEMBER (DON'T KNOW)	3	3	0	6
	4.5%	5.5%	0.0%	2.4%
NOT APPLICABLE	35	32	47	114
	53.0%	28.2%	37.0%	46.0%
NO REPLY	14	6	20	40
	21.2%	10.9%	15.7%	16.1%
	<b>66</b>	<b>55</b>	<b>127</b>	<b>301</b>

Note : As over 20% of the cells have an expected frequency of under 5, the chi-square statistic for the full table (which indicates a relationship significant at a level of  $p < 0.001$ ) is unreliable.

## Chapter 14 Conclusions from the Questionnaire study

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### 14.1 Introduction

In the previous four chapters we have presented the results from the questionnaire study. In this chapter we shall bring together the major conclusions from these results and identify the major findings. Each of the four preceding chapters will be summarised first and the summary of findings will be given in the final section.

As this questionnaire was set in the context of a descriptive study, there was no serious attempt to test hypotheses, although, as we saw in chapter 9, some of the questions were designed around areas of interest from the literature eg the consolidation issue. Rather, the questionnaire was designed to describe present use and understanding of accounting statements by users, to illustrate this and if possible identify hypotheses about the users, their use and understanding of accounts and their opinions.

The results were split into four categories: questions about users and their use of accounts, questions about the background beliefs of users about accounts (which may well influence their own use of accounts), questions about the understanding of accounts and finally questions about the changes, if any, which users might like to see in the accounts. We summarise below the results of each of these chapters.

### 14.2 Users and Uses of Accounts

Chapter 10 reported the questionnaire results concerning who are the users of accounting reports and gave a brief profile of the users. The chapter also gave the uses of accounting information declared by users and the results of questions about specific uses of accounts and about the reading of accounts by users. We also noted in passing that there were a small group of users not contacted by the questionnaire who are seen in the literature to be potentially important users of accounts: banks and legal oversight bodies. Some informal interviews were undertaken with representatives from this group and were reported at the end of

the chapter.

An important reservation in interpreting these results about users is that the study only contacted the first hand users of accounts. We saw that there was a potential use of accounts by at least as many people as received them first hand. However indications from comments in the questionnaire related to the question of the number of people reading accounts suggested that the 'second-hand' users tended to be those given access to a copy of the accounts (eg local churches) rather than seeking use of them, and so the actual use made by this group is probably of quite small proportions. The exception to this may be in COS where several ministers attending the AGM reported passing on their copy of the accounts to their local church treasurer(s).

A second reservation of the study is that it is only of the main published accounts and not of any additional (secondary) abbreviated accounts which may be produced. In the five churches in the study secondary accounts were produced in three of the churches but these were not produced for all sections of the organisation. Where there was secondary information produced ie in MET and COS, the information seemed to have a different target user group than the main accounts, chiefly potential donors and interested supporters. We might hypothesise that such secondary information has a much more specific user orientation than the general financial statements and it would provide an interesting area for further research to discover where such secondary accounts were produced, who are their users and what is their orientation.

The users of accounts contacted in these case studies are therefore mainly those who receive the primary financial statements first hand. Chapter 10 gave a brief profile of these users which showed that the users are mainly the members of the relevant church AGM(s) and reflect the composition of those bodies though in LPL accounts were also distributed to all church treasurers and clergy whether or not they were AGM members.

The church AGM's consist mainly of representatives from the local churches or areas and many of these people hold offices in their



own local and area church organisations. The members of this user group are well educated with over half having degrees and many others with diplomas and professional qualifications. About half the respondents were clergy, this being in line with the composition of the various AGMS. Only 11% of respondents had any sort of accounting qualifications and overall, the membership tended to be in the over 45 age group with only 30% being under 45. This latter observation is probably consistent with the view that respondents are 'respected' local church members elected to represent the local church.

As might be expected in a cross-section of representatives from churches, there were a number of interests in different aspects of church life represented in the sample. Of the interests the highest reported was 'worship' and the lowest 'women's work', this latter probably indicating a small percentage of women in the sample. A fairly large minority declared an interest in administration. The respondents also reported making a significant financial contribution to the local church with their giving at local church level being significantly higher than the average for the church concerned. They also made a significant contribution of time to the church. The time contribution for spare-time church workers in the study averages about 18 hours a month.

The overall profile then is one of a group of people fairly well committed to supporting the church in all aspects of church life. This group of detailed users closely resembles the pattern of users identified in the preliminary survey of churches reported in chapter 5.1. However certain groups identified in the literature eg creditors, external finance providers, oversight bodies, are not found among users in the profile. We shall see in chapter 15 that these groups are not perceived by information preparers to significantly affect the way in which accounts are prepared and, from informal interviews with potential users, seem to make no use of the accounts.

The majority of the users in the profile may in some sense be viewed as 'internal' users of accounts because they are an

integral part of the management of the church, albeit at a very general policy level. In the literature, reviewed in chapter 2, we saw that the users found in this profile would be separately identified as four groups of users: donors, management, members and beneficiaries. If we wish to reconcile the groups in the literature with those in this profile we must make two important qualifications: that the users of accounts in churches may be playing two or more of the four user 'roles' at any one time and that the users may be at one time both actual donors, beneficiaries, members and managers and representative donors, beneficiaries and members.

The conclusion from this discussion is that the basic user groups suggested in the literature may have to be modified in churches as users appear to have multiple 'user roles'. In addition there is in these organisations only a blurred dividing line between internal and external users of accounts especially in that members, donors and beneficiaries may also be managers in some sense. The small number of truly external users eg banks, oversight bodies and researchers, make up only a very tiny proportion of users and seem to have little influence on the form of the accounting reports.

In chapter 2 we posited a situation in which the participant groups may overlap and this discussion seems to suggest that this is indeed the case in churches. We may of course want to separate out these different 'user roles' for conceptual reasons but we should realise that in reality users play multiple roles. We should also note that this situation may not be entirely unique to churches and particularly may be similar to trade unions and other charities.

Having identified and profiled the users we then discussed in detail the uses which these people reported making of the accounts and their reading of the accounts. We noted that the questionnaire clearly distinguished between use and reading and we were able to contrast use with reading. We also saw that the highest overall reading of accounts was by those respondents using accounts for 'committee work' and the lowest by those

reporting 'no use' for the accounts. Whilst there is a definite difference in average reading scores between the various uses reported it is interesting to note that there is quite a wide range of reading in each use group declared. In particular some of those reporting 'no use' also reported reading the accounts quite extensively and some using accounts for 'committee work' reported no reading.

We also noted that few respondents used the accounts as their main source of financial information and that those using sources other than annual accounts and committee reports are not amongst the thorough readers of accounts.

The reported uses of accounts were given in some detail. The overall impression is that over 70% of respondents found some use for accounts with 30% either not replying or giving a 'no use' response. The use which was mentioned by most respondents was 'information' and this, together with two other uses, 'passing on information' and 'use at the AGM', have not previously been among the uses suggested in the literature.

We saw that on the whole responses in each of these three areas gave little clue as to why the information was required but that three possible explanations seemed to be feasible: that the responses included the general idea of 'monitoring' what was going on in the church, either for 'stewardship' or 'management' purposes; that the information was to add to personal knowledge about the organisation's activities (as reading a newspaper might add to an individual's global information base) and finally that the information was needed to assist in the duties of representing a local or area church, an item emphasised clearly in the 'passing on of information' replies.

We should note in the context of this 'information' use that the detail in nearly all the accounts is very much in breadth detail i.e. disclosing broad financial details about many different aspects of work rather than in depth about a specific aspect of work. As such the accounts give an impression of what the church is involved with, perhaps in more detail, for those able to read

accounts, than is given in the written annual reports.

Each of the remaining reported uses may in some sense be regarded as uses with a 'decision' purpose but they only account for replies by 15.3% of respondents. The major use in this area is 'committee use' (12% of respondents). If these are the major identified decision uses then the results of the study suggest that decision use is not an important extant use for the accounts of churches by the majority of users. It was realised however that the 'information' responses, though not explicitly identifying decision purposes, may nevertheless be consistent with three 'decision' situations: that accounting information is not used as a major input to decisions made by most users; that accounting information is a major input to decisions but there are very few of these for the average user and that accounting information is a major input to decisions but only for a few users. The questionnaire was unable to provide answers to which of these situations is more likely to be the case.

One way in which the questionnaire did explore a little of the problem area was to ask two further questions about the effect of accounts on personal giving and on congregational giving. Though the questions were designed as a cross check on whether respondents omitted these potential uses it does yield some insight into these decision areas. As we have seen these two questions produced results indicating that, in overall terms, accounting information was only an influence on giving in the case of 29.6% of respondents and accounts were considered by only 21.4% of congregations before deciding on how much quota to pay.

The questionnaire also elicited that for many respondents the main influence on personal giving was their income with local church needs coming second. (Unsolicited comments suggested the main influence on local church giving was the level of contribution requested). This indicates that at least in this area accounting information has little effect on the decision making of a majority of users. This is not to say there are no other decisions made which might be affected by accounts eg whether to vote for a particular change in policy, but this

giving area is one on which the literature has concentrated. It is possible to suggest situations in which accounting information may affect giving eg when a crisis of confidence in management occurs or when bankruptcy is faced but these appeared not to be 'normal' situations in churches.

In conclusion the users indicated that accounts were used for some decision situations including use for input to a giving decision (particularly in MET), use for committee work, in fund raising and grant applications. However, there was a larger group of respondents who used accounting reports for 'information' a use not so far reported in the literature.

In the absence of a widely agreed decision use by users as is suggested by these results, it seems that accounting policy makers have two courses to follow if they believe that decision purpose should direct the focus of accounting information:

1. The policymakers may concentrate on the decision uses which are extant in the reports eg uses for committee members, and simply give everyone else the same information. This would probably oversupply the information needs of some users (see section 14.5) but would keep the costs of production low.
2. The policymakers may hypothesise the decision uses which may be made of the accounts by users and base future church accounts preparation on these hypotheses until shown to be incorrect by pressure from users. This seems to be the situation which has been pursued to date and as we shall see is one which seems to satisfy most of the users contacted.

The second major aspect of use considered in chapter 10 was the reading of accounts by users. We have already summarised the discussion about the relationship between reading and use earlier in the chapter. Here we shall discuss the reading results as they aimed firstly to discover which accounting statements were most read and secondly to produce an overall reading score for each respondent which could be used as a measure of his or her reading of accounts in further tests.

The reading score system developed was one which identified

reading about a given reading level. A score of zero indicates reading on average at the chosen 'pivot' level (eg 'read briefly') whereas a score of '-1' indicates average reading of all sections of the accounts below the pivot level and '+1' average reading of all sections above that pivot level. Scores were developed for two different pivot levels, 'glance at' and 'read briefly' but the 'glance at' level is used for most tests.

Overall there were some interesting results, especially that very few people reported not reading the accounts at all and equally few people reported reading all accounts thoroughly. This former finding is surprising in view of the lack of use reported earlier, though it is accepted that part of the reason for this could be that people did not wish to report reading nothing! It is also possible that this 'reading without use' indicates that there is an 'information use' where background information is collected by users from accounting statements to a greater extent than was indicated in responses to the use question.

The results of reading of individual sections of accounts were difficult to compare across churches due to the lack of uniformity in accounting presentation of accounting statements. It was possible to identify that certain types of accounting reports eg details of contributions, were more widely read than others in all churches. In seeking a reason for this, it was hypothesised that the reason for higher reading of these sections was related to the way in which accounts were read ie that reading involved finding a reference point (eg congregational giving), a general overall statement of position (balance sheet) and movement (Income and Expenditure account) and then detailed statements these latter statements being for those interested in these areas (especially the support of the Ministry).

It was suggested that an interesting area for future research would be to investigate whether this search pattern really was the case especially as it may have implications for the way we present accounting information to users. The only tentative findings from this research in this area are that respondents seem to seek out for reading the reports they are interested in

and do not read most say the early statements in the accounts. Tests were carried out to see if accounts read related to particular areas of interest in the church. The results of this were somewhat inconclusive though clearly demonstrated in certain instances that interest of respondents in an area of church work was related to their reading of accounts in that area. From these findings we cannot reject the hypothesis that reading is related to interest though further research work would be needed to identify the relationship possibly controlling for interests of the representative constituency of users, ie areas in which they know they will be asked questions.

One interesting result about from these tests of reading and interest is that in several churches there is a significant chi-square relationship between those expressing an interest in administration and the reading of several sections of accounts. This suggests that those interested in administration read the accounts more widely than those without such an interest.

The final area of tests done here with reading was to compare reading score of respondents across churches. Cumulative frequency distributions of reading scores for each church were built up using each scoring scheme. The main conclusion from this is that in churches with a large number of sections in their accounts, the accounts were less well read overall than in churches with a small number of sections of accounts. This result was independent of the scoring scheme used. Though the result was demonstrated with cumulative frequency distributions it can also be seen with respect to the mean reading scores.

Several hypotheses about the causes of this were suggested: that the number of committee members in the sample varies, that the readers have an upper limit to the amount of a document that they will read and that longer sets of accounts have more special accounts of interest to few users. Each of these hypotheses was tested in some way against the questionnaire results but it was not possible to firmly accept or reject any of them.

### 14.3 User Perceptions of Purposes and Uses of Accounts

Chapter 11 reported on the questions asking about users perception of the purpose of accounts, users of accounts, sensitivity of information and about direction of ownership. These are all questions from section C of the questionnaire.

In the 'purpose' question three major responses were received: that accounts were intended for information (37.9% of respondents), for stewardship (34.2%) and legal reasons (21.6%). We saw that as far as the information group of responses were concerned there are three main ideas in the responses: general information is needed about the organisation, that information is needed about the funds which the church holds and information is needed about how the funds have been spent. The first of these ideas follows closely the main use of information identified in chapter 10.

Stewardship, the second area, was meant in the accounting sense of the term: that accounts are needed to check what is going on. The main idea in this area was that stewardship and accountability reports are required by users - showing that managers had expended the money 'properly'. There were some respondents noting that the stewardship reporting was important from the point of view of officers in order that they may demonstrate that they had used the money 'correctly'. Only a few responses included any suggestion that accounts should also demonstrate efficiency or effectiveness of spending.

Two other groups of responses are closely related to the stewardship group. They are to 'check abuses' and 'audit' where the main ideas are that accounts were prepared specifically to control abuse and for audit purposes. Audit is seen here as an end reason for preparing accounts rather than the audit being an integral part of the presentation of information to users.

The other major purpose of accounts seen by users is 'legal reasons' and although this was a more marked response in the two English based churches, it was also found in Scottish based churches. This indicates that at least some users are aware of the legal obligations which are placed on churches as charities.



Outwith these main groups were a number of other perceived purposes. One group felt that there was no purpose for the accounts, another perceived that the accounts were used for 'planning' and 'control', though this was only a small percentage overall. Only 5.5% of respondents, chiefly in MET, saw accounts as useful for 'fund raising'.

The purpose seen for the accounts by the vast majority of users is not connected with fund raising or planning and control but rather to provide information about what is going on and a check on stewardship. As with the previous discussion on uses, it could be that these responses are deficient in not identifying an extant decision purpose as a perceived use for accounts but equally it could be that once again respondents are not aware of accounting information being a major input to decisions.

The second area of background beliefs discussed was about who would be the users of church accounts. The list of overall responses was all quite similar to that proposed in the literature (see chapter 2) but with the exception of 'creditors' or 'business' and an emphasis much more like that found in the actual distribution of accounts identified in chapter 5.1. A significant number of respondents mention legal requirements but the bulk of the identified users are connected with management of the church at one or other level. A number of respondents mention simply 'the church' or 'church members' as potential users though in fact these accounts on the whole are not sent to individual church members.

There are one or two very interesting groups mentioned in the responses. The 'auditor' is seen as a user by 6.2% of respondents. This indicates again that some users see the audit is seen as an end use rather than a verification process.

Another idea which was suggested by respondents was that there were perceived to be a group of expert users. This included suggestions such as: 'financial experts' or 'interested members' or 'members who understand'. The idea could be interpreted as meaning 'they are not for me because I'm not an expert' or it

could also indicate that there is perceived to be a number of 'expert users' in the organisation who do understand and who would comment on the accounts. If these results do indicate a belief in an expert user, the evidence is inadequate to suggest how widespread this belief is and to show how these experts might be identified.

The question of whether experts exist is an important one with respect to churches and other NPOs. If such experts do exist then perhaps meeting their needs is an area on which policy makers should be concentrating. However they do not form any discernible group in the same way that investment analysts do in the PSO. It is also possible that if financial experts do exist in churches they are internalised into the organisation by being asked to become members of committees etc. If no such experts exist and users are on the whole not capable of scrutinising accounts then there may be a strong case for an outside expert to be appointed to scrutinise. Quite obviously some respondents see the auditors as fulfilling this role.

The penultimate section in chapter 11 looked at who users felt church property was held in trust for. We saw that of the decisions given in the questionnaire a majority of respondents believed property was held in trust for 'present members' and 'future members'. A large minority of 40% of respondents felt that the property was held in trust for 'God' implying a higher stewardship ideal. Only small percentages felt that assets were held for donors and non-members.

The importance of the results from this property trust question is that it indicates that the respondents who are both members and representatives of members see property as being held in trust for both themselves and third parties - the other members and future members particularly. One possible conclusion from this is that they perceive that they are involved in a trustee management situation and are not simply managing assets for their own benefit. One interesting question which might be pursued from this is whether the agency situation is therefore different from that operated in the PSO environment.

The final section in the chapter looked at the results of the question about perceived sensitivity of information. We saw that very few people believed that any information in the accounts was so sensitive that it should not be revealed, even to non-church members. The main implication of this from a policy view point is that users did not expect that information needed to be hidden from them or others by the preparers of information, except possibly in the area of personal grants (and in a few cases where there were political grants which might be misunderstood without a good deal of explanation).

#### 14.4 Respondents Understanding of Accounts

It proved difficult to design questions about users understanding of accounts because the form of accounts was not standard across the five churches. Questions were therefore asked in two areas: one about general perception of understanding, the other about understanding of one or two specific technical issues. Neither of these was found to give an unequivocal comment about understanding of church accounts but the answers do give a useful impression of understanding among users.

Overall this impression is that about one third of respondents found the accounts quite difficult or very difficult to understand. This percentage varied significantly between churches with most difficulty reported in MET and COS. We saw that the level of understanding varied little with the number of years accounts had been received but appeared to be related to whether the respondent had accounting qualifications and to perception about the amount of information in the accounts.

When we move from the results of the general understanding question to the specific questions about understanding of what a balance sheet is and what are the differences between R & P and I & E bases in accounts, we saw a different picture. About 49% of respondents overall were unsure as to the difference between the two bases and only 28.4% of respondents gave the 'right' answer to the balance sheet question. These results conflict with the perceived understanding results and suggest that the respondents understand the general nature of the accounting information contained in the accounts (and probably the way the accounts are put together) but have little detailed technical knowledge of accountancy.

Once again it was not possible to draw any more detailed conclusions from the questionnaire and further research is indicated in this area but only if it is decided that these users are important. Any further research would have to adopt a methodology which would overcome the differences between accounts of churches. Two possible ways would be to design tests for each single organisation, which would make generalisation

difficult, or to use experimental accounts which would test general understanding of accounts rather than understanding of a specific organisation's accounts.

It would be very easy to suggest that as accounts are perceived to be understood fairly widely that policy makers need make no effort to improve understandability but the substantial one third of respondents include at least some "important" users using the accounts for committee work and passing on of information to others and there seems to be an obvious need to improve understanding for these respondents. Clearly also technical understanding is at a much lower level and this may indicate a need for technical clarity in accounts, at least if we deem these users to be important. Discussion of how this might be undertaken will be left until after the discussion of changes below.

#### 14.5 Changes in the Accounts recommended by users

Chapter 13 discussed the two approaches to discovering the changes which respondents felt should be made in the accounts. The first of these was an open-ended question about the changes respondents would like to see in the accounts. The second was to enquire particularly about changes which have been suggested in the accounting literature of NPOs and PSOs. Three basic areas were covered: interest in and use of summary accounts, of budgets and of half year accounts.

Only 52% of respondents gave responses to the open ended change question, an indication that these are matters on which many respondents hold no opinion. 19.9% of respondents replied that they felt that no changes were needed and so of those responding only 62% felt that any changes were necessary. The 'no change' category of replies included those who did not know enough to comment, some just said 'no comment' and some felt that the accounts were all right as they are.

The recommendations for change were in two main groups: that accounts should be more simple and that they should have more explanation. These are not mutually exclusive ideas. The thrust of the ideas in the 'more simple' category was that simplification would make accounts easier to understand -

especially for non-accountant users. These ideas seemed to intend that the present information should be put into a form that could be more easily understood. There were also some replies in this section indicating that briefer or summary accounts were needed. These replies indicated both that a simple summary should be given instead of the present form of accounts and that the summary should be in addition to present accounts, probably the differences indicating a different depth of use of accounts. It was suggested that this request for summary accounts is very much in line with information search ideas given in chapter 11 ie suggesting that an improvement is made in the way accounting information is presented to non-technical users.

The responses classified in the 'more detail' section contain some interesting ideas. Respondents wanting 'more explanation' indicated that overall commentaries would be useful. These comments support the results that some respondents find difficulty in understanding and following what is in the accounts. A number of respondents also wanted more details than were presently in the accounts - both in general disclosure and technical areas. It is perhaps surprising that people want more information than that already in accounts which apparently contain so much. A final suggestion here was that there should be more use of graphical presentation, showing that one problem facing users is general inability to understand accounting information.

A few responses fell outside these two broad categories and we saw responses that presentation might be improved, that common formats could be adopted, that budgets might be included and there were a few suggestions on technical matters. On balance however the conclusions are that accounts should be better communication documents than they are, simpler to understand and with more explanation. The fact that few technical issues were raised is probably a reflection of the lack of accountants in the sample. These suggestions present a challenge for policymakers. It is possible that until these communication type problems are eliminated we will be unable to get clearer statements of use

from a sample of users of this type.

Turning to the second approach made to identify changes it should be noted that several qualifying comments were made by some respondents in addition to the ticks signifying level of interest and usefulness. These responses were not analysed statistically but did indicate a strength of feeling that resources should not be expended on certain changes unless there were definite advantages.

Summary accounts, in churches not producing them, would be found useful or very useful by about 60% of respondents. In CGO, which produced a summary account of sorts in the year in question the percentage was higher at 65%. In RCC the question was not asked because the accounts are themselves summary accounts. Similar though slightly smaller percentages thought summary accounts interesting or very interesting. This indicates a significant interest in summary accounts in churches. It is not clear whether these accounts would be used in addition to or instead of present accounts.

In RCC the question was asked whether detailed accounts would be useful in addition to the summary accounts. The results indicate that only about 21.7% of respondents felt they would be useful or very useful. This seems to suggest that summary accounts would be adequate for many respondents without supporting detail but that there are a minority who would still want the detail if possible.

The RCC results suggest that either the information search hypothesis is incorrect, because respondents only want summary accounts anyway, or that it is correct and most respondents will in practice find no need to look further than the summary statements. One final comment here is that some respondents, particularly in MET, felt that the additional expense of summary statements was a barrier to their preparation.

The area of why summary accounts would be useful is an interesting area for further research and has only been partly studied so far. It would be a useful area to pursue as its results will give preparers an idea of the extent to which summary accounts would

be adequate to meet user needs. Such research should look carefully at the information search hypothesis that has been proposed because if summary accounts are being requested in response to this then there may be other, possibly less costly, solutions to the problem of giving users an overall guide to information in the accounts.

Turning to budgets, the results are again split into two groups: for churches presenting and not presenting budgets. In those that did present budgets, 75% of respondents felt that the budgets were useful or very useful whereas in the churches not presenting them only 62% thought they might be useful. Whatever the differences between the two groups it is clear that respondents did or would find budgets useful and it is possible to hypothesise that the main reason for this is that budgets reflect future decision proposals and are therefore to be seriously read. This matter will be discussed again in chapter 18. Further research into whether budgets should be produced seems to be indicated in order to discover the possible uses for them, a necessary prior step to developing their form and contents.

In RCC detailed budgets were produced and it was found that the average level of reading was similar to the accounts of the RCC. These results probably have limited predictive value to other churches however as the published accounts of the RCC are dissimilar to other churches in having little detail. In the absence of detailed accounts, it is possible that the level of reading of budgets fulfils some of the general information needs of respondents. As a final point, a much higher percentage of committee members found budgets useful, a not entirely unexpected result.

The final change asked about was introduction of interim accounts. As we saw 65% of respondents felt that these accounts would not be useful. About 19.2% thought they would be useful or very useful (although about 32% thought they would be interesting or very interesting). This question generated most of the additional comments indicating that on the whole these interim accounts would be a waste of money. This could be due to the lack



of use seen for such statements but more likely results from the fact that interim accounts, in the context of annual grants and receipts, have little meaning without extensive comment, a point emphasised in chapter 15.

In summary, budgets and summary accounts would appear to be useful additions to accounting reports but interim accounts would have little support amongst users. The possible reasons behind the usefulness seem to indicate in the case of summary accounts that the improvements are needed to enhance understanding and in the case of budgets to indicate the direction the church is going and a feedback to a decision situation.

### Section 3 Interviews with 'internal' users of accounting information

## Chapter 15 Interviews with 'internal' users of accounting information

### 15.1 Introduction and Methods used

The questionnaire survey of the recipients of annual accounts described in the last few chapters included some respondents who had access to additional information as a result of their position in the management of their church. It was decided to interview some of these 'users' in each organisation, except in GGO where participant observation was used. In order to see what particular uses they had for accounting information, how this related to budgeting, planning and decision making and from where they obtained the accounting information they used. To preserve anonymity requested by a number of interviewees any remarks quoted in this chapter are not ascribed. A full list of those interviewed is given in appendix C.

A major problem of interviewing people in any organisation is gaining enough time to see them. Negotiations with members of the Methodist Church, the first church to be approached for interviews, indicated that an interview of about 30-45 minutes would be acceptable to most of those approached and this was the time requested for all interviews. A number of questions were drawn up, repeated here as tables 15.1 and 15.2, and these were used as the basis for discussion rather than as a strict questionnaire type interview. This semi-structured approach allowed maximum flexibility in discussions whilst at the same time ensuring that the key issues were covered.

Virtually all interviews were tape recorded and notes taken from the tapes, full transcripts being considered too time consuming and not necessary for the task in hand. Only one interviewee expressed reservations about the tape recorder being used but this did not seem to cause any restriction in the amount of information given in the interview.

The participant observation in GGO took place when the researcher became the treasurer of the church. The researcher was not actively involved in the financial decisions of the 1981 financial year, and had little influence over the form and presentation of the 1981 accounts. As a participant observer,

information was collected by attending committees and from informal meetings as well as from archival sources to which the researcher had access.

### 15.2 The Questions Asked

Early interviews in churches not included in this study had suggested that requests for interviews about church accounts were likely to be passed on to the accountant or treasurer of the organisation despite being addressed to the secretary. For this reason two sets of questions were prepared: one for those who were primarily 'users' of accounting information and one for those who were primarily 'producers' of accounting information.

The questions attempted to explore the role of accounts inside the organisation and looked at the following main areas:

1. What financial information is produced in the organisation and how available is this to users eg annual accounts, budgets, regular internal reports, users' own information.
2. What uses are there for financial information in the organisation eg for decision making, control, budgeting, resource allocation.
3. How much is the financial information understood and used by users and which information is used.
4. Are there felt needs for accounting information which are not being met by the organisation? How responsive is the organisation to pressure for change and from where does pressure for change usually arise?

**Table 15.1 Interview Schedule for receivers and users of Accounts Financial Information Prepared**

1. Do annual accounts alone provide sufficient information for you in your work in the church or do you need additional information on financial matters as the year progresses? Where do you obtain most of your information from? Accounts Dept? Own records?
2. For whom do you think the annual accounts are mainly prepared?
3. How does the budget system work from your point of view? Does it act merely to guide the boards' or committees' expenditure or to limit it?

**What is Financial Information Used for?**

4. Is finance ever a big factor in any of the decisions that either you or your committee make? If so, in what sort of situations is finance a key factor?
5. What do you think are the main reasons for producing accounts for the boards and committees and in the church generally?
- 6a. Do you use accounting information in your own work or in your committees?

**Understanding and use of accounting Information**

- 6b. Which financial information do you use (eg annual accounts or more detailed accounts) and how do you use it?
7. Are there any parts of the annual accounts which you do not use?
8. Do you have any difficulty in understanding any of the accounting terms used? (Do you understand the terms Balance Sheet, Receipts and Payments, Income and Expenditure? Do you know the function of a Balance Sheet?)
9. How expert do you consider yourself in interpreting financial information? Do you need help from your accounts department or are you able to interpret the figures yourself?

