Should NPOs follow international standards for financial reporting? A multinational study of views

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ABSTRACT (170 words)

Financial reporting is an important aspect of not-for-profit organisations' (NPOs') accountability. Globally, numerous and varying regimes exist by which jurisdictions regulate NPO financial reporting.

This article focuses on the normative question of whether international financial reporting practice should be developed for the NPO sector, with a view to reducing reporting complexities. We explore stakeholder perceived preferences on the nature and scope of any such standards, interpreting our findings through the lens of consequential and procedural dimensions of moral legitimacy.

Using an international online survey of accountants, practitioners and users of NPO accounts with 600 responses from 179 countries, we found that 72% of survey respondents considered that international standards for financial reporting by NPOs would be useful. Others, however, were strongly opposed and there were differing views on the NPO size for which such standards should be required. Many respondents, especially those operating in developing countries, indicated moral legitimacy would be given to a standard if it could contribute to resolving the diverse and inconsistent demands for accounting and accountability information.

KEYWORDS

Not-for-profit accounting; international standards; international surveys; moral legitimacy.

Introduction

The calls for consistent and transparent financial reporting by charities and other not-for-profit organisations (NPOs) share an enduring and universal quality. Neither the passage of time nor the geographical spread of the concerned countries has dampened the interest in answering the fundamental questions that lie at the heart of this call to action: whether the quest to develop, at various levels (both national and international) effective standards for NPO financial reporting can be achieved and if so, at what cost (Breen, 2013). To the extent that such standards are possible, there is much interest both in levels of compliance and in the ultimate usefulness of the resulting financial reports to the needs of stakeholders.

To date, however, international standard setters have not provided a conceptual framework for the not-for-profit sector, notwithstanding academic criticism of this vacuum (Laughlin 2008; Valentinov 2011; Ryan et al 2014). Instead, a variety of different standards have been adapted from both the for-profit and public sector accounting worlds to fit the needs of charity accounting (Crawford et al., 2018). These standards range from sector-neutral standards in Australia to a detailed third sector-specific standard in England and Wales, and Scotland (Charity Commission & OSCR 2014) to the recent adaptation of public sector standards in New Zealand (Sinclair & Bolt, 2013). Even amongst these adapted regimes, ongoing concerns exist over charity compliance levels with the financial reporting requirements in situ (Cordery, 2013; Breen, 2013; Sinclair and Bolt, 2013).

Existing not-for-profit reporting standards lack the more universal quality found in the for-profit equivalent – the International Financial Reporting Standards ('IFRS'), developed by the International Accounting Standards Board (IASB) which focuses on global convergence of financial reporting by commercial entities. IFRS have enjoyed broad acceptance across 166 jurisdictions where 144 nations require IFRS for domestic listed companies and the remaining nations mostly permit IFRS (IFRS, 2018). At least ten nations (and a number of international bodies, such as the European Commission, United Nations systems and the OECD) have eschewed the application of the IFRS common framework in the context of the special and specific needs of public sector organisations, preferring instead to follow the International Public Sector Accounting Standards ('IPSAS') as developed by the International Public Sector Accounting Standards Board (IPSASB, 2016). The IPSAS have been tailored to address a wide range of reporting issues specific to public sector bodies, including on outcomes (Berger, 2009). In other countries, despite the profit-oriented focus, an IFRS-based regime is even used for government accounting (CIMA 2009, p.5).

The emergence of such common accounting frameworks for the commercial sector and public sector has led to debates regarding the possible benefits of international standards for NPO accounting (e.g. Ashford 2007; CCAB 2013; MANGO 2015). In particular, it has been asked whether NPOs could be required to report directly either under IFRS or IPSAS – although specific problems are widely highlighted (Davies 2012; Ashford 2007; CCAB 2013; Crawford et al., 2018). Some countries already have detailed NPO accounting requirements, as discussed below, and the extent to which such standards could or should be replaced by an international standard is the subject of considerable debate.

Understanding the reason why stakeholders might welcome and accept international financial reporting practice for NPOs is important to ensure that any resulting standard is perceived as legitimate. Such reporting practices may be accepted as legitimate for different reasons, (Suchman 1995), where pragmatic and moral legitimacy reasons involve stakeholder evaluation of what 'is', and what 'should be', respectively, whereas cognitive legitimacy involves no such evaluation. Pragmatic legitimacy entails stakeholder evaluation of a particular practice from a self-interest perspective, evaluating benefits that will accrue to them from the practice. Moral legitimacy evaluations capture whether a practice reflects "the right thing to do" (Georgiou and Jack 2011, p313) from a public interest perspective. Finally, cognitive legitimacy does not require stakeholder evaluations as this form of legitimacy reflects "institutionalised, taken-for-granted … acceptance" of practice (Georgiou and Jack 2011, p313).[1] Indeed, legitimacy theory has been used to explore sustainability assurance (O'Dwyer, Owen and Unerman 2011), fair value accounting (Georgiou and Jack 2011), professional accounting education standards (Crawford et al. 2014), and accounting standard setting (Durocher et al. 2007; Crawford et al., 2016). Aspects of moral legitimacy have also been used to examine funding of controversial practices in publicly funded health services (Crawford 2016). It is the gaining of moral legitimacy that forms the heart of this paper.

Our paper focuses on understanding 'what should be' attained if international financial reporting standards are to be developed for the NPO sector, and as such we frame our analysis through the lens of moral legitimacy. Suchman (1995) identifies four dimensions of

[1] The subtleties of legitimation are presented here as distinct explanations as to why stakeholders might grant legitimacy to a particular financial reporting practice. In reality, pragmatic, moral and cognitive legitimation processes are not clearly separable, but often interact and reinforce each type of legitimation. (Georgiou and Jack, 2011; O'Dwyer, Owen and Unerman, 2011).

moral legitimacy: consequential, procedural, personal and structural. Consequential and procedural legitimacy evaluations focus on whether a practice will achieve socially desired and valued outcomes, underpinned by socially accepted techniques and procedures, respectively. Personal legitimacy evaluations focus on whether the reputation and expertise of organisational leaders will reflect the needs of society, and structural evaluations consider whether a particular organisation is accepted by stakeholders to perform certain socially desirable practices. In relation to personal and structural dimensions of moral legitimacy, at the time of writing, neither leaders nor organisations have been established to develop international financial reporting standards for NPOs. Therefore, we focus our interpretation on aspects of consequential and procedural legitimacy.[2] The refinement of legitimacy theory, as used in this article, specifically focuses on exploring the desired normative outcomes (moral legitimacy for what?) from stakeholders (moral legitimacy from who?) should international NPO financial reporting standards be developed.

To this end, we analyse the findings of an international study *[Ref omitted for blind review]* by a multi-national team which considers the literature on NPO financial reporting, and the debates which have emerged regarding the applicability of international standards and the various legal frameworks applicable. It explores the issues which should be addressed in any international standard for NPO financial reporting and considers whether such a standard would lead to greater accountability or whether obstacles would mean insufficient benefits to justify NPOs adopting a harmonised international framework. Accountability is fundamentally linked to concepts of legitimacy, where issuing accountability information to stakeholders may be seen as a practice from which reporting organisations legitimise their actions and garner support for their continuing operation (Cooper and Robson 2006; Dhanani and Connolly 2012). This article considers financial reporting as a package of accountability information communicated to stakeholder groups involved in not for profit financial accounting practice across the world.[3]

The primary research method was an online survey designed to seek the views of the widest possible range of stakeholders working with NPO accounts – including finance staff in NPOs, accountants, auditors and standard setters. A full literature review was undertaken in

[2] It is of interest to note that IFRS Trustees have announced that, although they will support efforts to develop NPO standards, they will not be responsible for developing them.

[3] The scope and dimensions of NPO accountability have been the subject of extensive research to date with scholarly contributions proposing both broad and narrower frameworks of NPO accountability. It is beyond the scope of this paper to develop a detailed discussion of this broader issue, but readers are further referred to the seminal contributions of Gray, Bebbington and Collison (2006), Ebrahim (2005) and (2009) in this regard.

advance of the design of the survey questions. The questions were piloted with control and peer review groups and refined in light of feedback received in advance of general release more globally. The methodology and findings of this survey are reported more fully by *[Ref omitted for blind review]*.

However, the aim of this article is to explore those findings in terms of the moral question in the title of this paper: *should NPOs follow international standards for financial reporting?* This question raises profound issues regarding the nature of NPOs; the purpose of NPO financial reporting; the extent to which NPO financial reporting should or should not conform with expectations of financial reporting by for-profit and public sector bodies; and the extent to which NPOs in different regions of the world share common perceptions of the obligations of accountability through financial reporting.

The moral question of whether NPOs should be expected or required to follow international standards for financial reporting might give rise to various answers on both sides of the normative divide. Those in favour of the introduction of such a bespoke international standard would undoubtedly point to the advantages such a regime would bring in terms of more consistent NPO reporting standards, allowing stakeholders (especially international funders) to rely upon and compare NPOs. The argument could also be advanced that an international standard, linked to better regulation, would raise the accountability levels of NPOs generally and thus further improve governance. Those morally opposed to the introduction of an international standard would unquestionably point to the futility of any such venture on the grounds of administrative burden and expense, seeing it as ultimately diverting badly needed resources away from beneficiaries. Even if such a standard were to be developed, opponents would argue that it would not be universally adopted unless sanctions for its non-use were imposed, thereby detracting from its value either way. Finally, it could be argued by those morally opposed to international standardisation that any such attempt would be dominated by a western capitalist mentality and that it would be utterly wrong to impose a new round of “colonial accountancy” on developing countries which might not have the wherewithal to resist.

Scope and definitions

This article endeavours to understand financial reporting in the not-for-profit sector following the definitional approach in the study being analysed *[Ref omitted for blind review]*. As numerous authors acknowledge, the sector can be variously defined (see Anheier 2014 for an analysis of these debates). NPOs exclude government entities, therefore the terms NPO and NGO (Non-Governmental Organisation) are essentially equivalent. However, it is worth noting that some countries tend to see NGOs as being large NPOs with funding from other countries, as opposed to smaller community-based organisations, so the term "NGO" can suggest a certain type of organisation in certain jurisdictions (for example, Unerman & O'Dwyer 2006) – hence we use the term NPO.

We further narrow the NPO field to those organisations that are established for public benefit or which would be seen as charitable organisations in jurisdictions where the term 'charity' is used or are eligible (where applicable) for charitable tax reliefs. It should be noted that the term 'public benefit,' as applied in charity law jurisdictions, has a somewhat narrower meaning than the term 'public benefit entity' used in financial reporting. In any case, it is worth noting that the term 'charity' has a different meaning in different jurisdictions, and in many countries it has no formal meaning at all (Breen et al. 2009).

Such organisations may have a wide range of legal structures. In many countries, NPOs typically use the structure of a company and in that case their financial reporting requirements may be determined at least to some extent by the requirements of company law, even in the absence of any NPO-specific reporting requirements. In some countries, such as the UK, large numbers of NPOs, particularly at the smaller end, are unincorporated trusts or associations. In other cases, NPOs are more commonly formed as incorporated associations or using specific incorporated structures for charities (see Cordery et al. 2016). Our focus is not restricted to any specific organisational form: we consider NPOs of all forms that are subject to some kind of obligation to prepare financial reports, whether that obligation derives from statute, or the demands of funders and supporters, or from the NPO's own sense of accountability.

Likewise, we do not distinguish between NPOs in different fields of work. We include NPOs which are primarily service-providers as well as those which are mainly grant-makers; NPOs established with a religious basis together with secular NPOs; NPOs providing wide-ranging community services and NPOs addressing the needs of very specific beneficiary groups. We also consider NPOs from the smallest volunteer-run community organisations to the large international NGOs.

We use the term 'financial reporting' to refer to the accounts issued by NPOs to a range of external stakeholders – often, though not necessarily, accompanied by narrative reporting (such as a report by the board, management committee or trustees), and often, though not always, with a report on the accounts prepared by an external auditor or examiner (see

Lennard 2007). The reports themselves may include notes and additional disclosures beyond the primary statements. Usually the financial reports cover a twelve month period and relate to the NPO as a whole, rather than its individual projects (although the financial statements may include a breakdown by funds or projects). The term refers to the totality of such financial reporting (including related narrative reporting) by a specific NPO in a given year. Many authors refer to the production of such financial reports as General Purpose Financial Reporting (GPFR).