**Pressures for change**

10. Do you think that an overall summary of the financial position and movement of funds of the church would be helpful to you either for your work or for interest?
11. Are there any changes which you would like to see in the annual accounts or in the internal accounts or budgets of the Church? (extra statements, explanations, etc)

Table 15.2                      Interview Schedule for Producers of Accounts

1. When preparing accounts for the church, who do you have in mind as the recipients of the accounts and what do you think the accounts are used for by the different recipients?
2. How does the church's expenditure authorisation and payment system work? What is the role of the budget in this? How does the budgeting system work?
3. Do you think that the accounting information which you supply is used in any decision-making? If so, what sort of decisions might use the information and how might it be used?
4. Modern accounting theory is stressing the importance of preparing accounts to meet user needs. How important do you think this factor has been in arriving at the present form of accounts in the church? What do you think have been the major influences in producing accounts in their present format?
5. Are there any factors (eg internal regulations, historical precedent, legal restrictions, professional standards) which restrict the freedom which you have to prepare annual (or more frequent) accounts in the way you would like? If there are could you indicate some of the most important?
6. Are there any regulations, statutes, historical practices, accounting standards etc which cause you any difficulty in preparing accounts eg SSAPs, auditing guidelines etc
7. Do you get any specific requests for financial information outside that which you supply either on an annual or more frequent basis? If so what sort of information is requested?
8. When was the form of your annual accounts last changed and why? If a change in the form of the accounts became desirable now, what procedure would have to be followed? Is there any regular or ad hoc committee which advises on the form of the accounts?
9. Would you see any value in producing either a consolidated set of accounts or abbreviated accounts for the church as a whole?

## Chapter 15.3 Results from the interviews

### 15.3.1 Introduction

The results of the interviews are not reported in detail in order to preserve confidentiality. This section of the chapter summarises the main conclusions derived from the interviews in the four areas identified for questions in the previous section.

### 15.3.2 Financial Information Produced

There is a wide variety in the actual detailed financial information produced in the different organisations. There are four sorts of financial information produced in the churches in the study: annual accounts, accounts during the year, ad hoc accounting information and budgeted accounting information.

Annual accounts produced are not widely used for internal purposes in the organisation except that they are used in the budgetary allocation process where budgets are in existence. Sometimes estimates of the annual accounts are used for this purpose rather than the actual accounts. In the four larger church organisations annual accounts are produced for their own boards and supporters in significantly more detail than those produced for the church AGM. Further, many interviewees commented that the information in the annual accounts was not a great deal of use for their regular work due to lack of detail. Another problem seemed to be the use accruals basis whereas some managers needed a commitment based set of accounts.

The second type of financial information produced is some form of accounts during the year. Very few of the sections of the organisations produce formal quarterly or half yearly accounts though three produce regular computer printout data. Such information may be used to control expenditure against budget. However, it is not regarded as extremely useful for internal control purposes in some organisations as income occurs and spending takes place on an annual basis. If formal interim accounts are prepared in these circumstances, they need a substantial amount of interpretation in view of this annual cycle and this is regarded as unnecessary waste of resources in many settings. Interim accounts are, perhaps mainly for these reasons, regarded as very expensive in some organisations but seem to be

produced increasingly more often as computerised systems reduce this cost.

Ad hoc information is produced for the information of managers of the organisation as required. This information is available to all the managers who were interviewed, is produced as needed rather than on a regular basis and is used for such things as detailed expenditure control against budget. In some churches this information did not appear as readily available to users as producers of information seemed to imply. Part of the reason for this was physical distance from the information and the honorary position of some officers which meant that they did not have easy access to information within office hours.

Finally all churches apart from one produce regular budgetary information. This information can range on a scale from a formal vote system representing expenditure limits (cash limits) to a rather more flexible system where budgets are more like forecasts. In this latter system resources can be allocated more freely allowing over and underspending on budgets. Which particular point on the scale a particular section of a church was located seemed to depend on the amount of pressure on resources. Where financial resources exceeded demand for them, budgets tended to be at the 'forecast' end of the scale whereas where lack of financial resources severely constrained activity, budgets became more like a formal vote system.

Where budgets were not produced, financial control was maintained with reference to previous experience, largely following agreed formulae, some laid down by regulation. Absence of budgets seemed to be related to three factors: stability of expenditure patterns, small size of organisation and adequacy of resources. Pressure on resources and changes in expenditure patterns have forced the organisation concerned to adopt budgeting from 1983 onwards.

A further form of accounting information was also reported in one church and probably also used in others. This is the 'black book' information where managers keep their own personal record of



financial information relevant to them. This seems to be kept because managers were physically separate from the accounting records rather than for any reason special to NPOs.

#### 15.3.3 Uses made of Financial Information

Financial information produced in the churches is used for one of three purposes: assisting with internal financial allocation decisions, provision of data about availability of resources and control of spending against budget.

First financial information is used to assist managers in making medium term (annual) and long term broad financial allocation decisions. Many of the activities in the church are contingent upon finance being available and so financial information is needed to forecast what resources are likely to become available and what activities are likely to cost. This is done formally in the case of churches having budgeting systems or informally where no such system exists. Such overall allocation decisions are based on summary projections of future spending and income which are in turn based on actual figures for spending and income for past period(s). Individual budgets are the main mechanism by which total resources are allocated to various spending areas.

In several churches the budgeting process was reported as being an extremely useful medium for managers to learn about what was happening and planned in other areas. This enables them to keep a balanced view of their work in relation to the whole church.

The budget may also be part of the decision to specify how much to ask local churches to contribute to funds in future years. It was stressed that this was not the major deciding factor as it was felt that there was a limit to the amount which local churches could raise.

The second major use of financial information is to determine what financial resources are available from time to time within an organisation for a particular projected activity. There are two groups of resources available in the churches: resources already held by the church for a particular activity and restricted as to use eg endowment trust funds and restricted

revenue funds, and resources represented by that part of the spending budget for the period remaining unallocated. Information about both of these areas is concerned with short term allocation decisions.

Finally financial information is used to compare actual spending and income against budget. In each of the churches finance tended to be a major constraint on the way the managers undertook activities. These constraints are represented by the budget and so careful control of spending against that constraint is an important use of both budgeted and actual financial information. This control may be exercised at different levels within the church although it was almost always exercised between the accountant and the managers and not at board or committee level (though one church outside the cases studied did exercise expenditure control at committee level). On the whole payments were authorised by only two or three people for each committee or board.

In no cases in the study was financial information used in order to identify the optimum choice of action in the way that information may be used in a commercial setting. In all these churches the financial information produced identified only one aspect of the decision possibility ie the input cost in financial terms. Measures of opportunity cost, which relate largely to alternative outputs, were not obtainable from the financial figures as output measures in the churches are mainly of a value judgement nature and not quantifiable in money terms.

#### 15.3.4 Understanding and Use of Financial Information

From the interviews it was clear that certain types of financial information are very well understood by the people who use them if not only because the users must come to terms with the information in the accounts for their work. The 'income and spending' statements (or similar) were understood by all the managers, although a few felt that the measurement basis should be changed to agree with the way they needed the information. It was stressed by some interviewees that they did not look at accounts outside their own committee.

In the case of non-accountant users, the balance sheet (where produced) was much less well understood by interviewees and the source and application of funds statement was only slightly understood (though again several churches and some sections of churches did not have one). Both balance sheet and source and application of fund statements were regarded as statements for accountants rather than the managers. In some quarters it was felt that there needs to be a simplified set of accounts eg an 'idiots guide to finance', and there were a number of interviewees who felt that even some committee members would be helped by this.

#### 15.3.5 Pressure for change in the accounts

Overall it was felt that very little pressure existed for changes to be made to the accounts and that such pressure as was brought to bear did have some effect at least on the form of internal accounts. Pressure for change in MET, COS, LPL and, since the date of the study, in GGO is resulting in gradual but significant change of the annual published accounts in both the format of and the detail displayed in the accounts. The major sources of pressure for change are from the auditors and accounts departments of the churches. There is very little pressure from users for any sort of change in the annual accounts although there is some feedback from users, particularly those internal to the organisation, which may result in some changes longer-term.

The change emanating from the auditors is mainly to bring accounts in line with current accounting and auditing practice (largely commercial practice). Interviewees were asked about the application of accounting standards in the published accounts of the churches and few of the accountants interviewed felt that any of the accounting standards were constraints on the way they prepare the accounts though they have had some problems in deciding whether to implement and if so how SSAP12, especially concerning building depreciation, and SSAP10 concerning source and application of fund statements. The actual implementation of both of these standards varies across the churches (and across sections of churches) in the study with

particular problems with SSAP12 in situations where assets are not capitalised.

Changes in the accounts by the accountants in the churches seemed to be made on a continuing basis with major changes following closely on a change of accountant or treasurer. Changes from this source seemed to be to clarify and add to the information presented. Many of these changes were evidently in response to perceptions by preparers of what users wanted, though few had empirical evidence to support their perceptions.

One special area of potential alteration to the accounts was discussed in all interviews: the consolidation issue. Overall several interviewees felt that such statements might be useful but a large majority, particularly of accountants, felt that if a consolidated statement were prepared it would have little meaning because of the varied activities and funding which would be brought together eg trading type activities and spending activities. Many producers of accounts felt that any consolidation would be extremely expensive, especially in the larger organisation, and present additional technical difficulties of a legal and accounting nature.

Committees are each interested principally in their own resources and so there is little pressure internally for consolidation. With a gradual change from individual committee fund raising to corporate fund raising however there may be pressure to produce an overall financial statement and as we saw in chapter 14 there is already some pressure for common patterns of statements in some churches.

These pressures for change are an interesting area for further research for two reasons: the area of church accounting is at present essentially unregulated and subject to influence primarily from producers and users of accounts; and the area is one where there are no market forces.

#### 15.4 Conclusion

In this chapter we have reviewed the interviews with 'internal' users of accounts and producers of accounts. We have seen that

these users make considerably greater use of accounting information than 'external' users but that the uses of the information are quite limited, confined largely to simple aspects of budgeting and control. Many of the decisions made by churches involve criteria which are non-financial in nature and so little financial information is used in decision making except to determine the extent to which financial resources are available.

We have also seen that simple accounts seem to be quite widely understood, though there is a felt need for simpler accounts in some quarters. This is supported by a lack of pressure for change from users with most of the extant pressure arising from producers of accounts and auditors.

We shall now move on to the final section in which the major findings are summarised.

### Part 3 Conclusions and directions for future research

## Chapter 16 Summary and Conclusions

### 16.1 Introduction

This study has described the accounting information at present produced and used in five non-profit religious organisations in the U.K. The two main aims of the study have been:

1. To provide, through a small number of case studies, a fairly detailed description of the production and use of accounting information in these organisations in order to add to the general fund of knowledge about how such organisations operate.
2. To generate ideas and hypotheses for further research about the reasons why these organisations produce accounting information as they do at the present time.

The study has proceeded in four phases: a review of the literature in the non-profit and information areas; a brief description of the five sets of accounts; a questionnaire survey of the users of accounts and a more detailed study, by interview, of internal users of accounts. The results of each of these four phases of the research are reported above in parts 1 and 2 with the literature review in part 1 and the three empirical studies in part 2.

The study has taken a descriptive approach deliberately to try to explore the present actual accounting information produced and its environment rather than identify how the non-profit sector differs from the profit making sector in this respect, an approach taken by much of the other literature in the NPO area. This descriptive approach has yielded a number of interesting insights concerning the present structure of the accounts, the present uses made of the accounts by recipients and their underlying beliefs about accounting information currently produced. Many of these might have been missed had a comparative study of the churches with the profit seeking sector accounts been undertaken.

Overall a case study approach has been used and five churches were selected representing one section of the NPO sector. Though other areas could have been selected for study, the researcher had ready access to churches and they have certain unique

features, notably a lack of regulation of accounting reports, which makes their study especially interesting. On the other hand churches are not so different from other areas of the NPO sector eg trade unions, certain parts of local authorities and charities, to make the conclusions specific only to the churches area.

This final chapter will bring together the more important conclusions from the research and particularly give the directions which further research may take. The chapter is organised into five sections: a study of accounts, background of the churches, a study of users and their uses of accounts, interviews with internal users and producers of accounts and finally an overview of the main findings and hypotheses produced.

### 16.2 Analysis of Church accounts

When the five sets of accounts to be studied were obtained (as part of an exercise of collecting a large number of church accounts) it was realised, even at a first glance, that the accounts differed in structure, presentation and content and so it was decided that a framework was needed to guide the descriptive analysis of the accounts. As no suitable descriptive frameworks were discovered in the literature a new framework was felt to be necessary to assist in the analysis. The only frameworks which were found were analytical ones designed for accounts in the business or PSO environment and as one of the underlying intentions of the study was not to adopt an analysis dependent on PSO models, it was necessary to develop a descriptive framework which is as far as possible independent of the organisation framework.

The framework was developed in chapter 6 and comprises four sections: a description of the accounting reports and constituent statements; identification of the context of the reports and appreciation of the purpose of the accounts; and an indication of the information contained in the reports. The main descriptive part of this framework is the structural analysis which was found extremely useful in understanding how the information was organised in the reports. The other three sections are much more



value judgement based and the results subject to wider interpretation. This approach to describing reports might be used in the PSO environment and further research into its application in this environment would determine the method's generality and refine it to remove any NPO bias. It must be said however that the PSO environment does not at present contain the large number of statements found in the NPO environment and so this descriptive approach might be less useful there.

Most of the discussion on the framework itself took place around defining and describing the accounting report, particularly the analysis of structure. Seven possible accounting statement types were identified: independent, movement, explanation, breakdown, comment, restatement and allocation. These broad categories were used in chapter 7 to classify the individual statements in the accounting reports of the churches and tables were prepared showing the statements reordered so as to group related statements together. This classification and regrouping of statements helped not only to explain how the accounting statements related to each other but also assisted with understanding how the information in the accounts is grouped. It was suggested that if accounting reports made this structure clear then reader comprehension of the overall accounts would probably improve.

The structural analysis of the five accounting reports revealed significant variations in the length of reports and their content. The report with the least number of sections (RCC) was also the most 'consolidated' with small amounts of detail. The two reports with the largest number of sections (MET and COS) had massive amounts of detail but different structures. COS has over half of its 'movement statements' connected to a single 'independent' statement whilst MET has 'independent' statements and related movement statements for nearly every individual committee.

As part of the description of accounts, individual statement types were discussed in some detail and in particular the independent statements (balance sheets) and movement statements.

There were three basic sorts of structure to the independent statements in the accounting reports: aggregate, consolidated and mixed. These different types of balance sheet arise because of the attempt to combine two aspects of assets: their type (buildings, investments, etc) and their fund grouping (general, designated, restricted, etc) into a single intelligible statement. This 'typing' of balance sheets does not seem to have been identified beforehand in the literature. It was also noted that the NPO balance sheet which effectively breaks down 'equity' into funds is in fact a general form of balance sheet and the PSO balance sheet having only a single 'equity' fund is a specific implementation of this.

The aggregated and mixed balance sheets are features which are not found in the profit seeking sector of the economy and further research could usefully be carried out to see how widespread is the use of this feature in the NPO sector. There is a clear indication that this is an area with conceptual implications, eg what is the purpose of the balance sheet in the NPO, despite Anthony's (1978) assertion that there are no conceptual issues connected with the balance sheet in NPOs.

In relation to movement statements we saw that there are many confusions with the terminology but that basically there are four types of statement found in the accounts in the study: an 'income and expenditure' account; a 'receipts and payments account'; a 'fund movement' statement and a 'source and application of funds' statement. These types of statement however contained various different measurement bases and various different focii and covered different areas of the organisations concerned. It was accordingly suggested that movement statements should carry an explanation of the way in which they are prepared in more detail than they do at present and that the present names for statements be used with care.

A large majority of the movement statements in the five churches were funds statements with their final 'bottom line' relating to the movement on one (though sometimes more) fund account in the balance sheet. This structure appears to be fundamental to these

church accounts and it was suggested that fund accounting, besides being a historical convention, may occur naturally in these organisations. The phenomenon may be the result of at least three factors: the funds may represent functional groups of activities in the organisation and be useful as such, eg as decision making units: the funds may assist the organisation with fund raising (as a building fund, a clergy salary support fund, etc); and finally there may be no pressure for the adoption of a corporate image. We noted that the fund structure still exists in organisations which have central fund raising from congregations, eg MET and COS. This may be because even here the fund structure may assist with non-congregational fund raising eg legacies, endowment gifts and special grants.

The widespread use of fund movement statements suggests strongly that these are useful and necessary in accounting and the reporting of financial information in churches. This leads to a hypothesis that fund statements are a 'naturally occurring phenomenon' in NPOs. Alternatives to this hypothesis, eg that fund accounts are an historical anachronism, would need to be tested against this basic hypothesis. Testing the hypothesis in different parts of the NPO sector, and controlling for instance for the age of the organisation, would be useful as it would help establish whether fund accounts were generally a vital part of NPO accounting.

A key problem in understanding the fund accounts is trying to identify the measurement basis used. The confusion of terminology and lack of uniformity means that the movement statements are not easy to understand as they may be similar to operating statements (using approximately full accrual convention) or to fund statements (showing movement of funds) or contain information of both types in a single statement. It was shown that the measurement basis of any fund movement statement has to be in terms of the assets which the fund represents. However when fund movement statements relate to a prime fund consisting of only cash and current assets, an operating statement (containing depreciation as a charge for the use of fixed assets) may be produced as an element

of a statement provided that another element in the overall movement statement adjusts the balance from the operating element (eg operating deficit) to the movement in the fund balance. Illustrations of this type of statement were found in MET accounts.

These problems of understanding the measurement basis used would be solved relatively easily if preparers of financial statements were to specify the basis in use. It is however doubtful if our (U.K.) terms of 'Income and Expenditure' and 'Receipts and Payments' are precise enough terms, especially in view of their present varied use in practice. It is therefore recommended that accountants in NPOs should define precisely what a particular statement is trying to measure instead of using the general terms currently employed.

Truly consolidated movement statements were only found in RCC which did not present individual fund movements as part of the annual accounts. In the other churches fund accounts were shown separately and an overall picture was difficult to establish because of the presence of inter-fund movements of funds. These added complexity to a number of sets of accounts (particularly COS). Although interfund movements are almost inevitable in an NPO environment it was suggested that more details of these might help users understand the relationships, especially in the more complex situations.

The context of the accounts was in all cases that they were presented to the AGM of the church in question. In four churches this was apparently the main context but in only one (GGO) were the accounts also used for management purposes. It was concluded that a hypothesis that "the accounts of churches are very detailed because of their use for management purposes" was not supported in the majority of the churches but could not be rejected for NPOs as a whole and would be worthwhile testing in other situations, particularly with organisational size as one of the variables.

It should be noted that the context of the accounts did not place them in either a fund raising process (except in MET to some

extent) nor in a budget setting process and this strongly suggests that their purpose must fall largely into a stewardship context. In this context there is a strong possibility that we would find little decision use for the accounts, unless stewardship is itself seen as a decision use. If the accounts are 'mere stewardship' ones then their organisation and focus may differ from those having a specific decision orientation. Nothing in the current literature has suggested how 'mere stewardship' accounts may differ from decision oriented ones and this is a matter for further debate and discussion. In an earlier chapter it was suggested that the difference might merely be in the extent to which a specific focus for the statements might be identified.

The information content of the accounts was difficult to determine as this depends very much on users perceptions. It was suggested however that there are at least seven areas in which accounts may give information to users: state of finances, movement of resources, actual work done by the organisation, structure of the organisation, comparative information with plans or previous periods, efficiency effectiveness and economy (the 3E's) and constraints of operation. Information about the first five of these areas was found in at least some of the reports but information on the last two was not found.

In addition to the information content proposed above, further information identified which is of interest in a comparative context is sources of funding for the churches. This information was not easily available from the accounts but careful analysis revealed four main sources of funds: donations, obligatory contributions, entrepreneurial receipts and interest income. This information is a useful insight into the way churches operate and might be a useful addition to the information provided for users. Further analysis of donations and interest into 'live' (ie by current donors) and 'dead' (ie by legacies) giving as suggested by a number of questionnaire respondents may be of assistance in particular decision contexts.

This study has only looked at some of the issues with respect

to funding NPOs. In chapter 2 we saw that the economics of NPOs helps us understand how public goods are initially funded and in chapter 8 we saw how the church is actually funded but it is not clear what mechanism is needed to ensure that a public good will continue to be funded once it has been initially supplied.

A particular problem here is what happens when a public good, eg the support of a social worker, is accepted for a period of time. Does that funding become accepted into the general pool of funding or has it to be rejustified each year? One possible justification for fund accounting is that the separation of funding that it generates allows funds to be sought specifically for the particular projects in the fund and that this ensures that there are regular reviews of the organisation's spending.

Proponents of zero-based budgeting suggest that in NPOs eg local authorities and other organisations, review of programmes of spending does not take place automatically and needs to be engineered. However is this the same in the NPO constrained by lack of funds? Further research into how projects are funded over their life cycle would be valuable as it would help us understand the economics and politics of the supply of continuing public goods.

The penultimate section of chapter 8 identified four sources of working capital for NPOs: unspent accumulated funds, carried forward balances, reserves (ie designated funds) and uninvested endowment and restricted funds. These sources of working capital are significantly different from sources in PSOs. They are essentially resources contributed for spending but as yet unspent, whereas in PSOs, working capital is part of contributed capital.

The management of working capital was seen to be partly managed through internal banking systems in two churches and by offsetting overdraft arrangements or a single common bank account in others. It was also suggested that the opportunity cost of working capital ought to be shared between affected funds.

### 16.3 Background of the churches

In discussing the general organisation of the five churches in the study we identified several key features of churches. It is helpful to reiterate these here to remind us of how they vary from PSOs. The major objectives and function of the churches studied involve providing services and grants for both inside and outside the church and performing a legitimising function for local churches. In addition we saw that the membership of churches is one of common intent in furthering common objectives rather than one of common ownership with self interest of owners being a paramount goal.

There are several results of these two aspects of membership and objectives. Primarily the membership has a fairly wide role to play in the actual day to day running of the church with many honorary officials and management committee members. Secondly the wide interests of members belonging to the church is reflected in wide concerns being dealt with in many committees. These many areas of work lead to widespread authority and responsibility with little apparent central control, except over the allocation of centrally collected resources. Wide areas of responsibility and function are found in all the churches and appear in each church as sub-organisations within a general confederation of sub-organisations in each church.

A further result of these aspects of membership and objectives is a general impression that the economics of churches follow closely on the theory suggested in chapter 2. The two aspects of an interested membership and objectives which are not met by the existing provision of public goods are the key elements in Weisbrod's model (see chapter 2). The variety of different administrative sections of churches suggest that many public goods are provided by the church and that the church is an amalgamation of several public goods provision sub-organisations.

The provision of a number of public goods (eg education, services for churches) is probably also one of the main reasons why there are fund accounts in the churches as each public good or group of public goods is funded separately from its inception. Thus the

church is a federation of interest areas with fund accounts existing (or created) for each interest area or group of areas. This links in closely with the 'naturally occurring phenomenon' explanation of fund accounting.

The general idea of a federation of interest areas is probably applicable to all organisations including those in the PSO sector. However the element uniting the areas of interest in the PSO area is a common concern for shareholders wealth (tempered by the problems of the agency relationship between owners and management) whereas in the NPO it may be a common religious conviction (in the church) or political conviction (political parties) or geographical area (local authorities). The agency problem also arises in NPOs but in the churches sector (and other parts of the sector) low remuneration of employees tempered by a recruitment policy which might rely on a commonality of belief makes the problem of different dimensions. This agency aspect has not been explored by this study but it is an interesting research area.

#### 16.4 Users and their uses of accounts - the questionnaire study

The questionnaire sent to users of accounts explored four areas: who are users and what uses do they have for accounts, what are some of their background beliefs about accounts, how well do they understand accounts and what changes would they like to see in accounts. The detailed summary of these findings is given in chapter 14 and here we shall isolate only the more interesting findings for discussion.

The profile of users revealed that they were mainly those members of the church attending the AGM. Their qualifications for attending were based on their calling (priests and ministers) or on their election by the local or area church organisation. As a result the users display a variety of interests in church life with only a minority having either specific interest in administration or accounting qualifications. Users were also found to have multiple 'roles' eg as member and local representative and committee member, some undertaking all these roles at once.



One extremely interesting finding is that no particular group of users could be identified as 'experts' in the use of accounting information in a similar way as there may be experts among users of company accounts such as institutional investors and stock market analysts. There were however a number of respondents who suggested under the 'beliefs' section that there were expert users in existence in the churches and they left comment on the accounts to them. The absence of an identifiable a group of experts particularly 'outside' the church administration may be one of the reasons why there is little pressure for change in accounts, particularly when in some churches (MET and COS) even such experts as do exist may attend AGM's only in rotation. It may also be that such experts as are available are internalised into the church by being recruited on to committees and thus to advise the church as internal users of accounting information. Further investigation into 'expert users' of accounts in the rest of the NPO sector could be of value to policy makers because if no expert users are found to exist then perhaps society needs to create them eg to provide accountants in the Charity Commissioners' office.

With a group of users who are not expert accountants, who have a wide interest in church matters and represent a wide variety of roles it is perhaps not surprising that there is little reported use for accounts in decision situations. Only 15.3% of respondents overall reported uses which would be related to decisions. The main reported use was 'information', reported by 41% of respondents. For the majority of responses in this area it was not possible to identify either what the information was for or what information was used, though it was possible to identify that some users required information about 'state of funds' and 'movement of funds'.

It was suggested that 'information' use could be for monitoring, personal knowledge or to assist with duties in church. Though none of these uses is obviously a decision use it is accepted that for this 'information' group of responses and the 'pass on to others' and 'AGM' uses, there may be some decision use

involved in three groups of 'decision circumstances': where accounting information is only a minor element in the decision, eg whether to start work in a particular area of pastoral ministry; where the information is input only to a rare decision, eg do we renew our support of a 3 year grant?; and where accounting information is a decision use for only some users eg the support of work in Scotland. However despite these possible decision situations for 'information' use this study strongly suggests a hypothesis that there is a definite 'non-decision' use for accounts, perhaps in a similar way to our reading of newspapers. This use is undoubtedly able to alter users perceptions of the church even though these might not affect any immediate decision.

If evidence were to support the widespread existence of this non-decision use for accounts in this environment then for this use to have a significant impact on the preparation of accounts it would have to be shown either that such non-decision use could not be met by accounts prepared for a decision use or that no decision use existed. In the first case, the additional information (or a different presentation) would have to be provided as determined by the difference between the non-decision and decision uses. The situation of having too little information in decision accounts for the purpose of non-decision users seems highly unlikely but it is possible that there may need to be a different presentation of information, a possibility suggested by the section of responses related to changes in accounts.

In the latter case the non-decision use would have to determine the whole of the content of the accounts. We have no evidence to suggest the relative level of provision of decision as against non-decision information but again if the decision use demands significantly more information than non-decision use and no decision use exists for the majority of users then there may be significant overprovision of information by providing information at the decision users level.

Lack of knowledge about the problem makes it difficult to assess the above discussion. It seems sensible therefore to suggest that

research needs not only to address the question of whether non-decision use is significant in the NPO field but also if it exists what it means in terms of provision of information. Knowledge of this will assist in the debate about the form of accounts and level of information provision. As far as the evidence in this study is concerned, there is nothing to suggest that the information use is not being met by present accounts, though as we mentioned earlier it is not clear whether the present accounts are decision or non-decision oriented.

Uses for accounts which related to decision making amounted to only 15.3% of respondents and this mainly for committee work. Specific questions about the one major use posited in the literature, 'giving', failed to confirm a major use of accounts in the decision, either at a personal or congregational level. The only decisions which therefore apparently have any use for the accounting information in the annual accounts are therefore committee work, for a minority of respondents, and 'giving', for a small minority of respondents. The use for committee decisions is properly regarded as an internal decision use and serves to emphasise that the published accounts may be used internally to the churches even though the accounts may not be sufficient for all committee decisions.

A major policy issue which arises from this discussion on uses for accounts is how to make decisions about what to include in accounts and how to focus the measurement. Two approaches were suggested: concentrate on the extant decision uses, eg committee decisions, and give all users the same information ignoring possible dysfunctional consequences eg giving excessive information to marginal users, or hypothesise various decision uses and prepare accounts on that basis. The evidence from interviews suggests that this latter approach is the one that is being followed at present by preparers of accounts asking themselves 'what information does the local church member need'. That external accounts are not prepared primarily for committee use is evidenced by many committee members and managers reporting having insufficient information in the annual accounts for their management task.

The questions about reading of accounts seemed to suggest that accounts with less sections were better read than those with more sections. Various reasons for this were suggested including the fact that reports with more sections have more items of special interest. The general hypothesis that emerged from this discussion of reading is that reading of accounts is consistent with a search pattern: that readers require a reference point, eg their local church's contribution, that they seek an overall statement eg of funds or movements, to obtain an overview and that they look for particular statements of interest eg mission or education accounts. The questionnaire results cannot be used to test this hypothesis but the pattern of highly read sections of accounts is consistent with it.

Further investigation into how people read accounts may provide insights into how accounts would be best structured, what they should contain and what uses are being made of accounts in the 'information' mode. In this area the use of observations in laboratory conditions or protocol analysis would be indicated. As accounts in the PSO become extended by additional disclosure requirements this may be of interest in this sector as well.

As final comments on reading we should note that even in the accounts with many sections, all sections are reported read by someone and only 2.9% of respondents reported not reading any sections of the accounts (3.6% didn't reply).

Respondents were asked who they thought the accounts were prepared for, why they are prepared, who the churches' property is held for and whether the accounts are 'sensitive' to various groups. These questions were an attempt to explore some of the background beliefs of users and a detailed summary of the results is given in chapter 14. The 'purpose' of the accounts was seen to be mainly information, stewardship and legal reasons with planning and control and fund raising being replies by only a small number of respondents. The accounts are seen very largely then as stewardship/information documents and this corresponds with the uses which respondents reported for the accounts. The

presence of 'legal reasons' responses also indicates an appreciation by some users of the legal framework under which the church operates. As far as perceptions of who users are, most were those connected with the management of the church either at AGM or committee level. Surprisingly large numbers of respondents mention 'the church' or 'church members' indicating a belief that accounts are for all church members and not simply AGM members. This would be consistent with the stewardship view of purpose. Expert users were also perceived to be users as was commented on above.

The 'property' question revealed a belief that property was not simply held in trust for the users but a whole group of people, chiefly present and future members. Though there is some room for debate as to how these answers should be interpreted, it is clear from them that the trusteeship role of management in churches is well understood by AGM members.

Understanding of accounts was reported as difficult by only one third of respondents with most difficulty reported in the churches with the longest number of sections. Technical understanding was however less widespread than this as would be expected amongst a group as described. The suggestion from these results is that respondents understand the general nature of the information in the accounts but have little detailed technical knowledge about accounting.

We noted that it is difficult to measure understanding in these five churches because the questionnaire was designed for a number of churches each of whom used different forms of accounts and different accounting practices. Further research into particular problems of understanding seems to be necessary particularly as committee members also seem to have some difficulty with technical matters. Such research is needed to identify where the problems of understanding are so that either accounting statements can be improved or education provided for users who require it.

Discussion of the changes suggested lends weight to this need to improve understanding as there were requests for 'more simple' accounts and 'more explanations' in accounts. The changes section

elicited these two responses as part of an open-ended question about changes. Several more specific questions resulted in specific suggestions: that summary accounts would be found useful, probably in addition to present information; that budgets would be useful, here presumably not to improve understanding but to aid in evaluation and decision-making; but that interim accounts would not be useful.

The first suggestion, that summary accounts would be useful, lends weight to the information search hypothesis identified earlier and is worthy of further investigation. As summary accounts together with detailed accounts were only found in one church, more work would have to be done to identify the form those summaries might take. Budgets on the other hand seem to be well read where produced and these would probably be of value.

### 16.5 Interviews with internal users

There were four different areas which were covered in the interviews: financial information produced, uses made of financial information, understanding of financial information and pressure for changes in the accounts. Not surprisingly the three main groups of financial information produced in all the churches were annual accounts, accounts during the year and ad hoc accounting information.

We saw that the external annual accounts produced are not widely used in the organisation but more detailed ones than the external accounts are produced for use in four of the five churches. As far as formal interim accounts are concerned, we noted that few organisations produced these internally although three organisations produce regular computer printout data on the state of the accounts but this does not seem to be used very widely. The explanation for this latter point is that as expenditure takes place on an annual basis, any interim accounts need considerable interpretation to give a valid picture of spending. Ad hoc information was available in all the churches and it seemed that accountants were willing to provide such information provided it did not take too much time.

Budgetary information was produced in all but one church and the system of budgeting varies from church to church with some using a formal 'vote' system and others using budgets mainly as a guideline. It seems as if the method of budgeting in use depends on how constrained are the resources of the church concerned. There was also an indication that budgeting has been introduced when resources become constrained.

Internally the financial information produced is used for three purposes: assisting with internal allocation decisions; provision of data about availability of resources and control of spending against budget. The first of these is probably the major use for financial information because the allocation decisions within the organisation are made very largely at the budget stage. It must be remembered however that with fund accounts the initial allocation of resources to funds may to a large extent determine

where future resources will be available. This is an area which was not covered fully in the interviews and is worthy of further research.

Financial information is also used to determine what financial resources are available from time to time and this would include investigating resources already held by the church and also resources in the budget which had not been allocated. This would imply use of some sort of system to identify allocations of budget but commitment or encumbrance accounting does not seem to be used to record these prior allocations, probably because the organisations are quite small and can accomplish this with a memorandum system.

The use of financial information to compare with budget, although being an important use of information, apparently applies to only a proportion of the spending of the churches. This is particularly the case where most of the spending is on an annual basis eg salaries and grants etc. In no case in any of the organisations was any of the information used as part of the decision to identify which course of action should be taken in terms of optimisation because the end result of actions does not necessarily have a financial outcome.

It was clear from the interviews that certain types of financial information, especially regular spending reports, are quite easily understood by people who use them probably partly because they come into contact with the information very often. The balance sheet was less well understood. When a Source and Application of Funds statement was produced it was apparently not understood at all by internal users. Both these latter statements were regarded as 'for accountants' rather than ordinary users.

There was very little pressure for change in the accounts reported, particularly from users. The only change in recent years in the accounts has come from auditors who have attempted to change accounts in line with current accounting standards. This reinforces the suggestion made in the early chapters that pressure for improvement in accounts of NPO's relates largely to compliance with standards. None of the accountants interviewed



however reported that they felt the accounting standards were constraints on the way they prepared accounts although there were problems reported in implementing SSAP10 and SSAP12. It seems as if the suggestions which have come from the changes section of the questionnaire have not found their way through to the accountants (or perhaps have not been listened to). One of these changes, the consolidation issue, was put to the those interviewed and found little favour as each section was dealing with its own funds and saw very little reason for a combined statement to look at the organisation as a whole. This again emphasises that the churches tend to be federations of small units rather than a cohesive unit with a single common aim.

## 16.6 Final Overview

### Introduction

Due to the descriptive nature of this study, it is impossible to provide a single overall conclusion. Much of the detailed descriptive elements of the study contain important conclusions. This final section therefore attempts only to highlight the main findings and ideas for further research generated by the study. Some observations about the form of the research and about the significance of accounting information and NPOs are also provided.

Little descriptive research has been attempted in the accounting area and so this study is exploratory in nature. The study has employed three groups of techniques: a descriptive study of accounts, a questionnaire and a series of interviews. The two latter techniques have been used widely in the social sciences and the present research has little to add to these methods. However, the description of accounting reports has not been tackled before using the methodology adopted by the author.

The framework developed for the description of accounts must be regarded as rudimentary but it is a step in the direction of being able to describe statements of account which do not conform to a common model. Outside the NPO field, further analysis of accounts prepared on a common basis eg comparative funding ratios, is possible but the variety of presentations of accounts found in the five churches makes this sort of analytical approach impossible.

It should be noted that the lack of a common model presented considerable difficulties in the design of appropriate questions in the questionnaire, particularly in the area of testing the level of understanding of accounting statements and this also led to the suggestion that where there is considerable variety of statement structures and content, experimental methods are indicated for future research into understanding.

A number of observations about churches stand out as important. Most of these stem from the objectives and membership composition of the churches. We saw that churches have a number of major objectives and each of these could be regarded as being at the

'public good' end of the 'public/private goods' scale. Each church provided a number of these eg legitimizing services, grant aid, common action, and the supply of these goods was controlled by separate committees in each church, each committee having a membership of people chosen largely for their interest in the specific area. This gives rise to the observation that church headquarters should be regarded as confederations of organisations each supplying one or more public goods.

The confederation view may help in understanding why separate funding of public goods provision is made and why there is little interest in overall statements of accounting or financing policy.

Amongst the discussions about users were a number of useful insights into who received church accounts. Recipients on the whole were church members who attended the AGM and as such were a very broad cross section of the committed and respected membership of the churches. The samples replying to the questionnaire contained few expert users and few people well trained in accounting. Many had a quite significant commitment to the local church, in both financial and time giving, but there was little individual giving to the regional or national headquarters which they served as representatives and so little direct financial interest in these organisations.

An important observation is that most AGM members were representatives of one or more local churches and this is much more like acting in a trustee capacity, sometimes representing a number of interests. This leads to the general observation that there is little direct comparison between these users and the private shareholder of the PSO, though there may be some parallel with the institutional investor.

One of the major objectives of the study was to generate ideas and hypotheses for further research. This final section is concluded by bringing together fifteen of the more important findings of the study. These are in no special order of importance and all are of interest for future research into accounting in the NPO sector.

#### 16.6.1 The Project Life Cycle Hypothesis

The theory of the economics of non-profit organisations discussed in chapter 2 does not yet extend to discussion about how the funding of the provision of public goods by the NPO sector will continue once the supply is established. It is conceivable however that one mechanism for this is that funding of individual public goods eg overseas mission, is kept separately funded (using separate fund accounts) to ensure that those people interested in the area will continually be reminded of it and strive to fund it. Further research into detailed funding in NPOs and in particular the 'funding life cycle' in the NPO sector would provide interesting insights into this.

#### 16.6.2 Information Search Hypothesis

This hypothesis arose from an attempt to understand why the different sections of the accounts were selected for reading by users. The hypothesis suggests that the sections read are an orientation statement, eg level of local church's giving; an overall movement summary, perhaps to see what areas of interest there are; and detailed individual statements, probably selected on the grounds of areas of interest in the church.

Further research into how users read accounts will assist in structuring accounting reports and presenting them in a way which will help readers' understanding. This is a particular problem in the NPO where accounts are necessarily complex and long and which have no standard pattern. But this may be a problem PSO accounts will face increasingly in the future as additional disclosure requirements add to the length and complexity of reports. This hypothesis is probably suited to testing using an experimental based technique such as protocol analysis.

#### 16.6.3 The Consolidation Issue (Movement Statements)

The issue of whether to produce consolidated movement statements is one which has been aired in the NPO literature as discussed in chapter 3. Results from this study suggest that consolidated or summary statements may be an important guide to reading and overall understanding as they give an overall view of the organisation but that from an internal and decision-making

viewpoint the accounts of individual sections are still very important. Only one of the churches produced a consolidated movement statement and this was not accompanied by more detailed statements and so it was not possible to test this view further. Equally it was not clear that the preparers and many of the internal users felt that a consolidated set of accounts was misleading.

If the main problem for which consolidated or summary accounts is an answer is that of giving users an overview to assist with further reading then it is possible that there are solutions in addition to consolidated accounts. Accordingly further exploration of the need for consolidated accounts is indicated. If for example users need an overview to direct their reading then perhaps a single description of the structure of the accounts would adequately meet the need. This would render consolidated movement statements unnecessary.

In the RCC case the results suggest that many users do not want more detailed statements and are satisfied with the summary statements, though a minority would still like more information. If this latter observation is generally applicable then an alternative hypothesis may be that many users extract useful information from the consolidated picture to satisfy their needs and so production of such a statement has some benefit. These two hypotheses could be usefully tested in an experimental situation.

#### 16.6.4 Accounts as Models

The observation that accounting statements of NPOs are unlike those of PSOs was expressed in terms of there being different models of accounting reports for the two sectors. This idea of accounting statements as different models is fairly new in the literature (see Mephram 1980) but it is very useful in that it helps identify that accounts are representations and abstractions from reality, may have specific measurement foci and uses and may need to differ between organisations in order to represent different underlying organisational structures.

As external financial reports represent at least some of the economic aspects of organisations they must be contingent on the

economics of the organisation as well as the physical realities. Thus this hypothesis leads to the suggestion that some aspects of contingency theory may affect the form of external reporting as well as internal reporting.

#### 16.6.5 Balance Sheets

It was suggested that where there is the provision of a variety of public goods, each with separate funding, by a confederation of sub units we should expect to find a balance sheet (a statement listing funds held and related assets) which aggregated rather than consolidated the assets and funds. A specific reconciliation of assets and specific funds is found in a large number of the balance sheets of the churches studied with the consolidation of assets across funds, especially investments, being found only rarely.

It was suggested that the aggregated balance sheet eg in LPL and GGO, is a major feature of church accounting reports and we hypothesise that this is a natural feature of this environment. We also saw that this form of balance sheet is a general form whereas the PSO balance sheet with a single (equity) fund is a highly specialised form of balance sheet. Further research to test this hypothesis of a naturally occurring aggregated balance sheet is needed to see how widespread this is in the NPO field.

#### 16.6.6 Expert Users Hypothesis and Agency Theory

From replies to the questionnaire and interviews it has been hypothesised that the churches have no easily identifiable expert users of accounts and it is suggested that other NPOs are similarly without identifiable expert users. If there are few expert users in NPOs and the general level of understanding of accounts by users is poor then possibly there exists a need for a 'user committee' to act as expert users.

The responses to the questionnaire in this study seem to be attributing this role to auditors and other unidentified 'expert users'. However in practice the auditors do not appear to perform this 'management audit' role (as is evidenced from their audit reports) nor do the legal oversight bodies, such as the Inland Revenue, whose duties are governed by statute. Suggestions that

the expert role (more recently called 'Value for Money' audit in the public sector) should be taken over by auditors may be one solution for the NPO sector as a whole. Another possibility is that this function is already undertaken in some churches by the committees set up within the organisation, especially as these have many 'ordinary' church members sitting on them.

Closely related to this discussion is the suggestion that agency theory may operate in different ways in certain parts of the NPO sector. Agency theory in the PSO environment is couched in terms of the perquisites taken by the managers as being reduction in the profit available for shareholders. Lack of shareholders in the NPO means that any perquisites must reduce the provision of the public good, but how this is policed and who is left with the residual loss has not yet been explored.

#### 16.6.7 Non-Decision Uses Hypothesis

An extremely important finding has been that users seem to make use of accounts even though they appear not to relate the accounts to any decision context. From this, it has been hypothesised that there is a non-decision use for church accounts, ie a use for general information about the operation of an organisation not related to a decision situation. Though this information may not affect decisions eg to join an organisation or to give more money to it, it may nevertheless be information in the information economics sense of the term, in that it alters or confirms perceptions of users about what the church is doing. It is of course another question to seek to assign a value to such information.

More investigation of whether this non-decision use really exists or whether it is merely a spurious result would be valuable because if it does exist then we need to explore more about it and its relation to decision use. An alternative hypothesis about the non-decision use is that the information use discovered is in fact feeding information into a long-term or an infrequent decision situation and so only appears to be a non-decision use.

#### 16.6.8 Lack of Decision Use and Accounts Preparation

The literature on accounting has stressed the need for accounting

information to be prepared for decision-making purposes. If few extant decision uses exist, as seems to be the case in church organisations, then it is possible that decision uses may be hypothesised by preparers of accounts in order to direct accounting statement preparation. This issue was not addressed by this study though it seems that many preparers were in fact doing just this by 'thinking about the man in the pew' when compiling accounting statements. If there are few extant decision uses then possibly this is a valid way to pursue the preparation of accounts. Further research on whether this is in fact what is happening would be most useful as it will give an idea as to what preparers perceptions of users needs are.

#### 16.6.9 Fund Accounting: A Naturally Occurring Phenomenon?

A very significant hypothesis is that the existence of fund accounting in all five of the churches strongly suggests that fund accounting is a naturally occurring phenomenon, probably in response to environmental and organisational needs. It has been suggested that one of the main reasons for fund accounting is that churches on the whole provide public goods which need to be funded separately from each other.

If fund accounting is naturally occurring, then rather than suggesting that it should be removed from accounting reports (Anthony 1980) it would perhaps be more helpful to specify and develop accounting models which include fund accounting with a view to common terminology and treatment (eg CICA 1980 and Bird and Morgan Jones 1981). Further research into whether fund accounting is a naturally occurring phenomenon together with research on the 'funding life cycle' discussed above would be helpful in understanding how the reporting of fund accounting information might be improved. Such research would need to be a longitudinal study and might also incorporate the cross-sectional approach taken here.

#### 16.6.10 The Extent of Detail in NPO Accounts

We have noted the context of accounting information of churches is on the whole alongside the reports to the AGM of the committees concerned with spending and that the accounting



information is much more detailed than would be the case in a PSO of equivalent size. In attempting to explain this latter observation, it has been suggested that the absence of financial criteria suitable for evaluating performance of management in churches means that accounting in the NPO area must give details of spending and income in order to discharge the stewardship function. The hypothesis that follows from this is that NPO accounts are more detailed because of the wider information need for stewardship and decision making accounts.

An alternative hypothesis to explain the large amount of detail in accounts is that the accounts are used for internal management purposes. Though this may be the case in some organisations (eg GGO) it is clearly not the case in other churches where internal users were emphatic that detailed external accounts were not detailed enough for internal management use.

#### 16.6.11 Budgets: A Useful Addition to External Financial Statements

Many of those receiving accounts felt that budgets are (in two churches) or would be (in three churches) useful and interesting additions to the financial statements of churches. This finding leads to the hypothesis that users in other NPO's would find budgets useful and interesting. Some NPO's, eg local authorities, already produce abbreviated budgets for ratepayers but there has been no empirical study of the extent of production of budgets in the NPO sector nor of the format of any that exist. Any investigation of budgets should seek to discover for what they are perceived to be useful and how they are used. Research in this area would assist preparers of accounts to identify and assess the costs and benefits of budget preparation.

#### 16.6.12 Budgets: The Key Device for Allocation of Funds

In the interviews with internal users it was observed that the introduction of central fund raising instead of fund-by-fund raising of resources brings the necessity for allocation of these funds. We observed that the key mechanism for this allocation was at the budgeting stage and this was normally done at a forum which included representatives of all the interested parties. Preparation of the budget in these circumstances is therefore

extremely important to individual officers and workers as they must obtain the resources they require at this point, although in most of the churches there seemed to be some flexibility in this. The hypothesis suggested by this is that the budget is a vitally important document in NPOs with central fund raising.

#### 16.6.13 Understanding of Accounts

The evidence in the study on understanding is somewhat difficult to interpret. However it seems as if most users are able to understand the context of accounts ie the representation of receipts and payments, but much smaller numbers of users understand technical issues with even internal users finding difficulty understanding balance sheets. It was hypothesised that much of the problem of understanding may be related to the complex structure of accounting statements and the unclear way in which the reports are structured.

This hypothesis seemed to be supported by the changes suggested by some users that explanations and narrative reports be added and that accounts be made simpler. The absence of a common accounts format made it impossible to design suitable questions to test understanding based on the accounts in the study and any research in this area may be best furthered initially by resorting to experimental situations.

#### 16.6.14 Pressures for Changes in Accounts

The study has identified that preparers report little pressure for change in the annual accounting reports as a regular feedback from users. The questionnaire did however reveal opinions that accounts ought to be simplified and contain more explanations to improve understanding. The only changes which have occurred in the annual accounts of the five churches in recent years seem to have originated either from pressure by the auditors or from initiatives on the part of accountants who are suppliers of information. This gives rise to two distinct hypotheses: first, that annual accounts of churches are adequately serving such needs as are present and consequently few changes are necessary and second, that few users feel competent to provide the necessary feedback information to improve the accounting reports.

The evidence from the study tends to support the second of these hypotheses.

However, these suggestions for simplification and explanation do not seem to have reached the producers of accounting reports and we must conclude that there is a communication gap. Interviews with producers suggested that they would be responsive to any requests for changes and so it is possible that users who put their suggestions to the producers would be listened to.

It should be noted that the study has highlighted only a few extant uses for accounts and the annual accounts seem to serve these needs. We have however concentrated on present uses and not potential uses. Further research is needed to extend our knowledge of uses to cover both potential and present needs.

#### 16.6.15 Measurement Basis

The study of accounting reports revealed a variety of different measurement bases in use in the various accounts and some confusion about which basis is in use in particular accounts. This produced a suggestion that there needs to be some common agreement on the terms used to describe particular measurement bases and this entails both recognising and defining bases.

One proposition arose from this discussion that the measurement basis for a fund as a whole must be related to the assets which represent that fund. However within a fund it is possible to use statement elements with different measurement bases, each of which must be reconciled to the overall fund measurement basis by a further statement element. Thus an operating statement using a measurement basis including depreciation may be one element of a cash based fund movement statement provided that a second statement element adjusts the first element by adding back the depreciation.

Though this is not a hypothesis for testing in the strict sense, this is an area where further research would be useful in the analytic domain in order to establish some possible approaches, and in the empirical domain to test how far these statements might be useful in practice. We noted in chapter 3 that the

discussion about whether to include depreciation in accounts is related to the measurement basis used in the accounts and this is in itself related to the type of accounting statement prepared.

And Finally

Perhaps the final impression from the study is that in churches financial information is not of paramount importance to many members. Issues such as the stance to be taken on moral issues such as nuclear weapons and the unemployment situation are equally or more important than accounting information for most members. However, the churches still exist within a financial world and as with other NPO's, be they hospitals, trade unions or local authorities, they must face the realities of financing their work and reporting to their members some of the aspects of this reality. This study has attempted to give some insights into the nature of information provided and the users and uses involved in five church headquarters.

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Appendix A

Letter and Questionnaire sent to church organisations

(see chapter 5.1)

DEPARTMENT OF  
ACCOUNTANCY



GLASGOW G12 8LE

Tel. 041-339 8855

Dear Sir,

I am carrying out research for a PhD degree at this university and have as my research area the accounting process in non-profit organisations. As I have fairly limited resources I am concentrating my study on religious organisations at regional and national level in Britain,

Most of my research effort will be put into case studies of eight or nine individual organisations but I am anxious to obtain as wide a range of background information as possible and I wonder if you would help me with this.

The background information I need at present is to discover what published financial accounts and statements are produced by organisations such as yours and to whom the accounts are sent. I wonder if you could please therefore send me a copy of your organisation's published accounts for 1980 and also complete and return the attached questionnaire? If the 1980 accounts are not yet ready would you please send me them and the completed questionnaire when they are ready.

I know that some organisations produce simplified versions of their annual accounts and so I have asked about this in the questionnaire. If you do not produce any simplified accounts then please ignore these questions. If you do produce a simplified set of accounts could I please have a copy?

I do hope that you will be able to assist me with this. I look forward to hearing from you.

Yours sincerely

J.K.Ashford  
Lavy Research Fellow

Religious Organisations General Survey

Computer Codes

1. Does your organisation produce an abbreviated or simplified set of accounts in addition to the full set?

Yes

☐

No

☐

2. On average for the years 1978-1980 how many sets of accounts have you produced for distribution each year?

Full Sets

\_\_\_\_\_

Copies

Abbreviated Sets

\_\_\_\_\_

Copies

3. Would you give below an approximation of how many copies of your full and abbreviated accounts are sent to each of the following groups each year:

	<u>Full Sets</u>	<u>Abbreviated Sets</u>
a) Senior staff employees or officers (eg department heads)	_____	_____
b) Trustees, members of governing boards (excluding a) above)	_____	_____
c) Representatives to Annual Meetings (excluding a)&b) above)	_____	_____
d) Other individual congregation members not included above	_____	_____
e) Local Congregations	_____	_____
f) Your Central Organisation or headquarters (if any)	_____	_____
g) Religious organisations other than your own	_____	_____
h) Charity Commissioners	_____	_____
i) Registrar of Companies	_____	_____
j) Inland Revenue	_____	_____
k) Banks or lenders of Money	_____	_____
l) Other creditors	_____	_____
m) Press or media	_____	_____
n) Researchers	_____	_____
o) General Public	_____	_____
p) Employees (excluding a) above)	_____	_____
q) Individual Donors (or potential donors) not included above	_____	_____
r) Beneficiaries (eg receivers of grants) not included above	_____	_____
s) Depositors of money or trust funds	_____	_____
t) Other groups (Please specify)	_____	_____
_____	_____	_____
_____	_____	_____

1 \_\_\_\_\_ 13

9

9 \_\_\_\_\_ 13

14 \_\_\_\_\_ 18

19 \_\_\_\_\_ 24

25 \_\_\_\_\_ 30

31 \_\_\_\_\_ 36

37 \_\_\_\_\_ 42

43 \_\_\_\_\_ 48

49 \_\_\_\_\_ 54

55 \_\_\_\_\_ 60

61 \_\_\_\_\_ 66

67 \_\_\_\_\_ 72

73 \_\_\_\_\_ 78

1 \_\_\_\_\_ 24

5 \_\_\_\_\_ 10

11 \_\_\_\_\_ 16

17 \_\_\_\_\_ 22

23 \_\_\_\_\_ 28

29 \_\_\_\_\_ 34

35 \_\_\_\_\_ 40

41 \_\_\_\_\_ 46

47 \_\_\_\_\_ 52

53 \_\_\_\_\_ 58

59 \_\_\_\_\_ 64

65 \_\_\_\_\_ 70

4. In your opinion which of the groups listed above are the accounts mainly designed to serve? (please give up to five groups in each case)

Full Accounts

Abbreviated Accounts

Group Name \_\_\_\_\_

Group Name \_\_\_\_\_

Group Name \_\_\_\_\_

Group Name \_\_\_\_\_

Group Name \_\_\_\_\_

5. Many commercial organisations prepare regular internal accounts for their management's use. Does your organisation have any regular internal accounts prepared

Monthly	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Quarterly	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Half Yearly	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Other Period	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>

6. What is your position in the organisation?

\_\_\_\_\_

7. What is the name of your organisation?

\_\_\_\_\_

8. I am preparing a questionnaire to collect further information about final accounts preparation and use in religious organisations. Would your organisation be prepared to assist me by completing one of these?

Yes ☐ Possibly ☐ No ☐

9. If the answer to the last question is 'yes' or 'possibly' who is the person who should be contacted?

\_\_\_\_\_

Thank you very much for completing the questionnaire. Would you please send it together with a copy of your accounts to:

J.K.Ashford BA(Econ) ACMA  
Lavy Research Fellow  
University of Glasgow  
Department of Accountancy  
67, Southpark Avenue  
Glasgow  
G12 8LE

Appendix B

Letters and Questionnaires sent to five churches under study

(see Section 2)

Appendix B1

Letter and Questionnaire sent to Diocese of Glasgow and Galloway



DEPARTMENT OF  
ACCOUNTANCY



GLASGOW G12 8LE

Tel. 041-339 8855

15th January 1982

Dear Fellow Church Member,

As you are probably aware, I am the new Honorary Treasurer of the Diocese of Glasgow and Galloway, having taken over from Mr George Simpson in August. I am at present undertaking post graduate research at Glasgow University into accounting in Churches and I hope that the Episcopal Church will be able to provide some of the material I need for my thesis.

I wonder therefore if I may enlist your help? I am trying to find out something about the people who receive the annual accounts of the Diocese and what they do with the accounts. In order to do this I would like each recipient of the accounts to complete the attached questionnaire. Please would you spare a few minutes of your time and assist me by completing a questionnaire?

Replies to the questionnaires will be kept strictly confidential and only used in summary form. Would you please answer the questions as honestly as possible? There are no 'right' or 'wrong' answers to any of the questions.

I hope that the results of the questionnaire will not only enable me to complete part of my research but that they might also assist the Diocese to understand whether any changes to the accounts may be usefully made. If you have any questions about the questionnaire or my research work you may contact me at home (041-942-5644) almost any evening.

I do hope that you will help me by completing the questionnaire. Would you please return it to me at the Diocesan Council or in the attached envelope by February 15th at the latest.

Thank you very much in advance for your help,

With my warm greetings,

Yours sincerely

Ken Ashford  
Lavy Research Fellow

UNIVERSITY OF GLASGOW  
DEPARTMENT OF ACCOUNTANCY  
67, SOUTHPARK AVENUE  
GLASGOW G12 6LE

Questionnaire for the Diocese of Glasgow and Galloway

Please would you be as honest as possible when completing this questionnaire. There are no right or wrong answers. The first three sections of the questionnaire are for everyone to complete but the last section (D) is only for those who are members of a Diocesan Board or Committee. You may need to refer to the 1981 accounts to answer some of the questions.