This definition thus excludes internal financial reports prepared purely for the staff or board members of an NPO (management accounts), and it also excludes private reports on specific projects prepared for individual funders which are not made available more widely.

Structure of the paper

The remainder of this article is structured as follows: beginning with a consideration of the literature on NPO financial reporting and the associated legal frameworks, the paper examines the (limited) prior discussion of international harmonisation of NPO reporting. The methodology of the online survey used along with a profile of the survey respondents are then presented before the resulting quantitative findings and the qualitative data in relation to the research question posed in the present article are discussed. The article concludes by discussing the implications of these research findings for the sector and for the future development of NPO financial reporting.

The specifics of NPO financial reporting: existing literature

The possible case, explored by this article, as to whether NPOs should follow sector-specific international standards is only relevant insofar as NPO financial reporting raises issues and requirements (including requirements from users of GPFR) which are not generally found in commercial or public sector accounting.

NPO-specifics for financial reporting

Literature highlights a number of key NPO-specific issues which rarely arise in commercial accounting, but the question of how these are treated in NPO financial reports will often be critical to the reader. Such issues include:

- the definition of the reporting entity, bearing in mind that many NPOs are unincorporated (Sanders et al. 2008; Cordery et al. 2016);
- revenue recognition for non-exchange transactions such as grants and donations (Rossouw 2007);
- the reporting of fundraising expenses (Dellaportas et al. 2012; Connolly et al. 2013);
- the recognition and measurement of assets which generate little or no economic benefit for the NPO, for example heritage assets (Davies 2012; Craig, Taonui, & Wild 2012);
- fund accounting and treatment of equity in the case of resources subject to restrictions (Hyndman 1990; Khumawala & Gordon 1997; Kilcullen et al. 2007);
- requirements for narrative reporting, bearing in mind that the work of NPOs can rarely be understood from financial information alone (Connolly & Dhanani 2009; Jetty & Beattie 2009; Morgan & Fletcher 2013; Davies & Anderson 2018).

The significance of such issues, and hence the extent to which they need to be addressed in formal standards, depends on the perceived rationale for NPO financial reporting – but, as noted above, the conceptual framework for NPO reporting remains a contested area. This explains, to some extent, the wide diversity of requirements in different countries at the present time.

Current requirements

It is possible to distinguish at least six scenarios by which jurisdictions regulate NPO financial reporting at the present time. Some of these may exist in parallel within one country due to distinctions between different types of NPOs or overlaps between, for example, charity law and company law.

First, there are countries with no general requirement for NPOs to issue any kind of GPFR in the public domain – typically this is the case where there is no explicit system of charity regulation. Second are the countries where there is no regulation on the publication of financial reports except in terms of the legal structure of an entity, as is currently the case in Ireland at the time of writing – so NPOs structured as companies may have to publish financial reports in the same way as for-profit companies, but the disclosure requirements may be minimal especially for smaller entities. Third are countries, such as Australia, which take a sector-neutral approach, requiring NPOs to follow IFRS with no consideration of NPO-specific reporting issues (Kevin Simpkins Advisory Services 2006). As IFRS have been accepted by approximately 166 nations (IFRS 2018), the IASB and its IFRS represent a significant force in financial reporting. Fourth, there are countries, such as the United States, where some measure of reporting in the public domain is mandatory for all recognised NPOs, but only to comply with tax law requirements. Fifthly are those countries with NPO-specific financial reporting requirements made compulsory for charitable organisations regardless of legal form. Finally, a country may have an NPO-specific financial reporting framework which is encouraged but not mandatory.

Examples of NPO-specific reporting frameworks include the United Kingdom in the standard known as the 'Charities SORP' (Charity Commission & OSCR, 2014) now required for all charities over £250,000 income in all three of its jurisdictions (England and Wales, Scotland, Northern Ireland), though smaller charities, unless structured as companies, can use cash-based accounts. Ireland is in the process of adopting regulations which will embrace the same SORP as the UK. In Switzerland, a specific NPO standard known as 'RPC 21' (Etablissement des comptes des organisations sociales d'utilité publique à but non lucratif) has been developed within the broader framework of Swiss Generally Accepted Accounting Practice (GAAP). Although voluntary, it is mandatory for NPOs wishing to meet certain quality standards (Müller 2003). In the United States, charities enjoying §501(c)(3) tax exemption that reach certain asset or income threshold levels must file an annual 'Form 990' return with the Internal Revenue Service which should be based on the underlying requirements of US GAAP as applied to NPOs, although a number of conflicts are reported between the expectations of GAAP and the Form 990 (Chasin, Kawecki & Jones 2002; Keating & Frumkin 2003). In Canada, a distinction is made between private sector NPOs and government-controlled NPOs, but in both cases NPO-specific standards apply (CICA 2013a; 2013b). In Japan, from 2016 NPOs must utilise specific NPO standards which are partially aligned to IFRS and are specific to the type of NPO they are (Cordery & Deguchi 2017). In New Zealand, there has been much debate and a lack of NPO requirements, but from the 2015/6 financial years all registered charities are required to file financial reports based on locally written accrual accounting standards if their expenditure is over NZD125,000 p.a. (they may use cash accounting beneath this). If their expenditure is over NZD2m they must use IPSASB standards, as modified by some specific NPO and local requirements (Cordery, Sim & van Zijl 2017).

NPO international reporting standards?

As discussed, in some jurisdictions, NPO financial reporting is based on IFRS developed by the IASB for large, publicly accountable, for-profit entities. However, the IASB (2010) expects that preparers will produce financial reports that provide useful financial information to their target stakeholder group of present and potential investors, lenders and other creditors. This capital market stakeholder group focus, and the lack of attention to NPO-specific issues raised in the prior section (as noted, for example by External Reporting Board 2011), mean that IFRS are not ideal for the NPO sector. Further support for this perspective comes from research conducted by the Charity Commission for England and Wales and Office of the Scottish Charity Regulator which found that the public are more interested in how much money reaches the end cause and what difference charities have made with that money – outcomes that are "not best served by a for-profit focus on cash-flows and surpluses, important though these are in financial management" (Davies & Anderson 2018).