SECTION A

1. What is your age? (please tick one box)

18-25 ☐ 26-35 ☐ 36-45 ☐ 46-55 ☐ 56-65 ☐ over 65 ☐

2. What work do you do?

-----

3. Do you have any of the following qualifications? (please tick boxes of any you have)

'O' levels ☐ 'A' levels (or higher) ☐ HND or HNC ☐  
Diploma ☐ First Degree ☐ Higher Degree(s) ☐

4. Do you hold any professional qualifications? Yes/No

If 'yes' which? (initials will be adequate) -----

5. Do you have any accounting or bookkeeping qualifications?

Yes/No

If 'yes' which? -----

6. In which part(s) of the work of the Episcopal Church are you most interested?

Home Mission	<input type="checkbox"/>
Youth and Student work	<input type="checkbox"/>
Overseas Mission	<input type="checkbox"/>
Church Music	<input type="checkbox"/>
Mothers' Union or Womens' Work	<input type="checkbox"/>
Hospital and Sick visiting	<input type="checkbox"/>
Administration	<input type="checkbox"/>
Sunday School	<input type="checkbox"/>
Christian Education	<input type="checkbox"/>
Other (please specify)	

----- ☐

7. Would you indicate your (or your family's) approximate giving to the Episcopal Church each year? (tick one box)

Under £100 ☐ £100-£250 ☐ £250-£500 ☐ £501-£750 ☐ over £750 ☐

8. Approximately how many hours per month do you spend working for the Episcopal Church? (include congregational, diocesan and Provincial boards and committees)

9. Please indicate which offices you hold in your congregation:  
(tick one or more boxes)

None	<input type="checkbox"/>
Rector/Priest in charge	<input type="checkbox"/>
Secretary	<input type="checkbox"/>
Treasurer	<input type="checkbox"/>
Lay representative	
(or alternate)	<input type="checkbox"/>
Vestry Member	<input type="checkbox"/>
Other (please specify)	

----- ☐

10. Please indicate which Diocesan Committees, Councils and Boards  
you are a member of: (tick one or more boxes)

None	<input type="checkbox"/>
Diocesan Council	<input type="checkbox"/>
Regional Council	<input type="checkbox"/>
Standing Committee	<input type="checkbox"/>
Joint Board	<input type="checkbox"/>
Bishopric Income and	
Residence Board	<input type="checkbox"/>
Social Service Board	<input type="checkbox"/>
Education Board	<input type="checkbox"/>
Overseas Mission Board	<input type="checkbox"/>
Others (please specify)	

----- ☐

11. Do you hold office as convenor, secretary or treasurer of any  
Diocesan Committee, Board or Council?

Yes/No

12. Please indicate which Provincial Committees, Councils and  
Boards you are a member of: (tick one or more boxes)

None	<input type="checkbox"/>
Representative Church	
Council	<input type="checkbox"/>
Others (please specify)	

----- ☐

----- ☐

13. Do you hold office as convenor, secretary or treasurer of any  
Provincial Committees, Councils or Boards?

Yes/No

## Section B

1. How many years have you received a copy of the annual accounts  
of the Diocese (including this year)

1 year ☐ 2-4 years ☐ 5-8 years ☐ over 8 years ☐

2. How many people will probably see or read your copy of the  
accounts (including yourself)?

3. Please state briefly what use(s) you make of the Diocesan Accounts (if any):

-----  
-----  
-----

4. Does the information in the accounts affect the amount of money you personally give to the Episcopal Church? (tick one box)

Not at all	<input type="checkbox"/>
Only a little	<input type="checkbox"/>
Quite a lot	<input type="checkbox"/>
Greatly	<input type="checkbox"/>

5. What is the main factor that influences how much you give to the Episcopal Church? (tick one box only)

Your income	<input type="checkbox"/>
Local congregational needs	<input type="checkbox"/>
How much you can spare	<input type="checkbox"/>
How much the church spends money in the way you would like	<input type="checkbox"/>
Other (please specify)	<input type="checkbox"/>

----- ☐

6. Below is a list of all the sections of the Diocesan Accounts. Would you indicate how thoroughly you read each section before, during or shortly after the Council meeting? (tick one box on each line)

	Do not read	Glance at or read briefly	Read Thoroughly
1. Fund summary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Notes to Accounts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Balance sheet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. General Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Clergy Stipend Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Home Mission Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Diocesan Expenses Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Bursary Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Bishopric Income and Residence Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Emergency Repairs Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Chaplains Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Social Workers Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Sites and Church Extension Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Loans Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Retired Clergy Residences Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Assets held for Funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. List of Congregational Contributions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7. Taking the 1981 accounts, for your purposes as a member of council or individual church member, do you think they contain: (tick one box only)

Too much information	<input type="checkbox"/>
A little too much information	<input type="checkbox"/>
The right amount of information	<input type="checkbox"/>
Not quite enough information	<input type="checkbox"/>
Too little information	<input type="checkbox"/>

8. From past experience (if any) are you likely to refer to the 1981 accounts after the Diocesan Council meeting either for your personal purposes or for your congregation? (tick one box)

Often ☐ Occasionally ☐ Never ☐

9. Did your Vestry last year consider the Diocesan Accounts before deciding on how much quota to pay? (tick one box)

Not at all	<input type="checkbox"/>
Only a little	<input type="checkbox"/>
In some detail	<input type="checkbox"/>
In great detail	<input type="checkbox"/>
Don't know	<input type="checkbox"/>

10. If the Diocese wanted to reduce the size of the accounts would you, as an individual church member or as a member of Council, agree or disagree to the removal of the following items from the accounts? (note that not all sections are included in the list below)

	Agree to Removal	Unconcerned	Disagree to Removal
1. General Account	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Loans Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Investments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Chaplains Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Auditors report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Balance sheet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. List of Congregational Contributions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Clergy Stipend Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Notes to accounts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Expenses Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Social Worker's fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

11. The 1981 Diocesan Accounts contain a summary of movements on the main fund accounts of the Diocese. Do you consider this summary (or one like it) to be:

Very Useful	<input type="checkbox"/>	Tick	Very Interesting	<input type="checkbox"/>	Tick
Useful	<input type="checkbox"/>	One	Interesting	<input type="checkbox"/>	One
Not Useful	<input type="checkbox"/>	Box	Not Interesting	<input type="checkbox"/>	Box

12. On the whole do you find the 1981 Diocesan Accounts: (tick one box)

Very easy to understand	<input type="checkbox"/>
Quite easy to understand	<input type="checkbox"/>
Quite difficult to understand	<input type="checkbox"/>
Very difficult to understand	<input type="checkbox"/>

## Section C

1. The 1981 Diocesan Accounts are prepared on a Receipts and Payments basis instead of the alternative Income and Expenditure basis:

a) Do you understand the difference between these two bases:

Definitely ☐ Think I do ☐ Not sure ☐ No ☐

b) If you definitely understand or think you understand the difference between the two bases which basis do you think the Diocese should be using in its 1982 Accounts?

Receipts and Payments ☐  
Income and Expenditure ☐  
Don't Know ☐

2. Is the 1981 Diocesan Balance sheet: (tick one box)

A summary of all the assets held by Diocesan trustees and the funds they relate to ☐  
Or A list of balances from the account books ☐  
Or Something else (if so please specify) ☐  
----- ☐  
Or Don't know ☐

3. The 1981 Diocesan Accounts show receipts and payments accurate to the nearest penny. Do you think that a change to showing the amounts to the nearest pound would: (tick one box per line)

a) improve clarity Yes ☐ No ☐ Don't know ☐  
b) severely reduce information content Yes ☐ No ☐ Don't know ☐  
c) be acceptable to most council members Yes ☐ No ☐ Don't know ☐

4. The property of the Diocese is held by trustees. For whom do you believe the property is held in trust for? (tick one or more boxes)

1. Donors of money or assets ☐  
2. The present church membership ☐  
3. God ☐  
4. Future church members ☐  
5. Non-church members ☐  
6. Others (please specify) ☐

----- ☐

5. For whom do you think the Diocesan Accounts are mainly prepared for? (give as many answers as you like)

-----

6. For what reasons or purposes do you think accounts are prepared in the Diocese? (give as many answers as you like)

-----

7. Do you think that any of the financial information about diocesan affairs is so sensitive that it should not be released :

1.To a member of a Diocesan Board or Committee Yes/No

(if the answer is 'yes' please  
give an example \_\_\_\_\_)

2.To ordinary members of the Episcopal Church Yes/No

(if the answer is 'yes' please  
give an example \_\_\_\_\_)

3.To the general public Yes/No

(if the answer is 'yes' please  
give an example \_\_\_\_\_)

8. What would your reaction be if no accounts were prepared and presented to the annual council meeting?

\_\_\_\_\_  
\_\_\_\_\_

9. If an annual budget were published for the forthcoming year would you, as an individual or as a council member, find it:

Very Useful	<input type="checkbox"/>	Tick	Very Interesting	<input type="checkbox"/>	Tick
Useful	<input type="checkbox"/>	One	Interesting	<input type="checkbox"/>	One
Not Useful	<input type="checkbox"/>	Box	Not Interesting	<input type="checkbox"/>	Box

10. If half yearly financial reports were produced in a similar format to the present annual accounts and circulated to you, as an individual or as a council member, do you think they would be:

Very Useful	<input type="checkbox"/>	Tick	Very Interesting	<input type="checkbox"/>	Tick
Useful	<input type="checkbox"/>	One	Interesting	<input type="checkbox"/>	One
Not Useful	<input type="checkbox"/>	Box	Not Interesting	<input type="checkbox"/>	Box

11. If a member of your congregation made the following comments about the 1981 financial position would you agree or disagree with him (or her):

"The Diocese has plenty of spare cash for a rainy day" Agree ☐ Disagree ☐ Don't know ☐

"Our quota payments are far too high for the needs of the Diocese" Agree ☐ Disagree ☐ Don't know ☐

12. Please give brief details of any changes you, as an individual church member or as a member of council, would like to see in the accounts of the Diocese. (to improve usefulness, understanding, readability etc)

## Section D

Please complete this section of the questionnaire only if you are a member of one or more of the following Diocesan Committees:

Standing Committee  
or Joint Board  
or Bishopric Income and Residence Board  
or Social Service Board  
or Education Board  
or Overseas Mission Board  
or Other Diocesan management Board or Committee

1. Below is a list of all the sections of the 1981 Diocesan Accounts. Would you indicate how relevant you feel each section is for your work as a member of the Diocesan Committees. (tick one box on each line)

	Very relevant	Partially relevant	Not relevant
1. Fund summary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Notes to Accounts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Balance sheet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. General Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Clergy Stipend Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Home Mission Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Diocesan Expenses Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Bursary Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Bishopric Income and Residence Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Emergency Repairs Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Chaplains Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Social Workers Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Sites and Church Extension Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Loans Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Retired Clergy Residences Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Assets held for Funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. List of Congregational Contributions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. If the Diocese were to wish to reduce the size of the accounts would you, as a member of a Diocesan Board or Committee, agree or disagree to the removal of the following items from the accounts? (note that not all sections are included in the list below)

	Agree to Removal	Unconcerned	Disagree to Removal
1. General Account	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Loans Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Investments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Chaplains Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Auditors report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Balance sheet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. List of congregational Contributions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Clergy Stipend Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Notes to accounts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Expenses Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Social Worker's fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



3. Taking the 1981 accounts, do you think they contain for your purposes as a member of a Diocesan Committee or Board (tick one box only)

Too much information	<input type="checkbox"/>
A little too much information	<input type="checkbox"/>
The right amount of information	<input type="checkbox"/>
Not quite enough information	<input type="checkbox"/>
Too little information	<input type="checkbox"/>

4. If an annual budget were prepared for the forthcoming year, for your work as a member of a Diocesan Committee or Board, would you find it:

Very Useful	<input type="checkbox"/>	Tick	Very Interesting	<input type="checkbox"/>	Tick
Useful	<input type="checkbox"/>	One	Interesting	<input type="checkbox"/>	One
Not Useful	<input type="checkbox"/>	Box	Not Interesting	<input type="checkbox"/>	Box

5. If quarterly or half-yearly financial reports were produced and circulated to you as a member of a Diocesan Committee or Board do you think they would be: (tick one box)

Very Useful	<input type="checkbox"/>	Tick	Very Interesting	<input type="checkbox"/>	Tick
Useful	<input type="checkbox"/>	One	Interesting	<input type="checkbox"/>	One
Not Useful	<input type="checkbox"/>	Box	Not Interesting	<input type="checkbox"/>	Box

6. Please give brief details of any changes you would like to see in the accounts in order to assist you in your work as a member of a Diocesan Committee or Board.

Thank you very much for completing the questionnaire. Please would you return it to me at the Diocesan Council meeting or to the Diocesan Office or in the enclosed stamped addressed envelope to:

Mr J.K.Ashford  
23, Russell Drive,  
Bearsden,  
Glasgow,  
G61 3BB

If you have any questions about the questionnaire or about my research work you can contact me almost any evening at home on 041-942-5644.

Appendix B2

Letter and Questionnaire sent to Representative Church Council

DEPARTMENT OF  
ACCOUNTANCY



GLASGOW G12 8LE

Tel. 041-339 8855

Extension 501

May 1982

23 Russell Drive  
Bearsden  
Glasgow  
G61 3BB

Dear Fellow Church Member,

As many of you will know, I am the honorary treasurer of the Diocese of Glasgow and Galloway. My full-time work is as a post-graduate researcher at the University of Glasgow where I am undertaking research into accounting in churches in the United Kingdom. I am hoping that the Episcopal Church will be able to provide me with some of the material I need for my study and so I wonder if I may enlist your help?

At present I am trying to find out something about the people who receive the annual accounts of the Representative Church Council (in the 'Blue Book') and what they do with them. To do this I would like each recipient of the accounts to complete the attached questionnaire. Please would you spare a few minutes of your time and assist me by completing the questionnaire? Replies to the questionnaire will be kept confidential and used only in summary form in my thesis.

Members of the RCC from the Diocese of Glasgow and Galloway will already have received a copy of a similar questionnaire for that Diocese. I am very grateful to all those who replied to that questionnaire, the results of which are very interesting and useful. I wonder however if I could prevail on you to also complete this questionnaire? It is not exactly the same and it is about a different set of accounts.

I hope that the results of this study will enable me to complete a good part of my research. I will give a copy of the results to the RCC and will have a limited number of copies available for anyone who would like to see one. If you have any questions about my research please do not hesitate to contact me at my home address (given above).

I hope you are able to find time to complete the questionnaire. Would you please return the completed questionnaire to me by June 30th at the latest in the enclosed FREEPOST envelope.

Thank you very much in advance for your help.

With my warm greetings,

Yours sincerely

Ken Ashford  
Lavy Research Fellow

UNIVERSITY OF GLASGOW  
DEPARTMENT OF ACCOUNTANCY

Questionnaire for recipients of Representative Church Council Accounts

The first three sections of the questionnaire are for everyone to complete but the last section (D) is only for those who are members of a Provincial or RCC Board or Committee. You may need to refer to the 1981 accounts in the 'Blue Book' to answer some of the questions. Please be as honest as possible when filling in the answers. There are no 'right' or 'wrong' answers to any of the questions.

SECTION A

1. Which Diocese are you a member of? \_\_\_\_\_
2. What is your age? (please tick one box)  
18-25 [ ]    26-35 [ ]    36-45 [ ]    46-55 [ ]    56-65 [ ]    over65 [ ]
3. What work do you do?  
\_\_\_\_\_
4. Do you have any of the following qualifications? (please tick boxes of any you have)  
'O'levels [ ]    'A'levels (or higher) [ ]    HND or HNC [ ]  
Diploma [ ]    First Degree [ ]    Higher Degree(s) [ ]
5. Do you hold any professional qualifications?  
(Clergymen should answer 'yes' to this question)    Yes [ ]    No [ ]  
If 'yes', which? (initials will be adequate) \_\_\_\_\_
6. Do you have any accounting or bookkeeping qualifications?    Yes [ ]    No [ ]  
If 'yes' which? \_\_\_\_\_
7. In which part(s) of the work of the Episcopal Church generally are you most interested? (Tick one or more boxes)  

Home Mission	[ ]	Administration	[ ]
Youth and Student work	[ ]	Sunday School	[ ]
Overseas Mission	[ ]	Christian Education	[ ]
Church Music	[ ]	Worship	[ ]
Mothers' Union or Women's Work	[ ]	Other (please specify)	[ ]
Hospital and Sick visiting	[ ]	_____	[ ]
8. Would you indicate your (or your family's) approximate giving to the Episcopal Church each year? (tick one box)  
Under £100 [ ]    £101-£250 [ ]    £251-£500 [ ]    £501-£750 [ ]    over £750 [ ]
9. Approximately how many hours per month do you spend working for the Episcopal Church? (Please complete one box only)  

If you are a full-time church-worker: [_____] Hours per Month	If you are a part-time church-worker: [_____] Hours per Month	If you work for the church only in your spare-time: [_____] Hours per Month
--	--	--
10. Please indicate which offices you hold in your congregation: (tick one or more boxes)  

None	[ ]	LayElector	[ ]
Rector or Priest in charge	[ ]	Vestry Member	[ ]
Secretary	[ ]	Lay Reader	[ ]
Treasurer	[ ]	Other (please specify)	[ ]
Lay Representative (or alternate)	[ ]	E2-2 _____	[ ]

11. Please indicate which Diocesan Committees, Councils and Boards you are a member of: (tick one or more boxes)

None	[ ]	Overseas Mission Board	[ ]
Regional Chapter/Council	[ ]	Social Service Board	[ ]
Diocesan Council	[ ]	Other Boards, Councils or	
Executive/Standing Cttee	[ ]	Committees (please specify)	
Joint Board	[ ]		
Education Board	[ ]		[ ]

12. Do you hold office as convenor, secretary or treasurer of any Diocesan Committee, Board or Council?

Yes [ ] No [ ]

13. Please indicate which Provincial or RCC Committees, Boards and sub-committees you are a member of: (tick one or more boxes)

None	[ ]	Social Service Board	[ ]
Representative Church Council	[ ]	Others (please specify)	
Executive Committee	[ ]		
Central Joint Board	[ ]		[ ]
Board of Education	[ ]		
Overseas Mission Board	[ ]		[ ]

14. Do you hold office as convenor, secretary or treasurer of any Provincial Committees or Boards?

Yes [ ] No [ ]

### Section B

1. How many years have you received a copy of the RCC 'Blue Book' (which contains the annual accounts)?

This year only [ ] 2-4 years [ ] 5-8 years [ ] over 8 years [ ]

2. How many people will probably see or read your copy of the Blue Book in order to look at the accounts (including yourself)? [ ]

3. Please state briefly what use(s) you make of the RCC 'Blue Book' Accounts (if any):

4. Does the information in the RCC accounts affect the amount of money you personally give to the Episcopal Church? (tick one box only)

Not at all	[ ]
Only a little	[ ]
Quite a lot	[ ]
Greatly	[ ]

5. What is the main factor that influences how much you give to the Episcopal Church? (tick one box only)

Your income	[ ]
Local congregational needs	[ ]
How much you can spare	[ ]
How much the church spends	
money the way you would like	[ ]
Other (please specify)	

[ ]

6. On the whole do you find the accounts in the appendices to the Executive Committee's report in the 1981 RCC 'Blue Book': (tick one box)

Very easy to understand	[ ]
Quite easy to understand	[ ]
Quite difficult to understand	[ ]
Very difficult to understand	[ ]

7. Below is a list of all the sections of the RCC 'Blue Book' Accounts. Would you indicate how thoroughly you read each section? (tick one box on each line)

		Do not Read	Glance at	Read Briefly	Read Thoroughly
1. Provincial Revenue Account	(p20)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Pension Fund	(p20)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Provincial Balance sheet	(p21)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Provincial Auditors' report	(p21)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Quota Contributions by Diocese (Appx 3)	(p22)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Unit Trust Pool Balance Sheet	(p23)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Unit Trust Pool Income and Expenditure Account	(p24)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Unit Trust Pool Audit Report	(p24)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Unit Trust Pool Valuation	(p25)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Scan Accounts	(p26)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Summary of statistics for <u>your</u> Diocese	(p60-71)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Summary of statistics for <u>other</u> Dioceses	(p60-71)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Abstract of Statistics	(p72)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. Taking the 1981 RCC 'Blue Book', accounts as listed above, for your purposes as a member of the RCC or as an individual church member, do you think they contain: (tick one box only)

Too much information	<input type="checkbox"/>
A little too much information	<input type="checkbox"/>
The right amount of information	<input type="checkbox"/>
Not quite enough information	<input type="checkbox"/>
Too little information	<input type="checkbox"/>

9. From past experience (if any) how often are you likely to refer to the 1981 'Blue Book' accounts after the RCC meeting for each of the following purposes? (Please tick one box on each line.)

	Not Applicable	Refer to Often	Refer to Occasionally	Never Refer to
Personally	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
For Congregation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
For Diocese	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
For Province/RCC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

10. Did your Vestry last year consider the RCC 'Blue Book' Accounts before deciding on how much provincial (or diocesan) quota to pay? (tick one box)

Not at all	<input type="checkbox"/>
Only a little	<input type="checkbox"/>
In some detail	<input type="checkbox"/>
In great detail	<input type="checkbox"/>
Don't know	<input type="checkbox"/>

11. Details of each central board's finances are given in that board's annual report in the Blue Book. For your purposes as a member of the RCC or as an individual church member, do you think that these financial details provide:

Too much information	<input type="checkbox"/>
A little too much information	<input type="checkbox"/>
The right amount of information	<input type="checkbox"/>
Not quite enough information	<input type="checkbox"/>
Too little information	<input type="checkbox"/>

12. Which of the following is your main source of information about the finances of the R.C.C.? (tick one box only)

Church publications (Congregational, Diocesan, Provincial)	<input type="checkbox"/>
The annual 'Blue Book' published accounts	<input type="checkbox"/>
Verbal reports at annual Regional or Diocesan meetings	<input type="checkbox"/>
Reports at RCC committee or board meetings	<input type="checkbox"/>
Other source (please specify)	<input type="checkbox"/>

## Section C

1. The RCC 1981 Provincial Revenue Account (appendix I) is prepared on a Receipts and Payments basis instead of the alternative Income and Expenditure basis:

a) Do you understand the difference between these two bases:

Definitely ☐ Think I do ☐ Not sure ☐ No ☐

b) If you definitely understand or think you understand the difference between the two bases which basis do you think the RCC should be using in its 1982 Accounts?

Receipts and Payments ☐ ☐  
Income and Expenditure ☐ ☐  
Don't Know ☐ ☐

2. Taken together, are the 1981 Provincial and Unit Trust Pool Balance Sheets (appendix II and appendix IV): (tick one box)

1. A summary of all the assets held by RCC trustees and the funds they relate to? ☐ ☐  
Or 2. A list of balances from the account books? ☐ ☐  
Or 3. Something else? (if so please specify)

Or 4. Don't know

☐ ☐

3. The property of the RCC is held by trustees. For whom do you believe the property is held in trust? (tick one or more boxes)

1. Donors of money or assets ☐ ☐  
2. The present church membership ☐ ☐  
3. God ☐ ☐  
4. Future church members ☐ ☐  
5. Non-church members ☐ ☐  
6. Others (please specify)

☐ ☐

4. For whom do you think the RCC 'Blue Book' Accounts are mainly prepared? (give as many answers as you like)

5. For what reasons or purposes do you think the RCC 'Blue Book' accounts are prepared? (give as many answers as you like)

6. Do you think that any of the financial information about RCC or Provincial affairs is so confidential that it should not be released :

1. To a member of an RCC Board or Committee Yes ☐ No ☐  
(if the answer is 'yes'  
please give an example \_\_\_\_\_)

2. To ordinary members of the Episcopal Church Yes ☐ No ☐  
(if the answer is 'yes'  
please give an example \_\_\_\_\_)

3. To the general public Yes ☐ No ☐  
(if the answer is 'yes'  
please give an example \_\_\_\_\_)

7. Annual budget figures are published for the forthcoming year at the end of each board's annual report. Would you indicate in the boxes below which of these you read for personal, congregational or Diocesan purposes? (tick one box on each line)

	Donot Read	Glance at	Read Briefly	Read Thoroughly
1. Quota Allocation (p9)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. 1982 Diocesan Quotas (p10)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Clergy Stipend Fund Grants (p28)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Home Mission Fund Grants (p29)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Joint Board Budget (p38-9)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Theological College Budget (p44-5)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Board of Education Budget (p50)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Overseas Mission Bd Budget (p54)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Social Service Bd Budget (p59)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. Do you find the budgets which you read to be:

Very Useful	<input type="checkbox"/>	Tick	Very Interesting	<input type="checkbox"/>	Tick
Useful	<input type="checkbox"/>	One	Interesting	<input type="checkbox"/>	One
Not Useful	<input type="checkbox"/>	Box	Not Interesting	<input type="checkbox"/>	Box

9. If half-year accounts were prepared in a similar form to the present annual accounts and sent to you as a member of the RCC or as an individual church member, do you think they would be:

Very Useful	<input type="checkbox"/>	Tick	Very Interesting	<input type="checkbox"/>	Tick
Useful	<input type="checkbox"/>	One	Interesting	<input type="checkbox"/>	One
Not Useful	<input type="checkbox"/>	Box	Not Interesting	<input type="checkbox"/>	Box

10. The 1981 RCC 'Blue Book' Accounts are a summary of movements on the main fund accounts of the RCC. Would you find the reporting of the detailed fund accounts which go to into this summary:

Very Useful	<input type="checkbox"/>	Tick	Very Interesting	<input type="checkbox"/>	Tick
Useful	<input type="checkbox"/>	One	Interesting	<input type="checkbox"/>	One
Not Useful	<input type="checkbox"/>	Box	Not Interesting	<input type="checkbox"/>	Box
Don't Know	<input type="checkbox"/>	Here	Don't Know	<input type="checkbox"/>	Here

11. If a member of your congregation made the following comments about the 1981 RCC financial position would you agree or disagree with him (or her):

"The RCC has ample reserves to meet any unexpected but necessary expenditures."	Agree	<input type="checkbox"/>
	Disagree	<input type="checkbox"/>
	Don't know	<input type="checkbox"/>

"Our Central quota payments are allowing the RCC to build up excessive reserves."	Agree	<input type="checkbox"/>
	Disagree	<input type="checkbox"/>
	Don't know	<input type="checkbox"/>

12. Please give brief details of any changes you, as an individual church member or as a member of the RCC would like to see in the 'Blue Book' accounts of the RCC: (to improve usefulness, understanding, readability etc)

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## Section D

Please complete this next section of the questionnaire only if you are a member of one or more of the following RCC Committees or Sub-committees:

Executive Committee or sub-committees  
 or Central Joint Board or sub-committees  
 or Board of Education  
 or Overseas Mission Board  
 or Social Service Board or sub-committees  
 or Other RCC or Provincial Board or Committee



1. Below is a list of all the sections of the RCC 'Blue Book' Accounts. Would you indicate how relevant you feel each section of the accounts is to your work on a Provincial or RCC Board or Committee? (tick one box on each line)

		Not Relevant	A Little Relevant	Quite Relevant	Very Relevant
1. Provincial Revenue Account	(p20)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Pension Fund	(p20)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Provincial Balance sheet	(p21)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Provincial Auditors' report	(p21)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Quota Contributions					
by Diocese (Appx 3)	(p22)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Unit Trust Pool Balance Sheet	(p23)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Unit Trust Pool Income					
and Expenditure Account	(p24)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Unit Trust Pool Audit Report	(p24)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Unit Trust Pool Valuation	(p25)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Scan Accounts	(p26)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Summary of statistics					
for <u>your</u> Diocese	(p60-71)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Summary of statistics					
for <u>other</u> Dioceses	(p60-71)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Abstract of Statistics	(p72)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. From past experience (if any) how often are you likely to refer to the 1981 'Blue Book' accounts for your RCC committee or board work? (Please tick one box)

Often ☐ Occasionally ☐ Never ☐

3. For your purposes as a member of an RCC Board or Committee, do you think that the accounts, together with the related information in the board reports of the 1981 RCC 'Blue Book', contain (tick one box only)

Too much information ☐  
A little too much information ☐  
The right amount of information ☐  
Not quite enough information ☐  
Too little information ☐

4. For your work as a member of an RCC Board, do you find the budgets which are prepared for your board(s) or committee(s) and published in the 'Blue Book' to be:

Very Useful	<input type="checkbox"/>	Tick	Very Interesting	<input type="checkbox"/>	Tick
Useful	<input type="checkbox"/>	One	Interesting	<input type="checkbox"/>	One
Not Useful	<input type="checkbox"/>	Box	Not Interesting	<input type="checkbox"/>	Box

5. For your work as a member of an RCC Board, do you think that if quarterly or half-yearly accounts were prepared for your committee(s) they would be:

Very Useful	<input type="checkbox"/>	Tick	Very Interesting	<input type="checkbox"/>	Tick
Useful	<input type="checkbox"/>	One	Interesting	<input type="checkbox"/>	One
Not Useful	<input type="checkbox"/>	Box	Not Interesting	<input type="checkbox"/>	Box
Don't Know	<input type="checkbox"/>	Here	Don't Know	<input type="checkbox"/>	Here

6. Please give brief details of any changes you would like to see in the 'Blue Book' accounts in order to assist you in your work as a member of an RCC Committee or Board.

Thank you very much for completing the questionnaire. Please would you return it to me at the RCC meeting or in the enclosed FREEPOST envelope to:

Mr J.K.Ashford  
FREEPOST,  
Bearsden,  
Glasgow,  
G61 1BR

NO STAMP IS REQUIRED

B2-7

(Phone 041-942-5644)

Appendix B3

Letter and Questionnaire sent to Diocese of Liverpool

DEPARTMENT OF  
ACCOUNTANCY



GLASGOW G12 8LE

Tel. 041-339 8855

Extension 501

May 1982

23 Russell Drive  
Bearsden  
Glasgow  
G61 3BB

Dear Fellow Church Member,

I am a post-graduate researcher at the University of Glasgow undertaking research into accounting in churches in the United Kingdom. I am a member of the Anglican Church and have spent six years overseas as a missionary accountant. Whilst overseas my family and I were link missionaries to a church in St. Helens and we hope that Liverpool Diocese may be able to provide me with some of the material I need for my study.

I wonder if I may enlist your help? I am trying to find out something about the people who receive the annual accounts of the Diocese and what they do with the accounts. To do this I would like each recipient of the accounts to complete the attached questionnaire. Please would you spare a few minutes of your time and assist me by completing the questionnaire?

Replies to the questionnaire will be kept confidential and used only in summary form. Would you please answer the questions as honestly as possible? There are no 'right' or 'wrong' answers to any of the questions.

I hope that the results of this study will not only enable me to complete part of my research but that they may also be of assistance to the Diocese who will be given a copy of the results. If you have any questions about my research please do not hesitate to contact me at my home address (given above).

I hope you are able to find time to complete the questionnaire. Would you please return the completed questionnaire to me by June 15th at the latest in the enclosed FREEPOST envelope (which does not need a stamp).

Thank you very much in advance for your help.

With my warm greetings,

Yours sincerely

Ken Ashford  
Lay Research Fellow

UNIVERSITY OF GLASGOW  
DEPARTMENT OF ACCOUNTANCY  
Questionnaire for the Diocese of Liverpool

The first three sections of the questionnaire are for everyone to complete but the last section (D) is only for those who are members of a Diocesan Board or Committee. You may need to refer to the 1981 accounts to answer some of the questions.

Section A

1. What is your age? (please tick one box)

18-25 [ ] 26-35 [ ] 36-45 [ ] 46-55 [ ] 56-65 [ ] over65 [ ]

2. What work do you do?

3. Do you have any of the following qualifications? (please tick boxes of any you have)

'O'levels [ ] 'A'levels [ ] HND or HNC [ ]  
Diploma [ ] First Degree [ ] Higher Degree(s) [ ]

4. Do you hold any professional qualifications?  
(Clergymen should answer 'yes' to this question) Yes [ ] No [ ]

If 'yes' which? \_\_\_\_\_

5. Do you have any accounting or bookkeeping qualifications? Yes [ ] No [ ]

If 'yes' which? \_\_\_\_\_

6. Would you indicate your (or your family's) approximate giving to the Church each year? (tick one box)

Under £100 [ ] £101-£250 [ ] £251-£500 [ ] £501-£750 [ ] over £750 [ ]

7. Approximately how many hours per month do you spend working for the Church? (Please complete one box only)

If you are a full-time church-worker: [ ] Hours per Month
--

If you are a part-time church-worker: [ ] Hours per Month
--

If you work for the church only in your spare time: [ ] Hours per Month
--

8. Please indicate which offices you hold in your parish: (tick one or more boxes)

None [ ]	Deanery Synod Rep [ ]
Rector, Vicar, [ ]	PCC Member [ ]
Priest in charge, etc [ ]	Lay Reader [ ]
Curate [ ]	Other (please specify) [ ]
Secretary to PCC [ ]	
Treasurer to PCC [ ]	_____ [ ]

9. Are you the chairman, secretary or treasurer of any Diocesan Committee, Board or Council? Yes [ ] No [ ]

10. Please indicate which Diocesan Committees, Councils and Boards you are a member of: (tick one or more boxes)

None [ ]	Board of Education [ ]
Bishop's Council [ ]	Board of Ministry [ ]
Diocesan Synod [ ]	Overseas Mission Board [ ]
Deanery Synod [ ]	Others (please specify) [ ]
Board of Finance [ ]	
Pastoral Committee [ ]	_____ [ ]
Board of Mission and Social Responsibility [ ]	_____ [ ]

11. Please indicate which General Synod or Central Board of Finance Committees, Councils and Boards you are a member of: (tick one or more boxes)

None	<input type="checkbox"/>	Others (please specify)	
General Synod	<input type="checkbox"/>	_____	<input type="checkbox"/>
Central Board of Finance	<input type="checkbox"/>	_____	<input type="checkbox"/>

12. Are you the chairman, secretary or treasurer of any General Synod or CBF Committees, Councils or Boards? Yes ☐ No ☐

13. In which part(s) of the work of the Church generally are you most interested? (tick one or more boxes)

Mission in the UK	<input type="checkbox"/>	Administration	<input type="checkbox"/>
Youth and Student work	<input type="checkbox"/>	Sunday School	<input type="checkbox"/>
Overseas Mission	<input type="checkbox"/>	Christian Education	<input type="checkbox"/>
Church Music	<input type="checkbox"/>	Worship	<input type="checkbox"/>
Womens' Work (including MU)	<input type="checkbox"/>	Other (please specify)	
Hospital and Sick visiting	<input type="checkbox"/>	_____	<input type="checkbox"/>

### Section B

1. How many years have you received a copy of the annual accounts of the Diocese (including this year)

This year only ☐ 2-4 years ☐ 5-8 years ☐ over 8 years ☐

2. How many people will probably see or read your copy of the accounts (including yourself)?

3. Please state briefly what use(s) you make of the Diocesan Accounts (if any): (give as many uses as you like)

\_\_\_\_\_  
\_\_\_\_\_

4. Does the information in the accounts affect the amount of money you personally give to the Church? (tick one box)

Not at all	<input type="checkbox"/>
Only a little	<input type="checkbox"/>
Quite a lot	<input type="checkbox"/>
Greatly	<input type="checkbox"/>

5. What is the main factor that influences how much you give to the Church? (tick one box only)

Your income	<input type="checkbox"/>
Local congregational needs	<input type="checkbox"/>
How much you can spare	<input type="checkbox"/>
How much the church spends money	
in the way you would like	<input type="checkbox"/>
Other (please specify)	

\_\_\_\_\_ ☐

6. Which of the following is your main source of information about the finances of the Diocese? (tick one box only)

Church publications (Diocesan, Parish, National)	<input type="checkbox"/>
The annual published accounts	<input type="checkbox"/>
Verbal reports at annual Diocesan	
or Deanery meetings	<input type="checkbox"/>
Reports at Diocesan management committee meetings	<input type="checkbox"/>
Other source (please specify)	

\_\_\_\_\_ ☐

7. Below is a list of all the sections of the Diocesan Accounts. Would you indicate how thoroughly you read each section? (tick one box on each line)

	Do not read	Glance at	Read briefly	Read thoroughly
1. DBF Audit Report	[ ]	[ ]	[ ]	[ ]
2. Income and Expenditure Acct	[ ]	[ ]	[ ]	[ ]
3. Notes on Accounting Policies	[ ]	[ ]	[ ]	[ ]
4. DBF Balance Sheet	[ ]	[ ]	[ ]	[ ]
5. Source & Appn. of Funds Statement	[ ]	[ ]	[ ]	[ ]
6. Other Boards Balance Sheet	[ ]	[ ]	[ ]	[ ]
7. Other Boards Accounts Notes	[ ]	[ ]	[ ]	[ ]
8. Parsonages Admin Account	[ ]	[ ]	[ ]	[ ]
9. Parsonages Repairs Account	[ ]	[ ]	[ ]	[ ]
10. Pastoral Account	[ ]	[ ]	[ ]	[ ]
11. Publications Account	[ ]	[ ]	[ ]	[ ]
12. Laurence House Operating Acct	[ ]	[ ]	[ ]	[ ]
13. Accredited Lay Ministry Acct	[ ]	[ ]	[ ]	[ ]
14. Retired Clergy etc Account	[ ]	[ ]	[ ]	[ ]
15. Widows and Dependant's Fund	[ ]	[ ]	[ ]	[ ]
16. Board of Education	[ ]	[ ]	[ ]	[ ]
17. Board of Ministry	[ ]	[ ]	[ ]	[ ]
18. Board of Mission & Social Resp.	[ ]	[ ]	[ ]	[ ]
19. Board for Social Welfare	[ ]	[ ]	[ ]	[ ]
20. Stipends Fund	[ ]	[ ]	[ ]	[ ]
21. Thanksgiving Fund Accts (2 pages)	[ ]	[ ]	[ ]	[ ]
22. Building Account	[ ]	[ ]	[ ]	[ ]
23. Quota Payments and Offerings	[ ]	[ ]	[ ]	[ ]
24. Church House Accounts (2 pages)	[ ]	[ ]	[ ]	[ ]

8. Taking the 1981 accounts, for your purposes as a member of Diocesan Synod, Board of Finance or an individual church member, do you think they contain: (tick one box only):

Too much information	[ ]
A little too much information	[ ]
The right amount of information	[ ]
Not quite enough information	[ ]
Too little information	[ ]

9. From past experience (if any) how often are you likely to refer to the 1981 accounts for each of the following purposes? (tick one box on each line)

	Not Applicable	Refer to Often	Refer to Occasionally	Never Refer to
Personally	[ ]	[ ]	[ ]	[ ]
For Parish	[ ]	[ ]	[ ]	[ ]
For Diocesan Management	[ ]	[ ]	[ ]	[ ]
Committee or Board	[ ]	[ ]	[ ]	[ ]
For Diocesan Synod/DBF	[ ]	[ ]	[ ]	[ ]

10. The 1981 Diocesan Accounts do not contain an overall summary of movements on the many fund accounts of the Diocese. Do you think that an overall summary of all the fund accounts would be:

Very Useful	[ ]	Tick	Very Interesting	[ ]	Tick
Useful	[ ]	One	Interesting	[ ]	One
Not Useful	[ ]	Box	Not Interesting	[ ]	Box
Don't know	[ ]	Here	Don't Know	[ ]	Here

11. On the whole do you find the 1981 Diocesan Accounts: (tick one box)

Very easy to understand	[ ]
Quite easy to understand	[ ]
Quite difficult to understand	[ ]
Very difficult to understand	[ ]

12. The 1981 Accounts contain a Sources and Application of Funds Statement which is included as a requirement of the Companies Acts. For your purposes as an individual or member of Synod or DBF, do you think that this Statement is:

Very Useful	[ ]	Tick	Very Interesting	[ ]	Tick
Useful	[ ]	One	Interesting	[ ]	One
Not Useful	[ ]	Box	Not Interesting	[ ]	Box

13. Did your PCC last year consider the Diocesan Accounts before deciding on how much quota to pay? (tick one box)

Not at all	<input type="checkbox"/>
Only a little	<input type="checkbox"/>
In some detail	<input type="checkbox"/>
In great detail	<input type="checkbox"/>
Don't know	<input type="checkbox"/>

### Section C

1. The 1981 Diocesan Accounts are prepared on an Income and Expenditure basis instead of the alternative Receipts and Payments basis:

a) Do you understand the difference between these two bases:

Definitely ☐ Think I do ☐ Not sure ☐ No ☐

b) If you definitely understand or think you understand the difference between the two bases which basis do you think the Diocese should be using in its 1982 Accounts?

Receipts and Payments	<input type="checkbox"/>
Income and Expenditure	<input type="checkbox"/>
Don't Know	<input type="checkbox"/>

2. Are the 1981 Diocesan Balance Sheets, taken all together, : (tick one box)

Summaries of <u>all</u> the assets held by Diocesan trustees and the funds they relate to	<input type="checkbox"/>
Or Lists of balances from the account books	<input type="checkbox"/>
Or Something else (if so please specify)	<input type="checkbox"/>
Or _____	<input type="checkbox"/>
Or Don't know	<input type="checkbox"/>

3. The property of the Diocese is held by trustees. For whom do you believe the property is held in trust? (tick one or more boxes)

1. Donors of money or assets	<input type="checkbox"/>
2. The present church membership	<input type="checkbox"/>
3. God	<input type="checkbox"/>
4. Future church members	<input type="checkbox"/>
5. Non-church members	<input type="checkbox"/>
6. Others (please specify)	<input type="checkbox"/>

\_\_\_\_\_ ☐

4. For whom do you think the annual Diocesan Accounts are mainly prepared? (give as many answers as you like)

5. For what reasons or purposes do you think annual accounts are prepared in the Diocese? (give as many answers as you like)

6. The 1981 Accounts do not contain details of Stipend Quota paid by parishes. As the Stipend quota is greater than the Administration Quota do you think that details of the stipend quota should be included in the annual accounts?

Yes ☐ No ☐ Don't Know ☐

7. The Diocesan Board of Finance annual budget for the forthcoming year is published at the front of the 1981 accounts. Do you, as an individual or as a (Deanery or Diocesan) synod member, find it:

Very Useful	<input type="checkbox"/>	Tick	Very Interesting	<input type="checkbox"/>	Tick
Useful	<input type="checkbox"/>	One	Interesting	<input type="checkbox"/>	One
Not Useful	<input type="checkbox"/>	Box	Not Interesting	<input type="checkbox"/>	Box

8.If half-yearly financial reports were produced in a similar format to the present annual accounts and circulated to you, as an individual or as a (Deanery or Diocesan) synod member, do you think they would be:

Very Useful	<input type="checkbox"/>	Tick	Very Interesting	<input type="checkbox"/>	Tick
Useful	<input type="checkbox"/>	One	Interesting	<input type="checkbox"/>	One
Not Useful	<input type="checkbox"/>	Box	Not Interesting	<input type="checkbox"/>	Box

9.Do you think that any of the financial information about diocesan affairs is so sensitive that it should not be released :

1.To a member of a Diocesan Board or Committee Yes ☐ No ☐  
(if the answer is 'yes'  
please give an example \_\_\_\_\_)

2.To ordinary members of the Church Yes ☐ No ☐  
(if the answer is 'yes'  
please give an example \_\_\_\_\_)

3.To the general public Yes ☐ No ☐  
(if the answer is 'yes'  
please give an example \_\_\_\_\_)

10.If a member of your congregation made the following comments about the 1981 Diocesan financial position would you agree or disagree with him (or her):

"The Diocese has ample reserves to meet any unexpected expenditures"	Agree	<input type="checkbox"/>
	Disagree	<input type="checkbox"/>
	Don't know	<input type="checkbox"/>

"Our administrative quota payments are allowing the Diocese to build up excessive reserves"	Agree	<input type="checkbox"/>
	Disagree	<input type="checkbox"/>
	Don't know	<input type="checkbox"/>

11.Please give brief details of any changes you, as an individual church member or as a member of Synod, would like to see in the accounts of the Diocese:

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## Section D

Please complete this next section of the questionnaire only if you are a member of one or more of the following Diocesan Committees:

Diocesan Board of Finance	or Board of Mission and Social Responsibility
or Bishop's Council	or Board of Education
or Pastoral Committee	or Other Diocesan management Board
or Board of Ministry	or Committee

1. Taking the 1981 accounts, do you think they contain for your purposes as a member of a Diocesan Committee or Board (tick one box only)

Too much information	<input type="checkbox"/>
A little too much information	<input type="checkbox"/>
The right amount of information	<input type="checkbox"/>
Not quite enough information	<input type="checkbox"/>
Too little information	<input type="checkbox"/>

2. Does any of the Boards or committees of which you are a member produce a budget for the forthcoming year for use by the committee or Board?

Yes ☐ No ☐

3. Please answer either question 3a) or 3b):

3a) If any of the Boards or Committees of which you are a member produces a budget for the forthcoming year, do you find, for your work as a member of that committee, the budget(s) to be:

Very Useful	<input type="checkbox"/>	Tick	Very Interesting	<input type="checkbox"/>	Tick
Useful	<input type="checkbox"/>	One	Interesting	<input type="checkbox"/>	One
Not Useful	<input type="checkbox"/>	Box	Not Interesting	<input type="checkbox"/>	Box



3b) If none of the Boards or Committees of which you are a member produces a budget for the forthcoming year, if a budget were to be prepared, would you find it, for your work as a committee member:

Very Useful	<input type="checkbox"/>	Tick	Very Interesting	<input type="checkbox"/>	Tick
Useful	<input type="checkbox"/>	One	Interesting	<input type="checkbox"/>	One
Not Useful	<input type="checkbox"/>	Box	Not Interesting	<input type="checkbox"/>	Box

4. Below is a list of all the sections of the 1981 Diocesan Accounts. Would you indicate how relevant you feel each section is for your work as a member of a Diocesan Board or Committee? (tick one box on each line)

	Not Relevant	A little Relevant	Quite Relevant	Very Relevant
1. Audit Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Income and Expenditure Acct	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Notes on Accounting Policies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. DBF Balance Sheet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Source & Appn of Funds Statement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Other Boards Balance Sheet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Other Boards Accounts Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Parsonages Admin Account	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Parsonages Repairs Account	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Pastoral Account	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Publications Account	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Laurence House Operating Acct	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Accredited Lay Ministry Acct	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Retired Clergy Etc Account	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Widows and Dependant's Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Board of Education	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Board of Ministry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Board of Mission & Social Resp.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. Board for Social Welfare	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Stipends Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Thanksgiving Fund Accts (2 pages)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Building Account	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23. Quota Payments and Offerings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24. Church House Accounts (2 pages)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. Do any of the Boards or committees of which you are a member produce 'part-year' accounts to show the current position during the year for use by the committee or Board?

Yes ☐ No ☐

6. Please answer either question 6a) or 6b):

6a) If any of the Boards or Committees of which you are a member produces 'part-year' accounts, do you find the accounts, for your work on a Diocesan Board or Committee to be:

Very Useful	<input type="checkbox"/>	Tick	Very Interesting	<input type="checkbox"/>	Tick
Useful	<input type="checkbox"/>	One	Interesting	<input type="checkbox"/>	One
Not Useful	<input type="checkbox"/>	Box	Not Interesting	<input type="checkbox"/>	Box

6b) If none of the Boards or Committees of which you are a member produces 'part-year' accounts, if such accounts were to be prepared you would find them for your work as a Committee or Board member:

Very Useful	<input type="checkbox"/>	Tick	Very Interesting	<input type="checkbox"/>	Tick
Useful	<input type="checkbox"/>	One	Interesting	<input type="checkbox"/>	One
Not Useful	<input type="checkbox"/>	Box	Not Interesting	<input type="checkbox"/>	Box

7. Please give brief details of any changes you would like to see in the accounts in order to assist you in your work as a member of a Diocesan Committee or Board:

Thank you very much for completing the questionnaire. Please would you return it to me in the envelope to:

(NO STAMP IS REQUIRED)

B3-7

Mr J.K.Ashford  
FREEPOST  
Bearsden  
Glasgow G61 1BR  
(Phone 041-942-5644)

Appendix B4

Letter and Questionnaire sent to Church of Scotland

DEPARTMENT OF  
ACCOUNTANCY



GLASGOW G12 8LE

Tel. 041-339 8855

23 Russell Drive  
Bearsden  
Glasgow  
G61 3BB

October 1982

Dear Church Member,

I am a post-graduate researcher at the University of Glasgow undertaking research into accounting in churches in the United Kingdom. I am a member of the Episcopal Church and have spent six years overseas as a missionary accountant. My family and I are now living in Scotland and we hope that the Church of Scotland may be able to provide me with some of the material I need for my study.

I wonder if you would help me? I am trying to find out something about the people who receive (or have access to) the General Treasurer's Abstract of Accounts of the Church of Scotland and what they do with the accounts, if anything. To do this I would like those who attend the General Assembly to complete the attached questionnaire. I know that there are many pressures on you but please would you spare some of your time and assist me by completing the questionnaire?

I am aware that not everyone who attends the General Assembly takes a copy of the Abstract of Accounts and also that not everyone who takes them reads them fully - but I am interested in all who have access to the accounts however much they read (or understand) them so please don't think that lack of reading or understanding means that your answer will not be interesting and useful. Replies to the questionnaire will be kept confidential and used only in summary form. Would you please answer the questions as honestly as possible. There are no 'right' or 'wrong' answers to any of the questions.

I have already had a chance to talk with some of the staff at 121 George Street about the accounts they use and I hope that the questionnaire results will help to further my understanding of the use of accounts in the Church as a whole. If you have any questions about my research please do not hesitate to contact me at my home address (given above).

I hope you are able to find time to complete the questionnaire. Would you please return the completed questionnaire to me by November 30th at the latest in the enclosed FREEPOST envelope (No stamp is required).

Thank you very much in advance for your help.

With my warm greetings,

Yours sincerely

Ken Ashford  
Lavy Research Fellow

UNIVERSITY OF GLASGOW  
DEPARTMENT OF ACCOUNTANCY

Questionnaire for the Church Of Scotland

The first three sections of the questionnaire are for everyone to complete but the last section (D) is only for those who are members of a Central Church of Scotland Board or Committee. If you have it, you may need to refer to the 1981 General Treasurer's Abstract of Accounts to answer some of the questions.

SECTION A

1. What is your age? (please tick one box)

18-25 [ ] 26-35 [ ] 36-45 [ ] 46-55 [ ] 56-65 [ ] over65 [ ]

2. What work do you do?

3. Do you have any of the following qualifications? (please tick boxes of any you have)

'O'levels [ ] 'A'levels (or higher) [ ] HND or HNC [ ]  
Diploma [ ] First Degree [ ] Higher Degree(s) [ ]

4. Do you hold any professional qualifications?  
(Ministers should answer 'Yes' to this question)

Yes [ ] No [ ]

If 'yes' which? \_\_\_\_\_

5. Do you have any accounting or bookkeeping qualifications?

Yes [ ] No [ ]

If 'yes' which? \_\_\_\_\_

6. In which part(s) of the work of the Church are you most interested?  
(tick one or more boxes)

Home Mission	[ ]	Administration	[ ]
Youth and Student work	[ ]	Sunday School	[ ]
Foreign Mission	[ ]	Christian Education	[ ]
Church Music	[ ]	Worship	[ ]
Womens' Work	[ ]	Other (please specify)	[ ]
Hospital and Sick visiting	[ ]	_____	[ ]

7. Would you indicate your (or your family's) approximate giving to the Church of Scotland each year? (tick one box)

Under £100 [ ] £101-£250 [ ] £251-£500 [ ] £501-£750 [ ] over £750 [ ]

8. Approximately how many hours per month do you spend working for the Church?  
(please complete one box only)

If you are a full-time church worker:

[ ] Hours per Month

If you are a part-time church worker:

[ ] Hours per Month

If you work for the church only in your spare-time:

[ ] Hours per Month

9. Please indicate which offices you hold in your congregation and Presbytery:  
(tick one or more boxes in each category)

Congregation

Minister	[ ]
Ruling Elder	[ ]
Session Clerk	[ ]
Session Treasurer	[ ]
Roll Keeper	[ ]
Member of Congregational Board (or equivalent)	[ ]
Other (please specify)	[ ]
_____	[ ]

Presbytery

Moderator	[ ]
Presbytery Clerk	[ ]
Convenor of Committee	[ ]
Others (please specify)	[ ]
_____	[ ]
_____	[ ]
_____	[ ]

10. Would you please give the names of those Church of Scotland Assembly Committees and Boards of which you are a member (if any):

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11. Do you hold office as convenor, vice-convenor, secretary, clerk or treasurer of any Central Church of Scotland Committees or Boards?

Yes [ ] No [ ]

### Section B

1. Did you collect at the General Assembly or did you otherwise obtain a copy of the General Treasurer's Abstract of Accounts for 1981?

Yes [ ] No [ ]

2. If you did NOT obtain a copy of the 1981 Abstract what was the reason?

---

**IF YOU DID NOT HAVE A COPY OF THE GENERAL TREASURER'S ACCOUNTS FOR 1981  
PLEASE LEAVE THE REST OF THIS SECTION AND GO ON TO SECTION C (PAGE 4)**

3. For how many years have you received a copy of the Annual Abstract of Accounts of the Church of Scotland? (include this year)

1 year [ ] 2-4 years [ ] 5-8 years [ ] over 8 years [ ]

4. Below is a list of all the sections of the Abstract of Accounts. Would you indicate how thoroughly you read each section? (tick one box on each line)

	Page	Do not read	Glance at	Read briefly	Read Thoroughly
1. Notes on the Accounts	1	[ ]	[ ]	[ ]	[ ]
2. Maintenance of the Ministry	2-3	[ ]	[ ]	[ ]	[ ]
3. Ministry Endowment Section	4-5	[ ]	[ ]	[ ]	[ ]
4. Retirement Scheme	5-6	[ ]	[ ]	[ ]	[ ]
5. Housing and Loan Fund for Retd Ministers & Widows	6-7	[ ]	[ ]	[ ]	[ ]
6. Home Mission	8-9	[ ]	[ ]	[ ]	[ ]
7. National Church Extension	9	[ ]	[ ]	[ ]	[ ]
8. Foreign Mission	10-11	[ ]	[ ]	[ ]	[ ]
9. Colonial & Continental Chchs	11-12	[ ]	[ ]	[ ]	[ ]
10. Jewish Mission	13	[ ]	[ ]	[ ]	[ ]
11. Scots Memorial	14	[ ]	[ ]	[ ]	[ ]
12. Christman Aid	15	[ ]	[ ]	[ ]	[ ]
13. Board of Education	16-17	[ ]	[ ]	[ ]	[ ]
14. Educn. for the Ministry	17-18	[ ]	[ ]	[ ]	[ ]
15. St. Colm's	18	[ ]	[ ]	[ ]	[ ]
16. Worship & Aids to Devotion	19	[ ]	[ ]	[ ]	[ ]
17. Diaconate Board	19-20	[ ]	[ ]	[ ]	[ ]
18. Chaplains to HM Forces	20	[ ]	[ ]	[ ]	[ ]
19. General Administration	21-22	[ ]	[ ]	[ ]	[ ]
20. General Finance	23	[ ]	[ ]	[ ]	[ ]
21. Stewardship and Budget	24-25	[ ]	[ ]	[ ]	[ ]
22. Law	25	[ ]	[ ]	[ ]	[ ]
23. Personnel	26	[ ]	[ ]	[ ]	[ ]
24. Education	26-27	[ ]	[ ]	[ ]	[ ]
25. Women's Guild	27	[ ]	[ ]	[ ]	[ ]
26. College and Bursary Funds	28	[ ]	[ ]	[ ]	[ ]
27. Special Trusts	28	[ ]	[ ]	[ ]	[ ]
28. Congregational Funds	28	[ ]	[ ]	[ ]	[ ]
29. Consolidated Summary	29-30	[ ]	[ ]	[ ]	[ ]
30. Abstract of Cong. Income	31-32	[ ]	[ ]	[ ]	[ ]
31. Abstract of Cong. Contribs	33-34	[ ]	[ ]	[ ]	[ ]
32. Source of Funds	35	[ ]	[ ]	[ ]	[ ]
33. Analysis of Admin. Expenses	35	[ ]	[ ]	[ ]	[ ]
34. Ch. of S. Trust A/cs	36-40	[ ]	[ ]	[ ]	[ ]
35. Ch. of S. General Trustees	41-44	[ ]	[ ]	[ ]	[ ]
36. Cttee on Soc Responsibility	46-47	[ ]	[ ]	[ ]	[ ]
37. Dept. of Publicity & Pubn.	48-51	[ ]	[ ]	[ ]	[ ]

5. How many people will probably see or read your copy of the Abstract of Accounts (including yourself)?

[ ]

6. Please state briefly what use(s), if any, you make of the Abstract of Accounts:

7. Does the information in the annual Abstract of Accounts affect the amount of money you personally give to the Church? (tick one box)

Not at all	[ ]
Only a little	[ ]
Quite a lot	[ ]
Greatly	[ ]

8. For your purposes as a member of the General Assembly or as an individual church member, do you think the 1981 Abstract Accounts contain: (tick one box only)

Too much information	[ ]
A little too much information	[ ]
The right amount of information	[ ]
Not quite enough information	[ ]
Too little information	[ ]

9. The 1981 Abstract of Accounts does not contain an overall summary of income and expenditure of the central activities of the Church of Scotland. Would you find an overall summary to be:

Very Useful	[ ]	Tick	Very Interesting	[ ]	Tick
Useful	[ ]	One	Interesting	[ ]	One
Not Useful	[ ]	Box	Not Interesting	[ ]	Box
Don't Know	[ ]	Only	Don't Know	[ ]	Only

10. On the whole do you find the 1981 Abstract of Accounts: (tick one box)

Very easy to understand	[ ]
Quite easy to understand	[ ]
Quite difficult to understand	[ ]
Very difficult to understand	[ ]

11. There is no statement called 'Balance Sheet' in pages 1-30 (sections I to IV) of the Abstract. Which statement in sections I to IV of the Abstract is most similar to a balance sheet? (if you are unsure then please say so):

12. The 1981 Abstract of Accounts is prepared mainly on a Receipts and Payments basis instead of the alternative Income and Expenditure basis:

a) Do you understand the difference between these two bases:

Definitely [ ] Think I do [ ] Not sure [ ] No [ ]

b) If you definitely understand or think you understand the difference between the two bases which basis do you think the Church of Scotland should be using in its 1982 Accounts?