For public sector not-for-profit entities, financial reporting standards have been developed by the IPSASB. The United Nations is implementing IPSAS (Biraud 2010), together with several other international organisations and countries declaring their commitment to observing IPSAS for public sector entities (Brusca, Montesinos, & Chow 2013; IPSASB 2016) and they are seen as an "indisputable reference for potential EU harmonised public sector accounts" (European Commission 2013, p. 8). Nevertheless, as the IPSASB does not possess the legislative power[4] to require public sector organisations to comply with IPSAS, Brusca et al. (2013) recount a lack of comparability. However, these are used as a basis for NPO reporting in New Zealand (External Reporting Board 2011; Cordery and Simpkins 2016). The financial reports are to be prepared for a wider group of users (financial report readers) than those catered for under IFRS.

Currently, there is no board (or other group) that develops NPO-specific standards. One of the reasons that NPOs might seek their own standards is so that they can focus on users/readers who are relevant and who have differing information needs from for-profit entities due to the social objectives of NPOs, as noted above (Davies & Anderson 2018).

If the NPO sector sought to have its own international standards, it would also need to create and sustain an international financial reporting standards board/group with all the accoutrements of the IASB and IPSASB. In order to develop high quality financial reporting standards that would attract legitimacy from stakeholders, it would be necessary for these standard setters to run open board meetings, make its papers available and also encourage

[4] IASB does not have legislative power, however over 120 jurisdictions have mandated, through jurisdictional regulatory frameworks, IFRS for publicly accountable companies.

submissions to its standard setting process (Durocher et al. 2017).[5] They would also require an independent board, regular governance reviews and representative bodies. Such procedures are resource-intensive, must be financed and also take time. In the NPO sector this is a significant barrier (ACCA 2015). It is worth noting that the trustees of the FRS Foundation recently decided, after analysing responses from an open consultation process, "not to expand the [IASB's] remit . . . to encompass financial reporting standards for the private, not-for-profit sector" (IFRS Foundation 2016, para. 11)

In addition, how would compliance be encouraged? Member bodies (accounting professionals or other groups) may declare compliance with all IPSASB and/or IASB standards but may not actually have mechanisms for monitoring or enforcement. This scenario presents a challenge experienced by international, non-governmental organisations that aspire to influence practice in different jurisdictions, as part of a 'polycentric' regulatory regime, where multiple regulatory authorities seek to regulate and control practice (Black 2008). Any board developing and pronouncing international standards for NPOs would also share these challenges. Compliance with any such emergent standards would depend upon the influence that such a board has directly, and indirectly, to regulate accounting practice at the national level. It is likely that NPOs, which are known for being tardy in filing with regulators and non-compliant with standards (Morgan & Fletcher 2013; Reheul, Caneghem, & Verbruggen 2014), will also be tardy in complying with financial reporting standards.

In conclusion, an organisation embarking on setting international financial reporting standards for the not-for-profit sector would have to ensure that: (i) standards are developed in a process that ensures they are acceptable by diverse NPOs operating in different jurisdictions across the globe (with a wide group of stakeholders involved in the input); and (ii) mechanisms to monitor and enforce compliance exist, to ensure comparability and convergence of practice across the sector. In this article we raise the normative question of whether international financial reporting practice should be developed for the NPO sector. In so doing, we explore stakeholder preferences as to the nature and scope of any such standards, interpreting our findings through the lens of consequential and procedural dimensions of moral legitimacy.

Summary

[5] Many national standard setters also undertake similar due process work to ensure 'buy-in' from their constituency and the quality of their standards (for an example from the Third Sector, see Sinclair & Bolt, 2013).

The literature shows that there are many features unique to NPO financial reporting (if the financial reports are to be useful to readers). Whilst some countries have developed NPO-specific standards to address this, there is no international consensus on the issue. Some suggest NPO reporting could move to a common international standard simply by requiring NPOs in all countries to follow IFRS or IPSAS, whilst others believe that much more detail on the NPO-specifics is required. It is impossible, therefore, to conclude from the literature alone whether NPOs should follow international standards: any answer to that question requires an assessment of the views and experiences of stakeholders concerned with NPO financial reporting across the world.

The Survey Methodology: Design, Distribution and Responses

This section summarises the survey methodology as reported by *[Ref omitted for blind review]* so as to provide a basis for subsequent analysis of those findings and to address the key question in this paper on whether NPOs should follow international standards for financial reporting.

To gain the widest possible range of stakeholder views on NPO financial reporting and the extent to which there might be support for international NPO standards, it was considered that the most effective approach within the relevant time and resource constraints was to develop a web-based survey to be distributed to a broad worldwide audience of stakeholders with interests in NPO reporting.

Survey Design

The survey was developed in the light of the literature and in consultation with a steering group of representatives of professional bodies, regulators, standard setters, organisations concerned with charity accounting, and organisations involved in providing training and advice to NGO finance staff in various countries. Before going live, the survey was piloted amongst the research team, academic colleagues and with the steering group and then amended on the basis of feedback obtained. It comprised a mixture of closed (multiple option) and open (narrative) questions.[6] Table 1 summarises the focus of survey questions developed and interpreted through the lens of moral legitimacy for this article.

[6] The full survey can be found at Crawford et all (2014), Appendix B.

[insert Table 1 here]

A number of closed-question statements explored stakeholder perceptions regarding the potential development of international financial reporting standards and desired consequences for NPO financial reporting. These questions used a Likert scale response where respondents indicated the extent of their agreement or disagreement with various propositions. Propositions were balanced to show both sides of an argument (so that, for example, a respondent who favoured international NPO standards would need to express agreement with some propositions and disagreement with others). These closed questions were supplemented by others inviting respondents to give narrative reasons for their answers or to unpack problems or issues in the context of existing reporting frameworks. The value of the survey lies in the quality of the responses and observations made by respondents in over 605 usable submission which generated more than 63,000 words of comment. Approximately 500 respondents gave further comments on each of the main narrative questions, and approximately 200 on the final questions asking if they had any further points to add.

In order to understand the respondents' backgrounds, the initial sections of the survey explored participants' experience of NPO financial reporting, their role (for example: NPO finance staff, trustees or board members, external accountants and auditors, standard setters and regulators), the numbers of sets of NPO financial reports they worked with, the size of those NPOs in terms of income, and the countries where they had specific experience of NPO financial reporting. All questions regarding financial thresholds were offered in three currencies, with participants invited to respond in relation to the bands shown in Table 2. Such granularity allowed the research team to understand the profile of respondents who are likely to bestow, or not, moral legitimacy to NPO international financial reporting standards should they be developed.

[insert Table 2 here]

The survey was implemented using the BOS online survey system (University of Bristol, 2013) and piloted with the steering group before being made live. The survey was open for one month in November/December 2013.

Survey distribution

A request to take part in the survey was distributed by email to two international contact lists of potential respondents who were specifically involved in NPO financial reporting or who had access to networks of contacts who might be so involved; these two lists are referred to as 'Individuals' and 'Gatekeepers'. The Gatekeepers were typically professional bodies or support groups for NGO finance managers. These networks agreed to forward the survey to their members or contacts (in some cases, to several thousand individuals). These lists were generated from the professional networks of the research team and bodies represented on the project steering group.

Recipients of the email were also encouraged to publicise the survey to their networks and others who might be interested and we know that many did so. The overall approach was thus based on 'snowball sampling' to identify the widest possible range of respondents with an interest in NPO financial reporting. We do not make any claim, therefore, that the respondents are in any way representative of entire world population of persons engaged in NPO accounting, but all respondents had some definite interest in this field.

To motivate support from contacts to complete the survey, Individuals and Gatekeepers were contacted in advance of the survey going live with information about the research project and a request for their support to complete the survey when it went live. Gatekeepers were asked to support the research by distributing and encouraging their networks to complete the survey. As a result, many professional organisations supported the study, for example by: setting up email alerts to their members directly; publicising the research objective and survey link in newsletters and professional magazines; displaying the survey link on their websites; and/or tweeting the survey link to their members. At the start of the survey period, personal emails were sent to all contacts to inform them the survey was live and reminder emails were sent prior to the survey closing.

Responses

The survey generated 605 usable responses with respondents reporting direct experience of NPO financial reporting in 179 countries.

Respondents were asked to identify their main form of engagement in NPO financial reporting (referred to in this analysis as the 'stakeholder roles'). The respondents included stakeholders in the following roles: NPO staff members and employees (code *E* in the tables*:* 42% of respondents) – these were mainly finance staff as all respondents stated that they had direct involvement in NPO accounts; NPO board members/trustees (code *T: 13%*); professional bodies, national and international standard setters and NPO regulators (code *R:* 7%), general practitioners such as advisers and trainers supporting NPOs on accounting but not professional accountants (code *GP: 5%*), professional practitioners involved in preparation of NPO accounts (code *PP:* 10%), practitioners primarily concerned with audit or independent examination of NPO accounts (code *PA:* 14%), and those who were primarily users of NPO accounts (code *U:* 9%) – this includes users such as funders plus a small number academics and researchers.

Table 3 summarises the numbers of respondents analysed by stakeholder role (Panel A), world regions where respondents had experience of NPO final reporting (Panel B), and the numbers of respondents reporting experience with NPOs of the sizes in the four income bands above (Panel C). The total approximate number of NPOs' financial reports either prepared or audited by survey respondents, after adjusting for two large outliers, was 18,574 NPOs in Band 1; Band 2: 8,910; Band 3: 4,946; and Band 4: 2,182 – thus in total the study draws on respondents' experience of financial reporting with nearly 35,000 NPOs in all.

In terms of the financial reporting experience, 68% of respondents were most frequently involved in NPO financial reports prepared as accruals accounts, compared to 24% as cash-based receipts and payments accounts.[7] Eight percent reported involvement with 'other' forms of accounting, and narrative explanations predominantly described the use of "hybrid" or "modified cash" systems capturing elements of both cash and accruals accounting. Survey respondents were also asked to identify the financial reporting frameworks they most frequently encountered.

[insert Table 3 here]

When asked to identify the country or countries that represent their main involvement from a list of over 200 countries, 1,335 choices were made, including 37 respondents choosing worldwide involvement. Collapsing these choices into world regions gave 746 indications from the respondents of NPO reporting in specific world regions (the worldwide category), as summarised in Figure 1.

[insert Figure 1 here]

[7] Empirical data available from Crawford et al (2014).

Stakeholder perceptions: insights from closed, multiple option survey questions

In order to assess stakeholders' views on the merits of international standards for NPO reporting, it is helpful to begin with perceptions regarding need for, and consequences of, publicly-available GPFR by NPOs. Respondents were asked to indicate the extent of their agreement using Likert scales to a number of statements as summarised in Figure 2.

The findings show that a majority of stakeholders strongly agree that the purpose of NPO financial reports is to demonstrate stewardship (61%) and accountability (57%), and to a lesser extent (49%), be useful for decision making. In terms of characteristics, a majority strongly agreed that NPO financial reports should be transparent (62%), reliable (60%) and understandable (47%); the extent to which stakeholders show strong agreement with intra- and cross-country comparability (38% and 22%, respectively) is much less pronounced. These responses indicate an NPO is likely to be granted moral legitimacy through consequential legitimacy if its financial reporting practice leads to the production of accountability information. This information should enable the NPO to demonstrate stewardship and also enable users to make decisions about providing resources to it. In so doing, this accountability information should capture the characteristics detailed above.

[insert Figure 2 here]

On the central issue of how far respondents would accept international standards for NPOs, the results are summarised in Figure 3. Again, respondents expressed levels of agreement on a Likert scale to a number of statements.

The majority of respondents agreed that: an international standard would be useful (72% agreeing or strongly agreeing); that the not-for-profit sector should follow converged standards (64%); that funders would value NPO accounts prepared in accordance with an international standard (70%); and most survey respondents (63%) believed their nation "would be able" to influence the development of such a standard. Such responses indicate a majority of stakeholders responding to our survey perceive the potentiality of developing international financial reporting standards for NPOs as a socially acceptable technique to achieve desired outcomes. It is therefore likely that any such introduction of NPO international standards would attract procedural legitimacy from diverse stakeholder groups, as represented in our survey respondents.