Receipts and Payments	[ ]
Income and Expenditure	[ ]
Don't Know	[ ]

13. Is the 'Consolidated Summary of Revenue and Capital Funds' (pages 29-30: Section IV of the Abstract of Accounts): (tick one box)

A summary of <u>all</u> the assets held by Church of Scotland trustees and the funds they relate to?	[ ]
Or A list of balances from the account books	[ ]
Or Something else (if so please specify)	[ ]

Or Don't know

[ ]

### Section C

1. What is the main factor that influences how much you give to the Church of Scotland? (tick one box only)

Your income	[ ]
Local congregational needs	[ ]
How much you can spare	[ ]
How much the church spends money in the way you would like	[ ]
Other (please specify)	[ ]

2. From past experience (if any) are you likely to refer to your own, or someone else's, copy of the Annual Abstract of Accounts for any of the following purposes? (tick one box on each line)

<u>Purpose</u>	Not Applicable	Refer to Often	Refer to Occasionally	Never Refer to
Personally	[ ]	[ ]	[ ]	[ ]
For Congregation	[ ]	[ ]	[ ]	[ ]
For Kirk Session	[ ]	[ ]	[ ]	[ ]
For Presbytery	[ ]	[ ]	[ ]	[ ]

3. Did your Congregation or Kirk Session last year consider any part of the Abstract of Accounts before deciding on how much Mission and Service or Church and Ministry contribution to pay? (tick one box)

Not at all	[ ]
Only a little	[ ]
In some detail	[ ]
In great detail	[ ]
Don't know	[ ]

4. Which of the following is your personal main source of information about the finances of the Church of Scotland? (tick one box only)

1. Church publications (Presbytery, Congregation, National)	[ ]
2. The Annual Abstract of Accounts	[ ]
3. Finance details in the Annual Reports to the General Assembly	[ ]
4. Verbal reports at Congregation Presbytery or Synod meetings	[ ]
5. Reports at Central Committee or Board meetings	[ ]
6. Other source (please specify)	[ ]

[ ]

5. The property of the Church is held by trustees. For whom do you believe the property is held in trust? (tick one or more boxes)

1. Donors of money or assets	[ ]
2. The present church membership	[ ]
3. God	[ ]
4. Future church members	[ ]
5. Non-church members	[ ]
6. Others (please specify)	[ ]

[ ]

6. For whom do you think the Abstract of Accounts is mainly prepared? (give as many answers as you like)

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7. For what reasons or purposes do you think the Abstract of Accounts is prepared? (give as many answers as you like)

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8. Do you think that any financial information about Church of Scotland affairs is so sensitive that it should not be released :

1.To a member of a Central Board or Committee Yes [ ] No [ ]  
(if the answer is 'yes' please  
give an example \_\_\_\_\_)

2.To ordinary members of the Church of Scotland Yes [ ] No [ ]  
(if the answer is 'yes' please  
give an example \_\_\_\_\_)

3.To the general public Yes [ ] No [ ]  
(if the answer is 'yes' please  
give an example \_\_\_\_\_)

9. Would you please indicate whether you read the summary budgets contained in the Annual Reports to Assembly (pages 71 and 72) and whether you find these useful:

Do not read	[ ]	Tick	Find very useful	[ ]	Tick
Glance At	[ ]	One	Find useful	[ ]	One
Read briefly	[ ]	Box	Do not find useful	[ ]	Box
Read thoroughly	[ ]	Only	Don't Know	[ ]	Only

10.If detailed budgets for the forthcoming year were published by the Church would you, as an individual or as a member of General Assembly, find these budgets to be:

Very Useful	[ ]	Tick	Very Interesting	[ ]	Tick
Useful	[ ]	One	Interesting	[ ]	One
Not Useful	[ ]	Box	Not Interesting	[ ]	Box
Don't Know	[ ]	Only	Don't Know	[ ]	Only

11.If half-yearly accounts were to be published similar to the Annual Abstract, would you, as an individual or as a member of General Assembly, find these half yearly accounts to be:

Very Useful	[ ]	Tick	Very Interesting	[ ]	Tick
Useful	[ ]	One	Interesting	[ ]	One
Not Useful	[ ]	Box	Not Interesting	[ ]	Box
Don't Know	[ ]	Only	Don't Know	[ ]	Only

12.If a member of your congregation made the following comments about the 1981 financial position of the Church would you agree or disagree with him (or her)?

"The Church has ample reserves to meet any necessary but unexpected expenditures."	Agree	[ ]
	Disagree	[ ]
	Don't Know	[ ]

"Our contributions to central funds are allowing the Church to build up excessive reserves."	Agree	[ ]
	Disagree	[ ]
	Don't Know	[ ]

13.Please give brief details of any changes you, as an individual church member or as a member of General Assembly would like to see in the Abstract of Accounts. (to improve usefulness, understanding, read-ability etc)

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---

## Section D

Please complete this section of the questionnaire only if you are a member of one or more of the General Assembly Central Committees or Boards.

1. Taking the 1981 Abstract of Accounts, do you think it contains for your purposes as a member of a General Assembly Committee or Board (tick one box only)

Too much information	[ ]
A little too much information	[ ]
The right amount of information	[ ]
Not quite enough information	[ ]
Too little information	[ ]



2. Do any of the Boards or Committees of which you are a member produce for use by the committee or board:

- |  |         |        |
|--|---------|--------|
| 1. a detailed budget for the forthcoming year?   | Yes [ ] | No [ ] |
| 2. a more detailed set of annual accounts than is contained in the Treasurer's Abstract? | Yes [ ] | No [ ] |
| 3. one or more statements of the financial position part-way through the financial year? | Yes [ ] | No [ ] |

3. If any of the Boards or Committees of which you are a member produces a budget, detailed annual accounts or accounts during the year, would you indicate:

a) how useful you find each of these statements?:

- |                             | Very Useful | Useful | Not Useful | Not Applicable |
|-----------------------------|-------------|--------|------------|----------------|
| 1. Detailed Budgets         | [ ]         | [ ]    | [ ]        | [ ]            |
| 2. Detailed Annual Accounts | [ ]         | [ ]    | [ ]        | [ ]            |
| 3. Accounts during the year | [ ]         | [ ]    | [ ]        | [ ]            |

b) how interesting you find each of these statements?:

- |                             | Very Interesting | Interest-ing | Not Interesting | Not Applicable |
|-----------------------------|------------------|--------------|-----------------|----------------|
| 1. Detailed Budgets         | [ ]              | [ ]          | [ ]             | [ ]            |
| 2. Detailed Annual Accounts | [ ]              | [ ]          | [ ]             | [ ]            |
| 3. Accounts during the year | [ ]              | [ ]          | [ ]             | [ ]            |

4. If any of the Boards or Committees of which you are a member does not produce a budget, detailed annual accounts or accounts during the year, would you indicate:

a) how useful do you think you would find each of these statements if they were produced?:

- |                             | Very Useful | Useful | Not Useful | Not Applicable |
|-----------------------------|-------------|--------|------------|----------------|
| 1. Detailed Budgets         | [ ]         | [ ]    | [ ]        | [ ]            |
| 2. Detailed Annual Accounts | [ ]         | [ ]    | [ ]        | [ ]            |
| 3. Accounts during the year | [ ]         | [ ]    | [ ]        | [ ]            |

b) how interesting do you think you would find each of these statements if they were produced?:

- |                             | Very Interesting | Interest-ing | Not Interesting | Not Applicable |
|-----------------------------|------------------|--------------|-----------------|----------------|
| 1. Detailed Budgets         | [ ]              | [ ]          | [ ]             | [ ]            |
| 2. Detailed Annual Accounts | [ ]              | [ ]          | [ ]             | [ ]            |
| 3. Accounts during the year | [ ]              | [ ]          | [ ]             | [ ]            |

5. Please give brief details of any changes you would like to see in any of the accounts or budgets of the Church which you receive in order to assist you in your work as a member of a Central Committee or Board.

---

Thank you very much for completing the questionnaire. Please would you return it to me in the envelope to:

(NO STAMP IS REQUIRED)

Mr J.K. Ashford  
FREEPOST  
Bearsden  
Glasgow G61 1BR  
(Phone 041-942-5644)

Appendix B5

Letter and Questionnaire sent to Methodist Church

UNIVERSITY OF GLASGOW

67 SOUTHPARK AVENUE

DEPARTMENT OF  
ACCOUNTANCY



GLASGOW G12 8LE

Tel. 041-339 8855

Extension 501

23 Russell Drive  
Bearsden  
Glasgow  
G61 3BB

November 1982

Dear Church Member,

I am a post-graduate researcher at the University of Glasgow undertaking research into accounting in churches in the United Kingdom. I am a member of the Anglican Church and have spent six years overseas as a missionary accountant. My family and I are now living in Scotland and we hope that the Methodist Church may be able to provide me with some of the material I need for my study.

I wonder if you would help me? I am trying to find out something about the people who receive the Agenda of the Methodist Conference and how far they read and understand the accounts contained in the Agenda. To do this I would like those who are members of Conference to complete the attached questionnaire. I am aware that not everyone reads or understands the accounts fully, but I am interested in all who receive the Conference Agenda however much they read or understand the accounts so please don't think that lack of reading or understanding means that your answer will not be interesting and useful.

I know that there are many pressures on you but please would you spare some of your time and assist me by completing the questionnaire? Replies to the questionnaire will be kept confidential and used only in summary form. Would you please answer the questions as honestly as possible? There are no 'right' or 'wrong' answers to any of the questions.

I have already had a chance to talk with some of the staff in the Divisions of the Methodist Church and the questionnaire results will help my understanding of the wider use of accounts in the Church. If you have any questions about my research please do not hesitate to contact me at my home address (given above).

I hope you are able to find time to complete the questionnaire. Would you please return the completed questionnaire to me by December 15th at the latest in the enclosed FREEPOST envelope (No stamp is required).

Thank you very much in advance for your help.

With my warm greetings,

Yours sincerely

Ken Ashford  
Lavy Research Fellow

UNIVERSITY OF GLASGOW  
DEPARTMENT OF ACCOUNTANCY

Questionnaire for the Methodist Church

The first three sections of the questionnaire are for everyone to complete but the last section (D) is only for those who are members of a Central Board or Committee. You may need to refer to the 1981 accounts in the Conference Agenda to answer some of the questions.

SECTION A

1. What is your age? (please tick one box)

18-25 [ ]    26-35 [ ]    36-45 [ ]    46-55 [ ]    56-65 [ ]    over65 [ ]

2. What work do you do?

3. Do you have any of the following qualifications? (please tick boxes of any you have)

'O'levels [ ]    'A'levels (or higher) [ ]    HND or HNC [ ]  
Diploma [ ]    First Degree [ ]    Higher Degree(s) [ ]

4. Do you hold any professional qualifications? (Ministers should answer 'Yes' to this question)

Yes [ ]    No [ ]

If 'yes' which? \_\_\_\_\_

5. Do you have any accounting or bookkeeping qualifications?

Yes [ ]    No [ ]

If 'yes' which? \_\_\_\_\_

6. In which part(s) of the work of the Methodist Church are you most interested? (tick one or more boxes)

Home Mission	[ ]	Administration	[ ]
Youth and Student work	[ ]	Sunday School	[ ]
Overseas Mission	[ ]	Christian Education	[ ]
Church Music	[ ]	Worship	[ ]
Womens' Work	[ ]	Other (please specify)	[ ]
Hospital and Sick visiting	[ ]	_____	[ ]

7. Would you indicate your (or your family's) approximate giving to the Methodist Church each year? (tick one box)

Under£100 [ ]    £101-£250 [ ]    £251-£500 [ ]    £501-£750 [ ]    over£750 [ ]

8. Approximately how many hours per month do you spend working for the Methodist Church? (please complete one box only)

If you are a full-time church worker: [ ] Hours per Month	If you are a part-time church worker: [ ] Hours per Month	If you work for the church only in your spare-time: [ ] Hours per Month
--	--	--

9. Please indicate which offices you hold in your church, circuit or district: (tick one or more boxes)

<u>Church</u>		<u>Circuit</u>		<u>District</u>	
Minister	[ ]	Superintendent	[ ]	Chairman	[ ]
Lay Preacher	[ ]	Elected Church Rep	[ ]	Secretary	[ ]
Secretary	[ ]	Ex-officio Chch Rep	[ ]	Treasurer	[ ]
Treasurer	[ ]	Secretary	[ ]	Other	[ ]
Committee Chairman	[ ]				
Other	[ ]	_____	[ ]	_____	[ ]
_____	[ ]	_____	[ ]	_____	[ ]

10. Please indicate which Central Church Committees, Councils and Boards you are a member of:

11. Do you hold office as chairman, secretary or treasurer of any Central Church Committee, Board or Council?

Yes [ ] No [ ]

Section B

1. How many years have you received a copy of the Conference Agenda, which includes the annual accounts of the Methodist Church? (including this year)

1 year [ ]      2-4 years [ ]      5-8 years [ ]      over 8 years [ ]

2. In the last four years, have you ever received a set of the detailed accounts produced by any of the Divisions in addition to the accounts in the Conference Agenda?

Yes [ ] No [ ]

3. How many people (including yourself) will probably see or read your copy of the Conference Agenda in order to read all or some of the accounts ?

[ ]

4. Please state briefly what uses (if any) you make of any of the accounts of the Methodist Church: (either those in the Conference Agenda or detailed accounts of individual Divisions)

5. Does the information found in any of the accounts of the Methodist Church affect the amount of money you personally give to the Methodist Church? (tick one box)

Not at all	[ ]
Only a little	[ ]
Quite a lot	[ ]
Greatly	[ ]

6. What is the main factor that influences how much you give to the work of the Methodist Church? (tick one box only)

Your income	[ ]
Local church needs	[ ]
How much you can spare	[ ]
How much the church spends money in the way you would like	[ ]
Other (please specify)	[ ]

7. Taking the 1981 accounts in the Conference Agenda, for your purposes as a member of Conference or as an individual church member, do you think they contain: (tick one box only)

Too much information	[ ]
A little too much information	[ ]
The right amount of information	[ ]
Not quite enough information	[ ]
Too little information	[ ]

8. From past experience (if any) how often are you likely to refer to the 1981 accounts in the Conference Agenda for each of the following purposes (tick one box on each line)

	Not Applicable	Refer to Often	Refer to Occasionally	Never Refer to
Personally	[ ]	[ ]	[ ]	[ ]
For Church	[ ]	[ ]	[ ]	[ ]
For Circuit	[ ]	[ ]	[ ]	[ ]
For District	[ ]	[ ]	[ ]	[ ]
For Central Committee or Board	[ ]	[ ]	[ ]	[ ]

9. Below is a list of most of the sections of the Methodist Church Accounts in the 1982 Conference Agenda. Would you indicate how thoroughly you read each section (tick one box on each line)

	Agenda Pages	Do not read	Glance at	Read briefly	Read Thoroughly
<u>Division of Soc Responsibility</u>					
1. Divisional Accounts	84- 86	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Homes for the Aged	87- 89	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Wld Devt Action Fund	90- 92	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Relief Fund	93- 94	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Methodist Relief Fund	94- 96	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Fund for Human Need	97- 98	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Home Mission Division</u>					
7. Home Mission Fund	101-102	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. London Mission Fund	104-105	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Methodist Press Service	129	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Division of Education and Youth</u>					
10. Divisional Accounts	157-163	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Managing Trustees Account	164	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Westminster Coll Estate	165	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Southlands College Estate	166	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Meth Residential Schools	167	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. International Houses	168-169	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Overseas Division</u>					
16. Overseas Division	185-191	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Property Division Accounts</u>					
17. Divisional Accounts	210-212	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Cymru District No.30	213	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. Methodism in Scotland	214-215	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Methodist Church Purposes	218-219	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Archives and History	222-223	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Division of Finance</u>					
22. M M Retirement Fund	228-229	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23. -ditto-	241-243	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24. Divisional Accounts	237-240	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25. Wld Meth Cncl British Cttee	252-253	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26. Methodist Publishing Hse	255-256	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Div of Ministries</u>					
27. Divisional Accounts	282-286	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28. Wesley Deaconesses Order	287	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
29. General Purposes Fund	302-304	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
30. Connexional Advance Fund	316	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
31. European Relations Cttee	320	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
32. National Children's Home	336-346	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
33. Ecumenical Committee	351-352	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

10. Did your Church last year consider any of the Methodist Church Accounts before deciding on how much Mission and Service Fund or any other contribution to Central Funds to pay? (tick one box only)

Not at all	<input type="checkbox"/>
Only a little	<input type="checkbox"/>
In some detail	<input type="checkbox"/>
In great detail	<input type="checkbox"/>
Don't know	<input type="checkbox"/>

12. The 1981 Methodist Church Accounts do not contain an overall summary of movements on all the main Divisions accounts of the Methodist Church. Would you find a summary to be:

Very Useful	<input type="checkbox"/>	Tick	Very Interesting	<input type="checkbox"/>	Tick
Useful	<input type="checkbox"/>	One	Interesting	<input type="checkbox"/>	One
Not Useful	<input type="checkbox"/>	Box	Not Interesting	<input type="checkbox"/>	Box
Don't Know	<input type="checkbox"/>	Only	Don't Know	<input type="checkbox"/>	Only

13. On the whole do you find the 1981 accounts in the 1982 Conference Agenda: (tick one box)

Very easy to understand	<input type="checkbox"/>
Quite easy to understand	<input type="checkbox"/>
Quite difficult to understand	<input type="checkbox"/>
Very difficult to understand	<input type="checkbox"/>

14. Which of the following is your personal main source of information about the finances of the Methodist Church? (tick one box only)

- |  |     |
|--|-----|
| 1. Church Publications (National, district, local church)                        | [ ] |
| 2. Divisional Information Leaflets   | [ ] |
| 3. Detailed accounts from one or more Divisions                                  | [ ] |
| 4. The annual accounts in the Conference Agenda                                  | [ ] |
| 5. Verbal reports at the Conference, district,<br>synod or local church meetings | [ ] |
| 6. Reports at Central committee or board meetings                                | [ ] |
| 7. Other source (please specify)   | [ ] |

[ ]

### Section C

1. Most of the accounts of the Methodist Church for 1981 are prepared on an Income and Expenditure basis instead of the alternative Receipts and Payments basis:

a) Do you understand the difference between these two bases:

Definitely [ ]      Think I do [ ]      Not sure [ ]      No [ ]

b) If you definitely understand or think you understand the difference between the two bases which basis do you think the Methodist Church should be using in its 1982 Accounts?

Receipts and Payments	[ ]
Income and Expenditure	[ ]
Don't Know	[ ]

2. There are a number of balance sheets in the 1982 Conference Agenda. Taken all together, do you think the balance sheets are: (tick one box)

Summaries of <u>all</u> the assets held by Methodist Church trustees and the funds they relate to	[ ]
Or Lists of balances from the account books	[ ]
Or Something else (if so please specify)	[ ]
Or <u>Don't know</u>	[ ]

3. In the accounts of several Divisions there is a Source and Application of Funds Statement:

a) Do you understand what information this statement contains?	Definitely [ ]
	Think I do [ ]
	Not sure [ ]
	No [ ]
b) Did you read <u>any</u> of the Source and Application of Funds Statements in any of the Division's Accounts?	Yes [ ]
	No [ ]
c) Do you find the Funds Statement:	Very Useful [ ]
	Useful [ ]
	Not Useful [ ]
	Don't Know [ ]

4. For whom do you think the annual Methodist Church Accounts are mainly prepared? (give as many answers as you like)

5. For what reasons or purposes do you think annual accounts are prepared in the Methodist Church? (give as many answers as you like)

6. The property of the Methodist Church is held by trustees. For whom do you believe the property is held in trust? (tick one or more boxes)

- |                                  |     |
|----------------------------------|-----|
| 1. Donors of money or assets     | [ ] |
| 2. The present church membership | [ ] |
| 3. God                           | [ ] |
| 4. Future church members         | [ ] |
| 5. Non-church members            | [ ] |
| 6. Others (please specify)       | [ ] |

\_\_\_\_\_ [ ]

7. Do you think that any of the financial information about Methodist Church affairs is so sensitive that it should not be released :

1. To a member of a Central Board or Committee      Yes [ ] No [ ]  
(if the answer is 'yes' please  
give an example \_\_\_\_\_)

2. To ordinary members of the Methodist Church      Yes [ ] No [ ]  
(if the answer is 'yes' please  
give an example \_\_\_\_\_)

3. To the general public      Yes [ ] No [ ]  
(if the answer is 'yes' please  
give an example \_\_\_\_\_)

8. If detailed Divisional budgets for the forthcoming year were published as part of the Conference Agenda would you, as an individual or as a conference member, find them:

Very Useful	[ ]	Tick	Very Interesting	[ ]	Tick
Useful	[ ]	One	Interesting	[ ]	One
Not Useful	[ ]	Box	Not Interesting	[ ]	Box
Don't Know	[ ]	Only	Don't Know	[ ]	Only

9. If half-yearly financial reports were produced in a similar format to the present annual accounts and circulated to you, as an individual or as a conference member, do you think they would be:

Very Useful	[ ]	Tick	Very Interesting	[ ]	Tick
Useful	[ ]	One	Interesting	[ ]	One
Not Useful	[ ]	Box	Not Interesting	[ ]	Box
Don't Know	[ ]	Only	Don't Know	[ ]	Only

10. If a member of your local church made the following comments about the 1981 financial position would you agree or disagree with him (or her):

"The Methodist Church has ample reserves to meet any necessary but unexpected expenditures"	Agree [ ]
	Disagree [ ]
	Don't know [ ]

"Our contributions to central funds are allowing the Church to build up excessive reserves"	Agree [ ]
	Disagree [ ]
	Don't know [ ]

11. Please give brief details of any changes you, as an individual church member or as a member of conference, would like to see in the accounts of the Methodist Church. (to improve usefulness, understanding, read-ability etc)

\_\_\_\_\_  
\_\_\_\_\_



## Section D

Please complete this section of the questionnaire only if you are a member of one or more Central Methodist Church boards, committees or sub-committees.

1. Taking the 1981 accounts, do you think they contain for your purposes as a member of a Central Committee or Board (tick one box only)

Too much information	[ ]
A little too much information	[ ]
The right amount of information	[ ]
Not quite enough information	[ ]
Too little information	[ ]

2. Does any of the Boards or Committees of which you are a member produce for use by the committee or board:

1. a detailed budget for the forthcoming year?	Yes [ ]	No [ ]
2. a more detailed set of annual accounts than is contained in the Conference Agenda?	Yes [ ]	No [ ]
3. one or more statements of the financial position part-way through the financial year?	Yes [ ]	No [ ]

3. If any of the Boards or Committees of which you are a member produces a budget, detailed annual accounts or accounts during the year, would you indicate, for your committee or board work:

a) How useful you find each of these statements:

	Very Useful	Useful	Not Useful	Not Applicable
1. Detailed Budgets	[ ]	[ ]	[ ]	[ ]
2. Detailed Annual Accounts	[ ]	[ ]	[ ]	[ ]
3. Accounts during the year	[ ]	[ ]	[ ]	[ ]

b) How interesting you find each of these statements:

	Very Interesting	Interest -ing	Not Interesting	Not Applicable
1. Detailed Budgets	[ ]	[ ]	[ ]	[ ]
2. Detailed Annual Accounts	[ ]	[ ]	[ ]	[ ]
3. Accounts during the year	[ ]	[ ]	[ ]	[ ]

4. If any of the Boards or Committees of which you are a member does not produce a budget, detailed annual accounts or accounts during the year, would you indicate, for your committee or board work :

a) How useful do you think you would find each of these statements if they were produced?

	Very Useful	Useful	Not Useful	Not Applicable
1. Detailed Budgets	[ ]	[ ]	[ ]	[ ]
2. Detailed Annual Accounts	[ ]	[ ]	[ ]	[ ]
3. Accounts during the year	[ ]	[ ]	[ ]	[ ]

b) How interesting do you think you would find each of these statements if they were produced?

	Very Interesting	Interest -ing	Not Interesting	Not Applicable
1. Detailed Budgets	[ ]	[ ]	[ ]	[ ]
2. Detailed Annual Accounts	[ ]	[ ]	[ ]	[ ]
3. Accounts during the year	[ ]	[ ]	[ ]	[ ]

5. Please give brief details of any changes you would like to see in the any of the accounts or budgets of the Church in order to assist you in your work as a member of a Central Committee or Board.

Thank you very much for completing the questionnaire. Please would you return it to me in the envelope to:  
(NO STAMP IS REQUIRED)

B5-7

Mr J.K.Ashford  
FREEPOST  
Bearsden  
Glasgow G61 1BR

Appendix C

Names and Positions of People Interviewed

## Appendix C

### Preliminary Interviews with Accountants in Churches

Lt Col P F Hawkins, Chief Accountant, Salvation Army Headquarters

Mr L Naish, Accountant, Society of Friends

Mr J W D McIntyre, Secretary, Central Board of Finance of the  
Church of England

Mr T Ramsay, Accountant, Central Board of Finance of the  
Church of England

Mr D Dunderdale, Secretary, Blackburn Diocesan Board of Finance

Mr F Cullen, Accountant, Archdiocese of Glasgow (Roman Catholic)

Mr M Sams, Finance Secretary, Anglican Consultative Council

Rev G Braund, Secretary, Anglican Consultative Council

### Interviews in the five churches in the Study

#### Methodist Church

Rev D R Farrow, Secretary, Division of Finance

Mr M M Copnell, Divisional Accountant, Division of Finance

Mr C J Chalkley, Accountant, Overseas Division

Rev A W Mosley, General Secretary, Overseas Division

Rev T T Rowe, General Secretary, Division of Ministries

Rev D A Brown, General Secretary, Division of Education & Youth

Mr B J Sharp, Accountant, Division of Education & Youth

Rev G M Burt, General Secretary, Div of Social Responsibility

Mr J R Ware, Accountant, Home Mission Division

Rev R E Fennell, Assistant General Secretary, Property Division

Mr D Lindsay, Hon Treasurer, Division of Social Responsibility

#### Church of Scotland

Rev G Elliott, Secretary, Stewardship & Budget Committee

Mr B Cannon, Secretary, Dept Publicity & Publications

Mr D F Ross, Deputy General Treasurer, General Treasurer's Dept

Mr D Dennis, Accountant, Committee of Social Responsibility

Mr G N D Smart, Finance Officer, Overseas Council

Rev Dr I B Doyle, Secretary, Home Department

Mr G Reid, Assistant Treasurer, General Treasurers Dept

Representative Church Council

Mr I D Stuart, Secretary and Treasurer

Mr M D Patterson, Deputy Secretary

Mr K W Dodgson, Treasurer, Diocese of Argyll and the Isles

(Note additional informal interviews were held with a number  
of Glasgow Diocesan representatives on Boards)

Diocese of Liverpool

Mr D H Orman, Secretary to the Board of Finance

Rev Canon C E Corbett, Canon Treasurer, Liverpool Cathedral

Rev Canon O J Yandell, Secretary to the Diocesan Board of Education

Rev P Goodrich, Secretary to the Board of Ministry

Rev G A Ripley, Clergy Training Officer

Diocese of Glasgow and Galloway

\*Rt Rev D Rawcliffe, Bishop

\*Rev Canon D Reid, Synod Clerk and Convenor of the Joint Board

\*Mr F Fox, Convenor of Bishopric Income and Residence Board

(Note the Researcher was Hon. Treasurer of the Diocese during  
1982 and 1983)

Note \* indicates continuing interviews as participant observer

Appendix D

Computer Program Appendix

## Programme Appendix

### Programme listings for the data input and amendment programmes used in initial coding of data from questionnaires

#### DI AND DIRANDAM Programmes

These programmes are in fact one program which has been split into two parts for compilation purposes. The overall programme has two distinct functions:

- 1) to allow the collection of data in a form suitable for SPSS, the statistical package for the social sciences, which is the package used either in the background job form or its conversational equivalent, SCSS, for the statistical analysis of the questionnaire data;
- 2) to allow the collection of the 'open-ended' responses expected from certain of the questions in the questionnaires. This collection was done at the same time as the statistical collection to enable coding to be kept in broad agreement between the two files and to save time by having initial coding done on a single pass through the data.

The first function of the programme was developed for the pilot study and the second function following experience of that study. The programme is written for a microcomputer and takes account of Glasgow University's Microtrans programme allowing transfer of data from a microcomputer to a mainframe machine. The programme has normally been run under compiled MBASIC to increase the speed over the interpreted version.

#### SEAMEND Programme

This is simply a short programme to allow the amendment of raw data files created under the first part of the DI programme above.