For the purposes of the present research, the second statement is the most relevant. It might be expected that, apart from those completely happy with existing requirements, most respondents would broadly welcome an international NPO financial reporting standard, but the fact that 64% agreed with the moral suggestion that the NPOs “should follow” such a standard indicates more than just support for the principle. Moreover, a majority of survey respondents *did not* believe an international standard would be hard to apply at the national level, nor that there would be national reluctance to comply with an international standard.

Yet, whilst a majority (72%) of respondents agreed an international standard would be useful this did not get universal support: 15% disagreed with this proposition including 7% who strongly disagreed. Some of their reasons are considered below. Further analysis of this question by geographic region (data not shown) shows survey respondents involved with NPOs operating in African jurisdictions (82%) agreed more strongly with the proposal that international financial reporting standards for NPOs would be useful, compared to survey respondents with European NPO experience (64%). This is of interest when one considers the types of NPO accounting reported by survey respondents, where the African experience shows 41% cash / 50% accrual / 9% mixed, compared to the European experience of 17% cash / 79% accrual / 4% other.

[insert Figure 3 here]

Nevertheless, many countries with mandatory regimes for NPO financial reporting impose different requirements according to the size of the NPO. Survey respondents were thus asked whether an international standard should be applied to all NPOs or only to those above a certain income level.

As shown in Figure 4, only 30% of respondents believe that all NPOs should be required to comply regardless of size. Even if a mandatory standard were limited to those over £30K income ($50K) the support is only 46%. Of the thresholds used in the question, it is only by setting the mandatory level at £300K income and above ($500K) that support for a mandatory standard exceeds 50% of respondents.

Closer scrutiny of the data shows that respondents who are involved with financial reporting of NPOs in African countries gave stronger support for this proposition, with 53% of responses agreeing that all NPOs should fall into the scope of a sector-specific international standard. But in all other regions, respondents tended to support the view that some level of income-size stratification should determine the scope of an international standard. This indicates that stakeholder evaluations of what will constitute legitimate financial reporting practice for NPOs will differ across geographic areas. The point of divergence in granting moral legitimacy across these stakeholders appears to be within the dimension of procedural legitimacy where perceptions of socially accepted techniques differ according to the size of NPO to which international financial reporting will be applicable.

[insert Figure 4 here]

Stakeholder Perceptions: Insights from Narrative Comments

Seven questions in the survey gave opportunities for respondents to provide additional narrative comments, and the insights from these provide a rich picture of how stakeholders feel about NPO accounting and the extent to which they feel international standards would be beneficial, desirable, or practical.

Of the 605 usable responses to the survey, approximately 500 respondents gave further comments on each of the main narrative questions (and approximately 200 on the final question inviting additional observations relevant to the study). In total, these narratives responses amounted to around 63,000 words of comment. The majority of responses were presented as a single sentence, but some longer answers were offered, running occasionally to several paragraphs on one question: this level of narrative response suggests an extremely high level of interest in the issue raised.

The discussion below is based on a thematic content analysis of issues raised. Where diverse views were expressed on an issue, examples of responses are given from the various sides of the argument. On occasions, the analysis provides an indication of whether an issue was mentioned frequently or rarely, but we stress that this was not a systematically sampled survey, and the extent to which specific issues were mentioned is not necessarily an indication of their significance.

Many respondents raised reasons why they believed existing financial reporting standards were inadequate for NPOs, for example an NPO board member, Argentina said: "*Accounting frameworks are established for for-profit organizations and when applied to non-profit organizations do not reflect the real activities, budget accountability and other important issues of NPOs."* The case for international consistency was also supported by various respondents including a UK-based NPO board member: "*Having worked in a number of jurisdictions, the key issue for me is the lack of consistency across national borders, often in* *key areas of the financial reports (eg income recognition, treatment of different types of charitable funds)."*

Respondents in developing countries, in particular, mentioned the problems of financial reporting driven purely by inconsistent funder requirements. In the words of a respondent accountant in Malaysia: "*For NPOs receiving funds from many funders, it is a burden for the accountant of the NPOs who need to prepare so many financial reports with different reporting format required by each different funder.*" Respondents were equally concerned, however, with potential capacity problems in the NPO sector to deal with new accounting standards: "*NGOs struggle to afford the accountants and auditors needed to run the financial system that would ensure their good governance and accountability, and donors will not contribute to these costs. This makes it difficult to maintain a high standard."* (NPO staff member, South Africa).

Even where reasonably well-established NPO standards are in place they were criticised by a number of respondents: *"The Belgium GAAP set for NGOs are quite general and based on the for-profit format. Therefore, the standard financial reports of NGOs present general financial information (income per type, expenses per type, balance sheet items) but are really limited in term of indicators or information relevant to NGOs . . ."* (NPO staff member, Belgium).

While many respondents were in favour of the development of an international NPO standard, the idea was not unopposed with some particularly strong resistance from respondents in countries such as the UK, which already enjoy strong NPO accounting regimes. *"This is bureaucracy gone mad. Who cares how each country does their own charity? Why do we have to create international standards for this? A waste of time."* (NPO board member, UK).

However, even from those who supported the principle of an international standard, the comments brought out the diversity of views on the degree to which any such new regime should be mandatory. Some, including an accountant working in Uganda and Rwanda, were keen for a standard that would apply to all: "*Uganda is a developing country and requiring it to give size limits for the application of the standard would be to bring extra complication to the process. . . . Therefore, a single standard would be easier to monitor and apply and anyway. . ."*. But another accountant from Rwanda took a converse view: *"Micro NPOs shouldn't be burdened with restrictive reporting especially because they don't have (at least in most cases) a qualified person to prepare them."* Some however, only wanted to apply an international standard to the largest NPOs: "*[An] international standard is really only of any interest whatsoever to those charities which have sufficient level of income to be concerned with issues of a global nature – and that is really only those above the £5m level. [For] community-based charities with no international perspective – what use would they have for an international standard?*" (Accountant, UK).

Analysis

The aim of this article is not simply to report the views of stakeholders but to consider the question: should NPOs follow international standards for financial reporting? This is an inherently ethical question which cannot be addressed purely by reporting popular opinion, no matter how well informed the respondents. But before addressing this it is helpful to address some of the limitations of the study reported.

Survey Limitations

Whilst the survey outlined above and reported more fully by *[Ref omitted for blind review]* successfully unpacked a wide range of issues concerning the possible internationalisation of financial reporting by NPOs, it had a number of limitations, in common with many online surveys (Wright, 2005).

The international survey attracted an extraordinary diversity of over 600 respondents providing experience of NPO accounting from a very wide range of countries. However, it is important to note that it was not a random sample of opinions from all NPOs on the planet, nor even from all accountants involved with NPO reporting. To have learned of the survey, participants had to be either on the initial contact list of individuals, or (more commonly) on a network reached by a gatekeeper, or perhaps on the contact list of another respondent. Those who heard of the study then made their own decisions whether or not to participate. Moreover, resource constraints meant that the survey was only made available in English and only online, which will have excluded respondents unfamiliar with the English language and those with little or no internet access.

For any survey where completion is optional, the topic will have a major influence on whether individuals choose to respond, and the nature of the survey may well have attracted those sympathetic to an international standard, or at least with some interest in international issues affecting NPOs. Self-selection bias is recognised as a major limitation of online survey research (Thompson et al. 2003; Wittmer et al. 1999; Wright 2005). It is accepted that in the absence of replication, sampling issues with such online surveys research inhibit researchers' ability to make generalizations about study findings, which can have adverse consequences for those conducting probability research (Wright 2005). In light of this, it may be assumed that that those with concerns on the issue of international reporting by NPOs, or those with little interest in the issues, are under-represented compared to those inclined to support an international standard for NPO financial reporting. Nevertheless, nonrandom sampling can be successfully used when the focus is placed on the quality of the content in the responses and observations rather than on the generalizability of findings (Coomber 1997; Paccagnella, 1997; Sills and Song 2002).

A second note of caution relates to the fact that the survey questions were framed using terms primarily concerned with financial standards (however recipients interpreted that term). It did not specifically ask for views on less formal accounting guidance.

Implications

In order to consider whether NPOs should follow international standards for financial reporting we must first consider whether NPOs should provide general purpose financial reports in the first place. Unless there is general acceptance of the importance of NPO financial reporting there is little point in discussing the value of particular reporting standards.

From a theoretical viewpoint, the need for NPO accountability through financial reporting is widely supported (Lehman 2007; Lennard 2007; Laughlin 2008; Valentinov 2011; Ryan et al. 2014). Although the survey findings cannot claim to offer an accurate reflection of the opinions of the entire population of individuals concerned with NPO financial reporting, it clearly engaged a very wide range of stakeholders with experiences in NPO of all sizes from a large number of different countries. The vast majority of these respondents accepted widely held assumptions about the importance of financial reporting in NPO accountability: 90% agreed that *"producing finals reports is a key means by which NPOs demonstrate accountability"* and 93% said the reports should demonstrate appropriate stewardship of resources. Indeed, 82% agreed that NPO financial reports should be available to anyone, indicating accountability to society as a whole, not just to funders and supporters. So, even if the survey respondents were somewhat skewed towards those who favour such accountability, it appears that the importance of NPO financial reporting is not widely contested.

On the issue of the standards to be followed in such reporting, the survey found that 72% of respondents were broadly supportive of the statement: *"It would be useful to have international standards for NPO accounting."* Only 15% disagreed, but it should be noted that this included 7% who strongly disagreed – so the idea is by no means uncontroversial. Examples above showed some powerful arguments by some respondents against harmonisation. Moreover, there were notable differences across world regions with respondents involved in European NPOs expressing a more cautious 64% support compared to 82% in African countries.

However, there is a difference between supporting the *existence* of an accounting standard, and actually following it. The level of agreement was somewhat lower at 64% on the more demanding statement: *"The not-for-profit sector should follow internationally converged financial reporting standards".* As before, European involved stakeholders were less supportive of this (62%) compared to survey respondents familiar with African NPOs (79%).

Yet the support for an international standard was evident even when respondents were presented with a converse proposition: only 20% agreed with the statement *"NPO accounting in my country is very specific - it would be very hard to apply international standards even if they were specific to NPOs."* So, the survey demonstrated strong acceptance of the principle.

Applicability

However, when respondents were asked whether such a standard should apply to all NPOs or only those above a given income level, a much more diverse range of views emerged. Thirty percent said it should apply to all, but analysis of narrative comments indicated that many of respondents still felt some NPOs should be exempt. The next most popular response, supported by 26%, was for a proposal that it should only apply to NPOs with incomes over $500,000. Even amongst the respondents to this survey, who might well be more disposed to international standards than the NPO community as a whole, fewer than half of respondents (47%) supported a mandatory application of an international standard to NPOs below $500,000 income.

If the standard were only applicable above that level, in most countries, this would mean only the largest NPOs would be included – for example even in a developed country such as the UK with a strong voluntary sector, approximately 7% of registered charities in England and Wales have incomes in £500,000 (Charity Commission for England and Wales 2017).

However, in the narrative comments a number of survey respondents made the point that what is considered large and small varies extensively between countries – thus, this threshold would only capture a small proportion of NPOs in developing countries.

We note, however, that 53% of survey respondents with experience of financial reporting by NPOs operating in African countries believed that an international standard should be applied to *all* NPOs regardless of size. Respondents in this category also reported: the strongest experience of NPO specific accounting issues not being adequately dealt with by national reporting frameworks; the highest occurrence of cash-based accounting for NPOs; and significant demands placed on them by funders.

Nevertheless, it must be remembered that around a quarter of all respondents stated that their main method of financial reporting at present was on a receipts and payments basis, so pressure to move to any kind of formal accruals-based accounting standard would be a major additional demand. Of necessity, accruals accounts, in seeking to give a true and fair view of the financial strength of an NPO, require policies and judgements to be made on issues such timescales for recognition of revenue, and for depreciation of tangible assets. It may be that any standard would need to allow for a cash-based reporting approach by smaller NPOs.