#### DI.BAS Programme

```
5 COMMON STRUCTFILENAME$
10 ON ERROR GOTO 30000:RESET
15 DIM ENTRYTOPOST(50),DESC$(250),COLREFCODE(250),COLSWIDE(250),
    OPENQUESTARRAY$(250),DEFAULTANSWER$(250)
16 DIM CASEDETAILS$(14,10):REM FOR LINE 4200 ONWARDS
17 DIM MULTIREADFILE$(10),SHORTAN$(50)
20 PRINT CHR$(12) "INPUT FOR QUESTIONNAIRE"
40 GOSUB 13000:REM LOAD STU FILE
50 REM TOP LEVEL MENU
60 PRINT CHR$(12) "INPUT FOR STRUCTURE FILE "FILENAME$:PRINT:PRINT
80 PRINT "OPERATIONS AVAILABLE ARE:"
90 PRINT "      (1) OPEN NEW DATA AND MULTIPLE CHOICE FILES AND ADD RECORDS"
100 PRINT "      (2) ADD DATA AND MULTIPLE CHOICE RECORDS"
110 PRINT "      (3) CONCATANATE MULTIPLE CHOICE DATA FILES"
120 PRINT "      (4) READ AN SPSS DATA FILE"
130 PRINT "      (5) READ A MULTIPLE CHOICE FILE"
135 PRINT "      (6) CONVERT A BINARY MULTIPLE CHOICE FILE TO AN ASCII FILE"
140 PRINT "      (7) AMEND ENTRIES IN A MULTIPLE CHOICE FILE"
145 PRINT "      (9) EXIT"
```

```

150 PRINT "WHICH ?";:GOSUB 35000:PRINT:A=VAL(QE$)
160 IF A=1 GOTO 1000 ELSE IF A=2 GOTO 2000 ELSE IF A=3 GOTO 26000 ELSE IF A=4
    GOTO 4000 ELSE IF A=5 GOTO 16000 ELSE IF A=6 GOTO 20000 ELSE IF A=7 THEN
    CHAIN "DIRANDAM" ELSE IF A=9 THEN SYSTEM
210 PRINT "SORRY PROGRAM NOT YET WRITTEN":GOTO 80
1000 PRINT CHR$(12) "OPEN NEW FILE"
1020 PRINT "FILES ALREADY IN EXISTANCE ARE:"
1040 FILES "*.QRE"
1050 PRINT:PRINT
1070 PRINT "PLEASE GIVE FILE NAME (EXCLUDING '.QRE')";:GOSUB 34500:PRINT:
    READFILENAME$=QE$
1080 IF READFILENAME$="-1" OR READFILENAME$=CHR$(27) GOTO 10
1085 IF READFILENAME$="" GOTO 1070
1090 READFILENAME$=LEFT$(READFILENAME$,8)+".QRE"
1100 PRINT "FILENAME WILL BE "READFILENAME$
1105 PRINT "FILE ";FILES READFILENAME$
1106 PRINT CHR$(7)"ALREADY EXISTS. DO YOU WANT TO OVERWRITE ?(Y/N) ";:GOSUB
    34500:PRINT:IF LEFT$(QE$,1)="Y" OR LEFT$(QE$,1)="y" GOTO 1110 ELSE
    GOTO 1070
1107 PRINT "DOES NOT EXIST. OPENING FILE."
1110 OPEN "O",#1,READFILENAME$
1120 PRINT #1,FILENAME$
1130 GOSUB 10000
1140 PRINT "ALL "N-1" CASES NOW WRITTEN TO DISK"
1150 CLOSE #1
1160 GOTO 60
2000 N=1
2010 PRINT CHR$(12) "THIS PROGRAM WILL ADD RECORDS TO EXISTING FILES"
2030 PRINT "PLEASE ENSURE THAT MULTIPLE CHOICE FILES ARE ON THE LOGGED DISK"
2040 PRINT "FILES ON DISK ARE:"
2050 FILES "*.QRE":PRINT
2060 PRINT "DATA FILE TO BE USED MUST INCLUDE '.QRE'"
2070 PRINT "PLEASE GIVE NAME OF FILE TO BE ADDED TO ";:GOSUB 34500:PRINT:
    READFILENAME$=QE$
2080 IF RIGHT$(READFILENAME$,4)(">").QRE" GOTO 2060
2090 F=LEN(READFILENAME$)
2100 FILEROOTNAME$=LEFT$(READFILENAME$,(F-4))
2110 BACKUPFILENAME$=FILEROOTNAME$+".BAK"
2120 NAME READFILENAME$ AS BACKUPFILENAME$
2130 OPEN "I",#2,BACKUPFILENAME$
2140 OPEN "O",#1,READFILENAME$
2150 PRINT "PLEASE WAIT FOR RECORDS TO BE READ TO NEW FILE"
2160 PRINT "CASE BEING READ IS:";
2162 INPUT#2,CASEHEADING$
2164 PRINT "HEADING";
2166 PRINT#1,CASEHEADING$
2170 INPUT#2,CASEDETAILS$
2180 CASEBEINGREAD$=RIGHT$(CASEDETAILS$,1)
2190 IF CASEBEINGREAD$="1" THEN N=N+1
2200 PRINT N;CASEBEINGREAD$;
2210 PRINT#1,CASEDETAILS$
2220 IF EOF(2) GOTO 2240
2230 GOTO 2170
2240 CLOSE #2
2250 GOSUB 10000
2260 PRINT "ALL "N-1" CASES WRITTEN TO FILE"
2270 CLOSE #1

```

```

2275 KILL BACKUPFILENAME$
2280 GOTO 60
4000 PRINT CHR$(12);
4010 PRINT "THIS SUB-PROGRAM WILL READ A FILE"
4020 PRINT "FILES ON DISK ARE:"
4030 FILES "*.QRE"
4040 PRINT
4050 PRINT "WHICH FILE DO YOU WISH TO READ (PLEASE EXCLUDE 'QRE') ";:GOSUB
      34500:PRINT:READFILENAME$=QE$
4060 READFILENAME$=READFILENAME$+".QRE"
4070 OPEN "I",#2,READFILENAME$
4075 INPUT#2,FILEHEAD$
4080 PRINT "AT WHICH RECORD DO YOU WISH TO BEGIN ?";:GOSUB 35000:PRINT:
      BEGINRECORD=VAL(QE$)
4100 VARIABLES=0:CARD=0:HEADING=0
4110 HEADINGNO=HEADINGNO+1
4120 COLREF=COLREFCODE(HEADINGNO):HEADDESCR$=DESC$(HEADINGNO):
      WIDTHOFVARIABLE=COLSWIDE(HEADINGNO)
4130 VARIABLES=VARIABLES+1
4140 IF COLREF=80 THEN CARD=CARD+1:PRINT CARD
4150 IF HEADDESCR$=""ENDCARD" GOTO 4110
4160 SP$=""
4170 LINECOUNT=0
4180 PRINT "RECORDS WILL BE PRINTED ON THE PRINTER"
4190 PRINT "IS THE PRINTER SWITCHED ON ";:GOSUB 34500:PRINT
4200 IF LEFT$(QE$,1)="N" OR LEFT$(QE$,1)="n" GOTO 4190
4210 LINECOUNT=0:ROWCOUNT=1
4220 REM **** READ 14 CASES ****
4230 FOR I=1 TO 14
4240   J=1
4250   IF INPUTDONE$="YES" THEN CASEDETAILS$(I,J)=SP$
4260   IF INPUTDONE$="YES" GOTO 4290
4270   INPUT#2, CASEDETAILS$(I,J)
4280   IF EOF(2) THEN INPUTDONE$="YES"
4290   J=J+1
4300   IF J<=CARD THEN GOTO 4250
4310   ROWCOUNT=ROWCOUNT+1:IF ROWCOUNT<BEGINRECORD THEN I=1:GOTO 4240
4330 NEXT I
4340 REM **** PRINT CASES LINE BY LINE ****
4350 HEADINGNO=0
4360 CURRCARD=1
4370 HEADINGNO=HEADINGNO+1
4380 COLREF=COLREFCODE(HEADINGNO):HEADDESCR$=DESC$(HEADINGNO):
      WIDTHOFVARIABLE=COLSWIDE(HEADINGNO)
4390 COUNT = COUNT+1
4400 PRINTLINE$=LEFT$(HEADDESCR$,10)
4410 PRINTLINE$=PRINTLINE$+"
4420 PRINTLINE$=LEFT$(PRINTLINE$,10)
4430 FOR J=1 TO 14
4440   ADDVARIABLE$=MID$(CASEDETAILS$(J,CURRCARD),COLREF,WIDTHOFVARIABLE)
4450   ADDVARIABLE$="" +ADDVARIABLE$
4460   PRINTLINE$=PRINTLINE$+RIGHT$(ADDVARIABLE$,5)
4470 NEXT J
4480 LPRINT PRINTLINE$:LINECOUNT=LINECOUNT+1
4490 PRINTLINE$="" :ADDVARIABLE$=""
4500 IF LINECOUNT<>55 GOTO 4520
4510 LPRINT CHR$(12);:LINECOUNT=0

```



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4520 IF COLREF=80 THEN CURRCARD=CURRCARD+1
4530 IF CURRCARD=CARD+1 AND INPUTDONE$="YES" GOTO 4570
4540 IF CURRCARD=CARD THEN GOTO 4370
4550 LPRINT CHR$(12);:LINECOUNT=0
4560 GOTO 4230
4570 GOTO 60
10000 REM ***** INPUT ROUTINE FOR QUESTIONNAIRE
10005 PRINT CHR$(12);:CASEDETAILS$=""
10010 PRINT "INPUT FOR QUESTIONNAIRE"
10020 IF N=0 THEN N=1
10030 PRINT "CASE NUMBER "N
10040 PRINT "PLEASE INPUT FOR EACH LINE THE CORRECT RESPONSE"
10050 PRINT "IF YOU MAKE AN ERROR PLEASE TYPE '-1' ON 'INPUT' REQUEST"
10060 IF CARD = 0 THEN CARD = 1
10070 HEADINGNO=HEADINGNO+1
10080 COLREF=COLREFCODE(HEADINGNO):HEADDESCR$=DESC$(HEADINGNO):
      WIDTHOFVARBLE=COLSWIDE(HEADINGNO):
      OPENENDEDQUEST$=OPENQUESTARRAY$(HEADINGNO):
      DEFAULT$=DEFAULTANSWER$(HEADINGNO)
10085 IF COLREF=0 THEN PRINT "SORRY THERE IS AN ERROR IN THE 'STU' FILE.":
      CLOSE:END
10090 REM PRINT WIDTHOFVARBLE,COLREF,HEADDESCR$,OPENENDEDQUEST$,DEFAULT$
10095 REM ***** Check for special columns
10100 IF COLREF = 80 THEN GOSUB 11000:REM WORK OUT LAST COLUMNS AND PUT CARD
      ON FILE
10110 IF HEADDESCR$="ENDCARD" GOTO 10430
10120 IF COLREF = 80 THEN CARD = CARD +1
10130 IF COLREF = 80 THEN GOTO 10070:REM BEGIN NEXT LINE
10135 IF SKIP$="YES" GOTO 10150
10140 IF OPENENDEDQUEST$("<")"" THEN GOSUB 15000:REM CHECK FOR OPEN ENDED QUESTION
10150 OPENENDEDQUEST$=""
10152 REM ***** CHECK FOR SKIP ROUTINE
10154 IF HEADDESCR$=STARTSKIP$ AND SKIPFLAG$="ON" THEN SKIP$="YES":PRINT SKIP$
10156 IF HEADDESCR$=STOPSKIP$ THEN SKIP$="":SKIPFLAG$=""
10160 NEXTCOLUMN=WIDTHOFVARBLE+COLREF
10170 GOTO 10200:REM START OF INPUT ROUTINE
10180 PRINT CHR$(7)"SORRY WRONG LENGTH, SHOULD BE "WIDTHOFVARBLE" CHARACTERS;
      REINPUT"
10200 PRINT "CARD="CARD;
10210 PRINT TAB(10)"BEGIN COL="COLREF;
10220 PRINT TAB(24)"DIGITS AVAIL="WIDTHOFVARBLE;
10230 PRINT TAB(40)"*HEADDESCR$;
10231 REM ***** AUTO INPUT ROUTINES
10232 IF CARD(>1) AND COLREF=1 THEN THISITEM%=CHURCH$:PRINT TAB(60)THISITEM%:
      GOTO 10390
10234 IF CARD(>1) AND COLREF=2 THEN THISITEM%=IDENTIF$:PRINT TAB(60)THISITEM%:
      GOTO 10390
10236 IF SKIP$="YES" THEN THISITEM%=DEFAULT$:PRINT TAB(60)THISITEM%:
      THISITEM%=RIGHT$(THISITEM%,WIDTHOFVARBLE): GOTO 10390
10239 IF NOT(AUTOPOST>0) THEN THISITEM%=ENTRYTOPOST(COLREF-(STARTCOLREF-1)):
      THISITEM%=STR$(THISITEM%):THISITEM%=RIGHT$(THISITEM%,1):PRINT TAB(60)
      THISITEM%:NOT(AUTOPOST)=NOT(AUTOPOST)-1: GOTO 10390
10240 IF HEADDESCR$("<")"ALPHACODE" GOTO 10290
10245 REM ***** ALPHA CODE SCREEN INPUT
10250 PRINT TAB(54)"ALPHA ";:GOSUB 34500:THISITEM%=QE$
10255 THISITEM%=" "+THISITEM%
10260 IF COLREF(>1) GOTO 10270 ELSE IF THISITEM%=CHR$(27) OR THISITEM%=" -1"

```

```

      THEN GOTO 10460
10270 IF THISITEM$="-1" GOTO 12000
10280 GOTO 10330
10290 REM ***** NUMERIC SCREEN INPUT
10295 PRINT TAB(54)"VALUE ?";GOSUB 35000:THISITEM$=QE$
10300 IF COLREF(>1) GOTO 10310 ELSE IF THISITEM$=CHR$(27) OR THISITEM$="-1"
      GOTO 10460
10310 IF THISITEM$="-1" OR THISITEM$=CHR$(27) GOTO 12000
10320 IF THISITEM$="" THEN THISITEM$=DEFAULT$:PRINT DEFAULT$;
10325 IF DEFAULT$="" AND THISITEM$="" THEN PRINT CHR$(7):GOTO 10290
10330 IF LEN (THISITEM$)>(WIDTHOFVARBLE+1) GOTO 10180
10340 THISITEM$= RIGHT$(THISITEM$,(LEN(THISITEM$)))
10350 THISITEM$=" "+THISITEM$
10360 THISITEM$=RIGHT$(THISITEM$,WIDTHOFVARBLE)
10370 PRINT TAB(70)" O.K. ?";GOSUB 34500
10380 IF LEFT$(QE$,1)= "N" OR LEFT$(QE$,1)="n" GOTO 10200
10385 REM ***** UPDATE CASEDETAILS
10390 CASEDETAILS$ = CASEDETAILS$+THISITEM$
10395 REM ***** SELECT KEY VARIABLES
10400 IF CARD=1 AND HEADDESCR$="IDENT" THEN IDNOX=VAL(THISITEM$)
10405 IF CARD=1 AND COLREF=1 THEN CHURCH$=THISITEM$
10410 IF CARD=1 AND COLREF=2 THEN IDENTIF$=THISITEM$
10415 IF HEADDESCR$="SKIPFLAG" AND VAL(THISITEM$)=1 THEN SKIPFLAG$="ON":PRINT
      SKIPFLAG$
10418 REM ***** END OF VARIABLE
10420 GOTO 10070
10425 REM ***** END OF CASE ROUTINE
10430 N = N+1: CARD=0: THISITEM$="": CASEDETAILS$="": CHURCH$="": IDENTIF$=""
10440 HEADINGNO=0
10450 GOTO 10030
10455 REM ***** END OF INPUT ROUTINE
10460 PRINT:PRINT "ARE THERE ANY MORE CASES ?";GOSUB 34500
10470 IF LEFT$(QE$,1)= "N" OR LEFT$(QE$,1)="n" THEN GOTO 10500
10480 HEADINGNO=0
10490 GOTO 10030
10500 RETURN
11000 REM ***** SUBROUTINE FOR CARD ID
11010 MISSCOLUMNS=COLREF-NEXTCOLUMN
11020 CARDREF$=STR$(CARD)
11030 CARDREF$=RIGHT$(CARDREF$,1)
11040 IF MISSCOLUMNS=0 GOTO 11080
11050 FOR I=1 TO MISSCOLUMNS
11060 CARDREF$=" "+CARDREF$
11070 NEXT
11080 CASEDETAILS$=CASEDETAILS$+CARDREF$
11090 PRINT CASEDETAILS$
11100 PRINT #1,CASEDETAILS$
11110 CASEDETAILS$=""
11120 CARDREF$="":MISSCOLUMNS=0
11130 RETURN
12000 REM ***** ERROR AMEND ROUTINE
12010 PRINT "YOU HAVE INDICATED THAT AN ERROR IS PRESENT.PLEASE INDICATE FROM"
12020 PRINT "WHICH COLUMN YOU WISH TO REINPUT ?"; GOSUB 35000:PRINT:
      ERRORCOLUMN=VAL(QE$)
12025 IF ERRORCOLUMN(1) THEN PRINT CHR$(7):GOTO 12020
12030 PRINT "THIS MEANS THAT COLUMNS 1 TO "ERRORCOLUMN-1" ARE CORRECT."
12040 PRINT "IS THIS RIGHT ?";GOSUB 34500:PRINT

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12050 IF LEFT$(QE$,1)="N" OR LEFT$(QE$,1)="n" GOTO 12010
12060 CASEDETAILS$ = LEFT$(CASEDETAILS$,ERRORCOLUMN-1)
12070 CARDCHECK=1
12080 HEADINGNO=0
12090 IF CARDCHECK=CARD GOTO 12140
12100 HEADINGNO=HEADINGNO+1
12110 COLREF=COLREFCODE(HEADINGNO)
12120 IF COLREF=80 THEN CARDCHECK=CARDCHECK+1
12130 GOTO 12090
12140 HEADINGNO=HEADINGNO+1
12150 COLREF=COLREFCODE(HEADINGNO)
12160 IF COLREF= ERRORCOLUMN GOTO 10080:REM HEADINGNO FOUND
12170 GOTO 12140
13000 REM ***** INPUT STRUCTURE DETAILS
13005 IF STRUCTFILENAME$="" GOTO 13080
13010 PRINT "PLEASE GIVE THE NAME OF THE FILE WHICH CONTAINS THE STRUCTURE
DETAILS"
13020 PRINT "STRUCTURE FILES AVAILABLE ARE:"
13030 PRINT:PRINT
13040 FILES "*.STU"
13050 PRINT:PRINT:GOTO 13060
13055 PRINT "SORRY THAT FILE ISN'T THERE TRY AGAIN"
13060 PRINT "NAME OF STRUCTURE FILE (EXCLUDE '.STU') ?";:GOSUB 34500:PRINT:
STRUCTFILENAME$=QE$
13065 IF RIGHT$(STRUCTFILENAME$,4)=".STU" GOTO 13080
13070 STRUCTFILENAME$=STRUCTFILENAME$+".STU"
13080 OPEN "I",#2,STRUCTFILENAME$
13090 INPUT#2,FILENAME$,HEQTY,STARTSKIP$,STOPSKIP$
13100 ABBREV$=LEFT$(FILENAME$,3)
13110 FOR I=1 TO HEQTY
13120 INPUT#2,DESC$(I),COLREFCODE(I),COLSWIDE(I),OPENQUESTARRAY$(I),
DEFAULTANSWER$(I)
13130 REM PRINT OPENQUESTARRAY$(I),DEFAULTANSWER$(I)
13140 NEXT I
13150 CLOSE #2
13160 RETURN
15000 REM ***** RANDOM ACCESS FOR DATA INPUT
15005 NOTOAUPOST=VAL(LEFT$(OPENENDEDQUEST$,2)):
OPENENDEDQUEST$=MID$(OPENENDEDQUEST$,3):STARTCOLREF=COLREF
15008 FOR I=1 TO 20:ENTRYTOPOST(I)=1:NEXT I
15010 PRINT CHR$(7) "MULTICHOICE QUESTION ON "OPENENDEDQUEST$:GOTO 15020
15015 PRINT "SORRY A MAXIMUM OF 50 ANSWERS ARE POSSIBLE"
15020 PRINT "HOW MANY ANSWERS TO THE QUESTION ?";:GOSUB 35000:PRINT:
NOOFANSWERS=VAL(QE$)
15025 IF NOOFANSWERS>50 GOTO 15015
15030 PRINT " O.K. ?";:GOSUB 34500:PRINT
15040 IF LEFT$(QE$,1)="N" OR LEFT$(QE$,1)="n" GOTO 15020
15045 IF NOOFANSWERS=0 THEN GOTO 15260
15050 OPEN "R",#3,OPENENDEDQUEST$,52
15055 FIELD #3,4 AS A$,2 AS B$,2 AS C$,40 AS D$,3 AS S$,1 AS F$
15060 FIRSTRECORDX=INT(((LOF(3)-1)*128/52)+1)
15062 IF FIRSTRECORDX=0 THEN FIRSTRECORDX=1
15064 GET#3,FIRSTRECORDX:REM PRINT FIRSTRECORDX,F$
15065 IF NEXTRECORDX=0 THEN NEXTRECORDX=1
15066 IF F$="Y" THEN FIRSTRECORDX=FIRSTRECORDX+1:GOTO 15064
15068 NEXTRECORDX=FIRSTRECORDX
15075 PRINT:PRINT "RECORD NO "NEXTRECORDX" IDENT NO "IDNOX

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15080 FOR I=1 TO NOOFANSWERS
15082 GOTO 15090
15085 PRINT "SORRY ONLY "NOTOAUTOPOST" ANSWERS ARE POSSIBLE"
15090 PRINT "WHAT IS THE CODE FOR ANSWER "I";GOSUB 35000:PRINT:SPSSCODE%=QE%
15092 IF SPSSCODE%="-1" OR SPSSCODE%=CHR$(27) THEN GOTO 15093 ELSE GOTO 15100
15093 PRINT "DO YOU WISH TO (1)REINUT CORRECT CODE
15095 PRINT " OR (2)EXIT THIS MODE ";GOSUB 35000:PRINT
15097 IF QE%="1" THEN PRINT "START AGAIN":FOR K=1 TO 20:ENTRYTOPOST(K)=1:
NEXT K:GOTO 15080
15098 IF QE%="2" GOTO 15250
15099 GOTO 15093
15100 SPSSCODE=VAL(SPSSCODE%):PRINT SPSSCODE;
15105 PRINT " O.K.?" ;GOSUB 34500:PRINT
15110 IF LEFT$(QE%,1)="N" OR LEFT$(QE%,1)="n" GOTO 15090
15115 IF NOTOAUTOPOST>0 AND SPSSCODE>NOTOAUTOPOST GOTO 15085
15120 IF NOTOAUTOPOST=0 GOTO 15130:REM IF NO AUTOPOSTS POSSIBLE THEN ASK FOR
ANSWERS ONLY
15125 ENTRYTOPOST(SPSSCODE)=2
15130 PRINT "ANSWER "I" IS WHAT ?";GOSUB 34500:PRINT:LONGAN%=QE%
15135 IF LONGAN%="" THEN LONGAN%=" "
15140 REPEAT=INT((LEN(LONGAN%)+39)/40)
15145 FOR J=1 TO REPEAT
15150 SHORTAN%(J)=MID$(LONGAN%,(1+40*(J-1)),40)
15155 REM PRINT SHORTAN%(J);
15160 LSET A%=MKI$(IDNOX):LSET B%=MKI$(I):LSET C%=MKI$(J):
LSET D%=SHORTAN%(J)
15190 LSET S%=MKI$(SPSSCODE):LSET F%="Y"
15210 PUT #3,NEXTRECORD%
15220 NEXTRECORD%=NEXTRECORD%+1
15230 NEXT J
15240 NEXT I
15241 GOTO 15250
15250 CLOSE #3
15260 RETURN
16000 REM ***** READ RANDOM ACCESS DATA FILE
16020 PRINT "THIS PROGRAM WILL READ A MULTIPLE CHOICE ANSWER FILE."
16030 PRINT "PLEASE WOULD YOU GIVE THE NAME OF THE FILE TO BE READ
INCLUDING '.BIN'"
16040 PRINT "FILES AVAILABLE FOR READING ARE:";FILES "*.BIN":PRINT
16050 PRINT "WHICH ?";GOSUB 34500:PRINT:MULTIREAD%=QE%
16060 IF RIGHT$(MULTIREAD%,4)(">").BIN" GOTO 16030
16070 OPEN "R",#3,MULTIREAD%,52
16080 FIELD #3,4 AS A%,2 AS B%,2 AS C%,40 AS D%,3 AS S%,1 AS F%
16085 PRINT LOF(3)
16090 CODEX=1
16100 PRINT "CODE SORT IDENT ANSWER DESCRIPTION"
16110 GET #3,CODEX
16120 IF F%(">")"Y" GOTO 16220
16130 IF CVI(C%)=1 THEN PRINT ELSE IF CVI(C%)>1 GOTO 16190
16150 PRINT USING "#### ";CODEX;
16160 PRINT USING " ## ";CVI(S%);
16170 PRINT USING "#### ";CVI(A%);
16180 PRINT USING " ## ";CVI(B%);
16190 PRINT TAB(25)D%
16200 CODEX=CODEX+1
16210 GOTO 16110
16220 PRINT: PRINT "END OF FILE"

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16230 PRINT "PRESS <RETURN> TO RETURN TO MAIN MENU ";:GOSUB 34500
16240 CLOSE
16250 GOTO 60
20000 PRINT CHR$(12) "THIS SUB-PROGRAM WILL CONVERT A BINARY RANDOM FILE
      PREPARED ON 'DATAINT'"
20020 PRINT "INTO AN ASCII CHARACTER SEQUENTIAL FILE"
20030 PRINT "FILES WHICH ARE CONVERTABLE ARE:"
20040 FILES "*.BIN":PRINT
20050 PRINT "PLEASE GIVE THE NAME OF THE FILE YOU WISH TO CONVERT EXCLUDING
      '.BIN'"
20060 GOSUB 34500:PRINT:STARTFILE$=QE$
20070 IF RIGHT$(STARTFILE$,4)=".BIN" GOTO 20075 ELSE
      STARTFILE$=STARTFILE$+".BIN"
20075 PRINT "THE NAME OF THE FILE WILL BE "STARTFILE$ " O.K.?"::GOSUB 34500:
      PRINT
20076 IF LEFT$(QE$,1)="N" OR LEFT$(QE$,1)="n" GOTO 20050
20080 PRINT "THE FILE WILL BE WRITTEN TO A FILE WITH A SUFFIX '.ASC'"
20090 PRINT "THE FOLLOWING '.ASC.' FILES ARE ON DISK:"
20100 FILES "*.ASC":PRINT
20110 PRINT "PLEASE GIVE A NAME FOR YOUR CONVERTED FILE EXCLUDING '.ASC'"
20120 GOSUB 34500:PRINT:NEWFILE$=QE$
20130 IF RIGHT$(NEWFILE$,4)=".ASC" GOTO 20150 ELSE NEWFILE$=NEWFILE$+".ASC"
20140 PRINT "THE NAME OF THE FILE WILL BE "NEWFILE$ " O.K.? "":GOSUB 34500:PRINT
20145 IF LEFT$(QE$,1)="N" OR LEFT$(QE$,1)="n" GOTO 20110
20150 OPEN "R",#3,STARTFILE$,52
20160 FIELD #3,4 AS A$,2 AS B$,2 AS C$,40 AS D$,3 AS S$,1 AS F$
20170 OPEN "O",#1,NEWFILE$
20180 CODEX=1
20185 PRINT "WRITING RECORD "
20190 GET #3,CODEX
20195 IF F$(#3)"Y" GOTO 20225
20196 IF CUI(C$)1 GOTO 20208
20199 PRINT#1,;PRINT#1,ABBREV$ " ";
20200 PRINT #1,USING"\ \-";RIGHT$((" "+STR$(CUI(A$))),3);
20201 PRINT #1,USING"\ \ ";RIGHT$(STR$(CUI(B$))),1);
      RIGHT$((" "+STR$(CUI(S$))),2);
20202 PRINT #1,USING"\ \ ";RIGHT$((" "+STR$(CUI(C$))),2);
20208 PRINT #1,D$;
20210 PRINT CODEX;
20215 CODEX=CODEX+1
20220 GOTO 20190
20225 PRINT "THAT IS THE END OF THE FILE. BYE"
20226 CLOSE
20227 GOTO 50
26000 REM ***** CONCATANATE DATA FILES
26020 PRINT CHR$(12)"THIS PROGRAM WILL READ UP TO TEN MULTIPLE CHOICE ANSWER
      FILES "
26030 PRINT "AND CONCATANATE THE FILES INTO A SINGLE FILE"
26040 PRINT "THE FILES WHICH CAN BE CONCATANATED ARE AS FOLLOWS:"
26050 FILES "*.BIN":PRINT
26055 PRINT "PLEASE WOULD YOU GIVE THE NAMES OF THE FILES TO BE READ INCLUDING
      '.BIN'"
26056 PRINT "TO END INPUT PLEASE TYPE <RETURN>"
26060 FOR I=1 TO 10
26063 GOTO 26065
26064 PRINT "SORRY THE NAME MUST END IN '.BIN'"
26065 PRINT "?":GOSUB 34500:PRINT:MULTIREADFILE$(I)=QE$

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```

26066 IF MULTIREADFILE$(I)="" GOTO 26100
26070 IF RIGHT$(MULTIREADFILE$(I),4)(">".BIN" GOTO 26064
26075 FILES MULTIREADFILE$(I):PRINT "IS THERE":GOTO 26080
26078 PRINT "IS NOT THERE, PLEASE REINPUT A CORRECT NAME":GOTO 26065
26080 NEXT
26085 GOTO 26100
26090 PRINT "SORRY THAT IS AN INCORRECT FILE NAME PLEASE REINPUT"
26100 PRINT "WOULD YOU NOW PLEASE GIVE THE NAME OF THE OUTPUT FILE :?";
26110 GOSUB 34500:PRINT:OUTPUTFILE$=QE$
26180 PRINT "CHECKING OUTPUT FILE"
26190 FILES OUTPUTFILE$
26200 PRINT "THAT FILE ALREADY EXISTS, SHALL I OVERWRITE? (Y/N)";:GOSUB 34500:
PRINT
26205 IF QE$="N" GOTO 26100
26210 PRINT "OPENING FILES"
26220 OPEN "R",#3,OUTPUTFILE$,52
26230 FIELD #3,4 AS A3$,2 AS B3$,2 AS C3$,40 AS D3$,3 AS S3$,1 AS F3$
26235 OUTCODEX=1
26240 FOR I=1 TO 10
26245 INCODEX=1
26250 IF MULTIREADFILE$(I)="" GOTO 26500
26255 PRINT "READING FILE "MULTIREADFILE$(I)
26260 OPEN "R",#2,MULTIREADFILE$(I),52
26270 FIELD #2,4 AS A2$,2 AS B2$,2 AS C2$,40 AS D2$,3 AS S2$,1 AS F2$
26280 PRINT "READING RECORD:";
26300 GET #2,INCODEX
26305 IF F2$(">")"Y" GOTO 26420
26306 IF D2$=" " THEN PRINT CHR$(7)
CVI(A2$) " CVI(B2$) " CVI(C2$) " D2$ " CVI(S2$) " DELETE ?(Y/N)";:
GOSUB 34500:PRINT:IF LEFT$(QE$,1)="Y" OR LEFT$(QE$,1)="y" THEN
INCODEX=INCODEX+1:GOTO 26300
26310 PRINT USING "#### ";CVI(A2$);
26320 REM FILL BUFFER AND WRITE TO FILE
26330 LSET A3%=A2$:LSET B3%=B2$:LSET C3%=C2$:LSET D3%=D2$:LSET S3%=S2$:
LSET F3%=F2$
26390 PUT #3,OUTCODEX
26400 INCODEX=INCODEX+1:OUTCODEX=OUTCODEX+1
26410 GOTO 26300
26420 PRINT:CLOSE#2
26450 NEXT
26500 PRINT "THAT IS THE END OF THE LAST FILE":CLOSE#3
26700 GOTO 60
30000 REM ***** ERROR ROUTINES
30010 IF ERR=53 AND ERL=26190 THEN RESUME 26210
30015 IF ERR=64 AND ERL=26190 THEN RESUME 26090
30020 IF ERR=53 AND ERL=26075 THEN RESUME 26078
30030 IF ERR=53 AND ERL= 4030 THEN RESUME 4040
30040 IF ERR=53 AND ERL= 1040 THEN RESUME 1050
30045 IF ERR=53 AND ERL= 1105 THEN RESUME 1107
30050 IF ERR=53 AND ERL= 2050 THEN RESUME 2060
30055 IF ERR=53 AND ERL=26050 THEN RESUME 26055
30060 IF ERR=53 AND ERL=20150 THEN RESUME 20160
30065 IF ERR=53 AND ERL=20100 THEN RESUME 20110
30070 IF ERR=58 AND ERL=2120 THEN KILL BACKUPFILENAME$:RESUME 2120
30200 PRINT "AN ERROR NO "ERR" HAS BEEN DETECTED AT LINE "ERL
30210 CLOSE:END
34500 QSTRING$="":REM INPUT SUBROUTINE FOR ALPHA STRINGS (NO ESCAPE OPTION)

```

```

34510 Q$=INPUT$(1):IF Q$=CHR$(13) GOTO 34550 ELSE IF Q$=CHR$(127) OR
      Q$=CHR$(8) GOTO 34520 ELSE IF Q$=CHR$(27) GOTO 34510
34515 PRINT Q$;:IF Q$="," THEN Q$="-":GOTO 34530 ELSE GOTO 34530
34520 IF LEN(QSTRING$)=0 GOTO 34510 ELSE PRINT CHR$(8)" "CHR$(8);:
      QSTRING$=LEFT$(QSTRING$,(LEN(QSTRING$)-1)):GOTO 34510
34530 QSTRING$=QSTRING$+Q$:GOTO 34510
34550 Q$=QSTRING$:RETURN
35000 QSTRING$="":REM INPUT SUBROUTINE FOR NUMERIC STRINGS
35010 Q$=INPUT$(1):IF Q$=CHR$(13) GOTO 35050 ELSE IF Q$=CHR$(127) OR
      Q$=CHR$(8) GOTO 35020
35014 PRINT Q$;:IF Q$="," OR Q$="-" GOTO 35030 ELSE IF ASC(Q$)>47 AND
      ASC(Q$)<58 GOTO 35030
35016 IF Q$="," THEN Q$="":PRINT CHR$(8)" "CHR$(8);:GOTO 35010 ELSE PRINT
      CHR$(7) CHR$(8)" "CHR$(8);: GOTO 35020
35020 IF LEN(QSTRING$)=0 GOTO 35010 ELSE PRINT CHR$(8)" "CHR$(8);:
      QSTRING$=LEFT$(QSTRING$,(LEN(QSTRING$)-1)):GOTO 35010
35030 QSTRING$=QSTRING$+Q$:GOTO 35010
35050 Q$=QSTRING$:RETURN
36000 QSTRING$="":REM INPUT SUBROUTINE FOR A SINGLE CHARACTER
36010 Q$=INPUT$(1):PRINT Q$;:IF Q$=CHR$(13) THEN Q$="":GOTO 36050 ELSE
      IF Q$=CHR$(127) OR Q$=CHR$(8) GOTO 36010
36015 IF Q$="," THEN PRINT CHR$(7);:GOTO 36010
36050 PRINT:RETURN

```

#### DIRANDAM.BAS PROGRAMME

```

25000 REM ***** RANDOM ACCESS AMENDMENT
25005 COMMON STRUCTFILENAME$
25010 PRINT CHR$(12):FILES "*.BIN":PRINT
25020 PRINT "THIS PROGRAM WILL READ A MULTIPLE CHOICE ANSWER FILE "
25030 PRINT "AND ALLOW AMENDMENT OF THE FIELDS"
25040 PRINT "PLEASE WOULD YOU GIVE THE NAME OF THE FILE TO BE READ EXCLUDING
      '.BIN'"
25060 GOSUB 34500:PRINT:MULTIREAD$=Q$
25070 IF RIGHT$(MULTIREAD$,4)=".BIN" GOTO 25074 ELSE
      MULTIREAD$=MULTIREAD$+".BIN"
25074 PRINT "THE FILE TO BE READ WILL BE "MULTIREAD$" O.K. ?":GOSUB 34500:
      PRINT
25076 IF LEFT$(Q$,1)="N" OR LEFT$(Q$,1)="n" GOTO 25040
25080 OPEN "R",#3,MULTIREAD$,52
25090 FIELD #3,4 AS A$,2 AS B$,2 AS C$,40 AS D$,3 AS S$,1 AS F$
25100 PRINT "YOU MUST CHOOSE THE RECORD YOU WISH TO AMEND BY REFERENCE TO THE
      CODE"
25110 PRINT "AT THE LEFT HAND OF THE SCREEN"
25120 PRINT "DO YOU WANT TO (1)CHOOSE A RECORD TO AMEND
25130 PRINT "                (2)SEE THE NEXT 5 RECORDS"
25140 PRINT "                (3)EXIT"
25150 GOSUB 35000:PRINT:FUNCTION=VAL(Q$):IF FUNCTION=1 GOTO 25160 ELSE IF
      FUNCTION=2 GOTO 25620 ELSE IF FUNCTION=3 GOTO 25770 ELSE GOTO 25150
25160 PRINT "PLEASE INPUT THE CODE OF THE RECORD WHICH YOU WANT TO AMEND"
25170 GOSUB 35000:CODEZ=VAL(Q$):PRINT " O.K. ?":GOSUB 34500:PRINT:IF
      LEFT$(Q$,1)="N" OR LEFT$(Q$,1)="n" GOTO 25170
25180 GET #3,CODEZ
25190 PRINT "CODE IDENT ANSWER SORT DESCRIPTION
      FILL"
25200 PRINT "                (1)      (2)      (3)      (4)
      (5)"

```

```

25210 PRINT USING "EEEE ";CODEX;
25220 PRINT USING "EEEE ";CVI(A$);
25230 IDENT=CVI(A$)
25240 PRINT USING "  EE ";CVI(B$);
25250 ANSWER=CVI(B$)
25260 PRINT USING "  EE ";CVI(S$);
25270 SORT=CVI(S$)
25280 PRINT TAB(30)D$;PRINT TAB(78)F$
25290 DE$=D$;F1$=F$
25300 PRINT "WHICH COLUMN DO YOU WISH TO AMEND ?";GOSUB 35000:PRINT:
      AMENDCOL=VAL(QE$)
25310 ON AMENDCOL GOTO 25400,25440,25320,25480,25360
25320 PRINT "PRESENT SORT CODE IS "CVI(S$)
25330 PRINT "REVISED CODE IS WHAT ?";GOSUB 35000:PRINT:;SORT=VAL(QE$)
25340 PRINT SORT" IS THAT O.K. ?";GOSUB 34500:PRINT:IF LEFT$(QE$,1)="N"
      GOTO 25320
25350 GOTO 25530
25360 PRINT "PRESENT FILL CODE IS "F$
25370 PRINT "REVISED FILL CODE IS WHAT ?";GOSUB 34500:PRINT:F1$=QE$
25380 PRINT F1$" IS THAT O.K. ?";GOSUB 34500:PRINT:IF LEFT$(QE$,1)="N"
      GOTO 25320
25390 GOTO 25530
25400 PRINT "PRESENT IDENT CODE IS "CVI(A$)
25410 PRINT "REVISED IDENT CODE IS WHAT ?";GOSUB 35000:PRINT:IDENT=VAL(QE$)
25420 PRINT IDENT" IS THAT O.K. ?";GOSUB 34500:PRINT:IF LEFT$(QE$,1)="N"
      GOTO 25400
25430 GOTO 25530
25440 PRINT "PRESENT ANSWER NO IS "CVI(B$)
25450 PRINT "REVISED ANSWER NO IS WHAT ?";GOSUB 35000:PRINT:ANSWER=VAL(QE$)
25460 PRINT ANSWER" IS THAT O.K. ?";GOSUB 34500:PRINT:IF LEFT$(QE$,1)="N"
      GOTO 25440
25470 GOTO 25530
25480 PRINT "PRESENT DESCRIPTION IS "D$
25490 PRINT "REVISED CODE IS WHAT ?";GOSUB 34500:PRINT:DE$=QE$
25500 DE$=LEFT$(DE$,40)
25510 PRINT DE$" IS THAT O.K. ?";GOSUB 34500:PRINT:IF LEFT$(QE$,1)="N"
      GOTO 25480
25520 GOTO 25530
25530 PRINT "ANY MORE AMENDMENTS ?";GOSUB 34500:PRINT:IF LEFT$(QE$,1)="Y"
      GOTO 25300
25540 REM FILL BUFFER AND WRITE TO FILE
25550 LSET A$=MKI$(IDENT):LSET B$=MKI$(ANSWER):LSET C$=C$:LSET D$=DE$
25560 LSET S$=MKI$(SORT):LSET F$=F1$
25610 PUT #3,CODEX
25620 IF CODEX=0 THEN CODEX=1
25630 LASTCODEX=CODEX
25640 PRINT "CODE IDENT ANSWER SORT DESCRIPTION
25650 GET #3,CODEX
25660 IF F$(1)="Y" GOTO 25760
25670 IF CVI(C$)=1 THEN PRINT
25680 PRINT USING "EEEE ";CODEX;
25690 PRINT USING "EEEE ";CVI(A$);
25700 PRINT USING "  EE ";CVI(B$);
25710 PRINT USING "  EE ";CVI(S$);
25720 PRINT TAB(30)D$ TAB(77)F$
25730 CODEX=CODEX+1
25740 IF CODEX-LASTCODEX=5 GOTO 25120

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FILL"



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25750 GOTO 25650
25760 PRINT: PRINT "END OF FILE":GOTO 25120
25770 CLOSE#3
25780 CHAIN "DI"
34500 QSTRING$="":REM INPUT SUBROUTINE FOR ALPHA STRINGS (NO ESCAPE OPTION)
34510 QE$=INPUT$(1):IF QE$=CHR$(13) GOTO 34550 ELSE IF QE$=CHR$(127) OR
      QE$=CHR$(8) GOTO 34520 ELSE IF QE$=CHR$(27) GOTO 34510
34515 PRINT QE$;:IF QE$="," THEN QE$="-":GOTO 34530 ELSE GOTO 34530
34520 IF LEN(QSTRING$)=0 GOTO 34510 ELSE PRINT CHR$(8)" "CHR$(8);:
      QSTRING$=LEFT$(QSTRING$,(LEN(QSTRING$)-1)):GOTO 34510
34530 QSTRING$=QSTRING$+QE$:GOTO 34510
34550 QE$=QSTRING$:RETURN
35000 QSTRING$="":REM INPUT SUBROUTINE FOR NUMERIC STRINGS
35010 QE$=INPUT$(1):IF QE$=CHR$(13) GOTO 35050 ELSE IF QE$=CHR$(127) OR
      QE$=CHR$(8) GOTO 35020
35014 PRINT QE$;:IF QE$="," OR QE$="-" GOTO 35030 ELSE IF ASC(QE$)>47 AND
      ASC(QE$)<58 GOTO 35030
35016 IF QE$="," THEN QE$="":PRINT CHR$(8)" "CHR$(8);:GOTO 35010 ELSE
      PRINT CHR$(7) CHR$(8)" "CHR$(8);:GOTO 35020
35020 IF LEN(QSTRING$)=0 GOTO 35010 ELSE PRINT CHR$(8)" "CHR$(8);:
      QSTRING$=LEFT$(QSTRING$,(LEN(QSTRING$)-1)):GOTO 35010
35030 QSTRING$=QSTRING$+QE$:GOTO 35010
35050 QE$=QSTRING$:RETURN

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#### SEQAMEND.BAS Programme

```

10 DIM CASEDETAIL$(255),DESC$(255),COLREF$(255),COLSWIDEX(255),
      OPENQUEST$(255),DEFAULT$(255),AMENDARRAY$(255),ALTER$(255)
15 LASTLINE$=CHR$(27)+CHR$(89)+CHR$(51)+CHR$(32):NEXTLASTLINE$=CHR$(27)+
      CHR$(89)+CHR$(50)+CHR$(32)
16 SP$="-----"
      "
20 ON ERROR GOTO 30000
30 PRINT "This program will allow sequential amendment of a sequential file "
40 PRINT "which is structured on a given '.STU' file"
50 PRINT "The files available on disc A: are: "
60 FILES "A:*,*":PRINT
70 PRINT "The files available on disc B: are: "
80 FILES "B:*,*":PRINT
90 PRINT "Please give the name of the structure file you will be using "
95 PRINT "in the form 'Drive' colon 'Filename' '.STU' ";
100 INPUT; STUFILE$:INPUT " O.K. ";QE$
105 IF RIGHT$(STUFILE$,4)<>".STU" THEN PRINT CHR$(7):GOTO 90
110 IF LEFT$(QE$,1)="N" OR LEFT$(QE$,1)="n" GOTO 90
120 PRINT "The file ";FILES STUFILE$:PRINT "is there."
130 PRINT "Please give the name of the file you wish to amend "
140 PRINT "in the form 'Drive' colon 'Filename' stop 'Type' "
150 INPUT; READFILE$:INPUT " O.K. ";QE$
160 IF LEFT$(QE$,1)="N" OR LEFT$(QE$,1)="n" GOTO 130
170 PRINT "The file ";FILES READFILE$:PRINT "is there."
180 PRINT "Please give the name of the file in which you wish to put the
      amended data"
190 PRINT "in the form 'Drive' colon 'Filename' stop 'Type' "
200 INPUT; WRITEFILE$:INPUT " O.K. ";QE$
210 IF LEFT$(QE$,1)="N" OR LEFT$(QE$,1)="n" GOTO 180
220 PRINT "The file ";FILES WRITEFILE$:PRINT "is there. Do you wish to
      overwrite?(Y/N)";INPUT QE$

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```

225 IF LEFT$(QE$,1)="N" OR LEFT$(QE$,1)="n" GOTO 180
500 REM *****INPUT STU DETAILS
510 OPEN "I",#1,STUFILE$
520 CARD=0
530 INPUT #1,HEADING$,HEGTYZ,FILL1$,FILL2$
540 FOR IX=1 TO HEGTYZ
550 INPUT #1,DESC$(IX),COLREFZ(IX),COLSWIDEX(IX),OPENQUEST$(IX),DEFAULT$(IX)
560 IF COLREFZ(IX)=80 THEN CARD=CARD+1
570 NEXT
580 PRINT CARD" cards will be used"
590 CLOSE#1
600 OPEN "I",#1,READFILE$
605 INPUT #1,CHURCH$
610 OPEN "O",#2,WRITEFILE$
615 PRINT #2,CHURCH$
1000 REM *****START OF INPUT/AMEND ROUTINE
1010 INPUTDONE=-1
1020 FOR I=1 TO CARD
1030 IF INPUTDONE=0 GOTO 1600
1040 INPUT #1,CASEDETAIL$(I)
1050 IF EOF(1) THEN INPUTDONE=1
1060 NEXT
1062 IX=1
1065 FOR THISCARDX=1 TO CARD
1070 FOR JX=1 TO 80
1075 REM PRINT COLREFZ(IX),COLSWIDEX(IX):PRINT CASEDETAIL$(THISCARDX)
1080 AMENDARRAY$(IX)=MID$(CASEDETAIL$(THISCARDX),COLREFZ(IX),COLSWIDEX(IX))
1085 REM PRINT AMENDARRAY$(IX)
1090 ALTER$(IX)=""
1095 IF COLREFZ(IX)=80 THEN JX=1:IX=IX+1:GOTO 1105
1098 IX=IX+1
1100 NEXT JX
1105 NEXT THISCARDX
1110 STARTVARX=1
1200 REM ***** START OF PRINTOUT LOOP
1210 PRINT CHR$(12)
1215 VARIABLEX=STARTVARX
1220 FOR HTAB=1 TO 65 STEP 16
1230 FOR VTAB=1 TO 18
1240 PRINT CHR$(27) CHR$(89) CHR$(31+VTAB) CHR$(31+HTAB);
1250 IF VARIABLEX>HEGTYZ GOTO 1350
1260 PRINT USING "###";VARIABLEX;;PRINT USING " \ \-";
LEFT$(DESC$(VARIABLEX),5);
1270 PRINT USING " \ \";AMENDARRAY$(VARIABLEX);;PRINT USING "!!";
ALTER$(VARIABLEX)
1280 VARIABLEX=VARIABLEX+1
1290 NEXT VTAB
1300 NEXT HTAB
1350 PRINT NEXTLASTLINE$ SP$:PRINT LASTLINE$ " Which variable do you want to
amend? (RETURN for next screen)";
1360 INPUT; AMENDNOX:INPUT " O.K. ";QE$
1370 IF LEFT$(QE$,1)="N" OR LEFT$(QE$,1)="n" GOTO 1350
1380 IF AMENDNOX=0 THEN STARTVARX=(VARIABLEX):IF STARTVARX>HEGTYZ GOTO 1500
ELSE GOTO 1200
1400 PRINT NEXTLASTLINE$ SP$:PRINT LASTLINE$ "For variable "DESC$(AMENDNOX)"
what is new value?";INPUT QE$
1410 NEWVALUE$=SPACE$(6):RSET NEWVALUE$=QE$:NEWVALUE$=RIGHT$(NEWVALUE$,

```

```

      COLSWIDEX(AMENDNOX))
1420 ALTER$(AMENDNOX)="*"
1430 PRINT NEXTLASTLINE$;PRINT SP$;PRINT LASTLINE$ "The new value for
      variable "DESC$(AMENDNOX)" is "NEWVALUE$" is this O.K.";INPUT QE$
1440 IF LEFT$(QE$,1)="N" OR LEFT$(QE$,1)="n" GOTO 1400 ELSE
      AMENDARRAY$(AMENDNOX)=NEWVALUE$
1450 SFOSZ=AMENDNOX-90*(INT((AMENDNOX-1)/90));HTAB=1+16*(INT((SFOSZ-1)/18));
      VTAB=SFOSZ-18*INT((SFOSZ-1)/18)
1460 PRINT CHR$(27) CHR$(89) CHR$(31+VTAB) CHR$(31+HTAB);
1470 PRINT USING "###";AMENDNOX;PRINT USING " \ \-";
      LEFT$(DESC$(AMENDNOX),5);
1480 PRINT USING "\ \-";AMENDARRAY$(AMENDNOX);PRINT USING "!";
      ALTER$(AMENDNOX)
1490 GOTO 1350
1500 PRINT NEXTLASTLINE$ SP$;PRINT LASTLINE$ "Are amendments to this case
      complete?";INPUT QE$
1505 IF LEFT$(QE$,1)="N" OR LEFT$(QE$,1)="n" THEN STARTVARZ=1: GOTO 1200
1510 IX=1
1520 IF COLREFZ(IX)=80 AND COLREFZ(IX-1)<>79 THEN
      GAPZ=COLREFZ(IX)-COLREFZ(IX-1)-1:PRINT#2,SPACE$(GAPZ);
1530 PRINT #2,AMENDARRAY$(IX);
1533 IF COLREFZ(IX)=80 THEN PRINT#2,
1540 IX=IX+1:IF IX>HEQTYZ GOTO 1560
1550 GOTO 1520
1560 GOTO 1000
1600 PRINT "THAT IS THE END OF THE FILE. CLOSING FILES."
1610 RESET
1620 PRINT "BYE"
1630 END
30000 IF ERR=53 AND ERL=120 THEN PRINT " is not there. Please reinput.":
      RESUME 90
30010 IF ERR=64 AND ERL=120 THEN PRINT " is a bad filename. Please reinput.":
      RESUME 90
30020 IF ERR=53 AND ERL=170 THEN PRINT " is not there. Please reinput.":
      RESUME 130
30030 IF ERR=64 AND ERL=170 THEN PRINT " is a bad filename. Please reinput.":
      RESUME 130
30040 IF ERR=53 AND ERL=220 THEN PRINT " is not there.":RESUME 500
30050 IF ERR=64 AND ERL=220 THEN PRINT " is a bad filename. Please reinput.":
      RESUME 180
30060 PRINT ERR,ERL
30070 CLOSE
30080 RESET
30100 END

```

Appendix E

List of Variables used in Questionnaire

# Appendix E Combined Data File: Reconciliation of variables to source data files

This table relates the variable names of questionnaire responses in each of the five questionnaires to those in the combined data file. 'Card Positions' of the variables in the final data file are also given.

Source Data File:		Diocese of Glasgow	Repent've Chch Cncl	Diocese of Liverpool	Church of Scotland	Methodist Church
Combined file 'Card' Variable Name Columns		Source File Variable Name				
CHURCH	1	CHURCH	CHURCH	CHURCH	CHURCH	CHURCH
IDENT	2-4	IDENT	IDENT	IDENT	IDENT	IDENT
AGE	5	AGE	AGE	AGE	AGE	AGE
WORK	6-8	WORK	WORK	WORK	WORK	WORK
QUAL	9	QUAL	QUAL	QUAL	QUAL	QUAL
PROF	10	PROF	PROF	PROF	PROF	PROF
ACCT	11	ACCT	ACCT	ACCT	ACCT	ACCT
GIVING	12	GIVING	GIVING	GIVING	GIVING	GIVING
HOURSBOX	13	HOURSBOX	HOURSBOX	HOURSBOX	HOURSBOX	HOURSBOX
HOURS	14-16	HOURS	HOURS	HOURS	HOURS	HOURS
INIRST1 TO		INIRST1 TO	INIRST1 TO	INIRST1 TO	INIRST1 TO	INIRST1 TO
INIRST9	17-25	INIRST9	INIRST9	INIRST9	INIRST9	INIRST9
INIRST10	26	-	INIRST10	INIRST10	INIRST10	INIRST10
INIRST11	27	INIRST10	INIRST11	INIRST11	INIRST11	INIRST11
CONGOFF	28-30	CONGOFF	CONGOFF	CONGOFF	CONGOFF	CONGOFF
AREAOFF	31-33	-	-	-	AREAOFF	AREAOFF
REGOFF	34-36	REGOFF	REGOFF	REGOFF	-	REGOFF
CENTOFF	37-39	CENTOFF	CENTOFF	CENTOFF	CENTOFF	CENTOFF
REGCOM	40-43	REGCOM	REGCOM	REGCOM	-	REGCOM
CENTCOM	44-46	CENTCOM	CENTCOM	CENTCOM	CENTCOM	CENTCOM
YEARS	47	YEARS	YEARS	YEARS	YEARS	YEARS
PEOPLE	48-49	PEOPLE	PEOPLE	PEOPLE	PEOPLE	PEOPLE
USE1 TO		USE1 TO	USE1 TO	USE1 TO	USE1 TO	USE1 TO
USE10	50-59	USE10	USE10	USE10	USE10	USE10
PRSGIVE	60	PRSGIVE	PRSGIVE	PRSGIVE	PRSGIVE	PRSGIVE
INFCE1	61	INFCE1	INFCE1	INFCE1	INFCE1	INFCE1
INFCE2	62	INFCE2	INFCE2	INFCE2	INFCE2	INFCE2
INFCE3	63	INFCE3	INFCE3	INFCE3	INFCE3	INFCE3
INFCE4	64	INFCE4	INFCE4	INFCE4	INFCE4	INFCE4
INFCE5	65	INFCE5	INFCE5	INFCE5	INFCE5	INFCE5
INFCE6	66	INFCE6	INFCE6	INFCE6	INFCE6	INFCE6
INFMIN1	67	-	INFMIN1	INFMIN1	INFMIN1	INFMIN1
INFMIN2	68	-	INFMIN2	INFMIN2	INFMIN2	INFMIN4
INFMIN3	69	-	INFMIN3	INFMIN3	INFMIN4	INFMIN5
INFMIN4	70	-	INFMIN4	INFMIN4	INFMIN5	INFMIN6
INFMIN5	71	-	-	-	-	INFMIN3
INFMIN6	72	-	-	-	-	INFMIN2
INFMIN7	73	-	INFMIN5	INFMIN5	INFMIN6	INFMIN7
INFMIN8	74	-	-	-	INFMIN3	-

## Appendix E

Source Data File		Diocese of Glasgow	Repant've Chch Cncl	Diocese of Liverpool	Church of Scotland	Methodist Church
Combined file 'Card' Variable Name Columns		Source File Variable Name				
INFMTN9	75	-	NO REPLY	NO REPLY	NO REPLY	NO REPLY
READ1 TO		READ1 TO	READ1 TO	READ1 TO	READ1 TO	READ1 TO
READ13	5-17	READ13	READ13	READ13	READ13	READ13
READ14 TO		READ14 TO	-	READ14 TO	READ14 TO	READ14 TO
READ17	18-21	READ17		READ17	READ17	READ17
READ18 TO		-	-	READ18 TO	READ18 TO	READ18 TO
READ24	22-28			READ24	READ24	READ24
READ25 TO		-	-	-	READ25 TO	READ25 TO
READ33	29-37				READ33	READ33
READ34 TO		-	-	-	READ34 TO	-
READ37	38-41				READ37	
USTAND	45	USTAND	USTAND	USTAND	USTAND	USTAND
CONTAIN	46	CONTAIN	CONTAIN	CONTAIN	CONTAIN	CONTAIN
REFERT01(PERS)	47	REFERT0	REFERT01	REFERT01	REFERT01	REFERT01
REFERT02(CHCH)	48	-	REFERT02	REFERT02	REFERT02	REFERT02
REFERT03(AREA)	49	-	-	-	REFERT04	REFERT03
REFERT04(REGN)	50	-	REFERT03	-	-	REFERT04
REFERT05(CENT)	51	-	REFERT04	REFERT03	-	REFERT05
LOOCHCH	52	LOOCHCH	LOOCHCH	LOOCHCH	LOOCHCH	LOOCHCH
USESUMM	53	USESUMM	USESUMM	USESUMM	USESUMM	USESUMM
INTSUMM	54	INTSUMM	INTSUMM	INTSUMM	INTSUMM	INTSUMM
USEHFYR	55	USEHFYR	USEHFYR	USEHFYR	USEHFYR	USEHFYR
INTHFYR	56	INTHFYR	INTHFYR	INTHFYR	INTHFYR	INTHFYR
DIFPRI	57	DIFPRI	DIFPRI	DIFPRI	DIFPRI	DIFPRI
WHCHACCT	58	WHCHACCT	WHCHACCT	WHCHACCT	WHCHACCT	WHCHACCT
BSHEET	59	BSHEET	BSHEET	BSHEET	BSHEET	BSHEET
PROPTY1 TO		PROPTY1 TO	PROPTY1 TO	PROPTY1 TO	PROPTY1 TO	PROPTY1 TO
PROPTY6	60-65	PROPTY6	PROPTY6	PROPTY6	PROPTY6	PROPTY6
USER1 TO		USER1 TO	USER1 TO	USER1 TO	USER1 TO	USER1 TO
USER20	5-24	USER20	USER20	USER20	USER20	USER20
PURPOS1 TO		PURPOS1 TO	PURPOS1 TO	PURPOS1 TO	PURPOS1 TO	PURPOS1 TO
PURPOS11	25-35	PURPOS11	PURPOS11	PURPOS11	PURPOS11	PURPOS11
USEBGT	36	USEANBGT	USEBGT	USEBGT	USEBGT	USEBGT
INTBGT	37	INTANBGT	INTBGT	INTBGT	INTBGT	INTBGT
SENSIVE1 TO		SENSIVE1 TO	SENSIVE1 TO	SENSIVE1 TO	SENSIVE1 TO	SENSIVE1 TO
SENSIVE3	38-40	SENSIVE3	SENSIVE3	SENSIVE3	SENSIVE3	SENSIVE3
RAIN1	41	RAIN1	RAIN1	RAIN1	RAIN1	RAIN1
RAIN2	42	RAIN1	RAIN1	RAIN1	RAIN1	RAIN1
CHANGE1 TO		CHANGE1 TO	CHANGE1 TO	CHANGE1 TO	CHANGE1 TO	CHANGE1 TO
CHANGE11	43-53	CHANGE11	CHANGE11	CHANGE11	CHANGE11	CHANGE11
QUART	54	QUART	QUART	QUART	QUART	QUART
STDACTSC	55-60	STDACTSC	STDACTSC	STDACTSC	STDACTSC	STDACTSC
COMBSUM	61-64	COMBSUM	COMBSUM	COMBSUM	COMBSUM	COMBSUM