Conclusion

We conclude that the survey reported above provides a potentially significant first step towards establishing whether or not there is a case for developing harmonised international standards for NPO financial reporting.

The survey showed strong support for the principle of NPO accountability through financial reporting by those concerned with NPOs in all world regions, with apparent acceptance that such reporting should follow appropriate standards. Notwithstanding that the findings are not wholly representative of opinions across the entire NPO community, there is a broad consensus in favour of a harmonised international standard across a widely diversified set of knowledgeable respondents. Support appears to be particularly strong in regions such as Africa where most countries have little by way of existing frameworks for NPO reporting, and NPO finance staff and accountants find themselves dealing with conflicting requirements from different funders.

The central question in this paper, however, is not whether harmonised international standards for NPO financial reporting would be beneficial – few people would reject a standard if it made their work simpler, or more consistent for those dealing with multiple NPOs. The question is whether or not NPOs *should* follow international standards – or, to put it differently – should a common international standard for NPO financial reporting be made compulsory for NPOs across the globe?[8] Our results show stakeholder evaluations of this question to be mostly positive, indicating international financial reporting for NPOs is likely to attract moral legitimacy from interested audiences. Our results suggest that moral-consequential legitimacy will be granted if resulting financial reporting information meets NPO-specific accounting demands and results in the production of consistent, transparent, reliable and understandable information, with less importance made be stakeholders for comparable information. In so doing, legitimate accountability information will enable NPOs to demonstrate stewardship and users of this information to make decision. We argue also, based on our survey responses, that a majority of stakeholders will grant moral-procedural legitimacy as they perceive that the process of introducing and implementing international financial reporting practice is a socially acceptable technique to achieve desired outcomes. In addition to consequential outcomes for the financial statements, further favourable outcomes include the perception that NPO international financial reporting will be valuable to funders and will not be difficult to apply within different jurisdictional contexts. However, stakeholders did raise concerns relating to the capacity and expertise of NPOs to implement international financial reporting. Additionally, procedural legitimacy relating to whether any proposed international financial reporting practice be mandatory or not, and whether all or only NPOs of a certain size should comply, were also raised as point or procedure to be debated.

Whilst the survey showed generally strong support for a mandatory standard, particularly from the non-European respondents, we noted that fewer than half of respondents were in favour of a mandatory application to NPOs with incomes below $500,000. So, if it is suggested that there is a moral obligation on NPOs, fundamental to their accountability, to follow a common international standard in their financial reporting, it seems that such an obligation is not widely accepted in relation to small and medium-sized NPOs.

[8] Of necessity, it would take many years to enshrine such a requirement in the legislation of countries around the world, even if it were considered desirable, but it could be that reputational pressures or the desire for accreditation against particular standards in order to attract funding might be enough to persuade NPOs to comply.

The survey also identified many concerns regarding the level of accounting expertise and the consequent expectations of NPO auditors *[Ref omitted for blind review pp87-94]* if accruals accounting under international standards were made compulsory for NPOs of all sizes (although some respondents felt it would be beneficial in encouraging more NPOs to engage qualified accountants).

It is difficult therefore, on the basis of this study, to conclude that NPOs should be *required* to follow international standards for their financial reporting, especially if such a standard were to be imposed on NPOs of all sizes. The practical consequences for the smallest NPOs with little access to accounting expertise could be disastrous. But the study found strong support for the principle that NPOs should demonstrate their accountability through effective financial reporting and, at least for larger NPOs (those over $500,000 income), there is a recognition from a majority of respondents that such accountability would be enhanced through the use of harmonised international standards.

It therefore appears that a moral case for development and use of such standards is generally accepted – at least for larger NPOs. Indeed, a number of respondents argued that a harmonised financial reporting standard which NPOs would be obliged to follow could not come soon enough. However, the survey found that, to gain acceptance, such a standard must effectively address the specific issues which arise in NPO financial reporting and the development of such a standard will need input from NPO stakeholders in many counties. A standard which simply applies a minor tweak of IFRS (for example) would be much less likely to command acceptance.

Much more analysis and discussion will be needed between interested parties before the results of this work can lead to operational developments in terms of possible new standards for international NPO financial reporting. Nevertheless, the findings presented in this study have the potential to inform the debate and move that discussion forward.

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Table 1 – Overview of Survey Questions

Visuals in this paper	Multiple option, closed questions	Open questions (narrative response)	Theoretical development
Tables 1, 2 and 3 Figure 1	Identification of respondent's involvement in NPO financial reporting; the main countries in which they are involved; their years of experience and the size, by income, of NPOs involved		The profile of stakeholder groups and their jurisdiction allow us to understand 'who' might accept international reporting standards as morally legitimate
Figure 2	Perceptions about the desired consequences of NPO financial reporting	Identification of who NPOs are accountable to and why	Allows us to explore the extent to which consequential legitimacy might be granted to NPO international financial reporting standards.
Figure 3 and Figure 4	Perceptions about developing sector specific, converged, international financial reporting practice and what they might include	Reasons and comments relating to potential international financial reporting development	Allows us to explore the extent to which procedural legitimacy might be granted to NPO international financial reporting standards.

Table 2: NPO Income Bands Used in the Online Survey

	Band 1	Band 2	Band 3	Band 4
Income range in USD	< \$50k	\$50k - \$500k	\$500k - \$5m	> \$5m
Income range in EUR	< €35k	€35k - €350k	€350k - €3.5m	> €3.5m
Income range in GBP	< £30k	£30k - £300k	£300k - £3m	> £3m

Table 3: Characteristics of Survey Respondents

<table>
<tr><th colspan="4">Panel A: Description of NPO Involvement by respondents</th><th colspan="7">Panel B: World regions where respondents had specific experience of NPO financial reporting (multiple regions were permitted so totals exceed the 605 respondents)</th></tr>
<tr><td>Principal form of involvement in financial reporting:</td><td>Code</td><td>%</td><td>Number</td><td>Africa</td><td>America</td><td>Asia</td><td>Europe</td><td>Oceania</td><td>World</td><td>Total</td></tr>
<tr><td>Working for an NPO; involved in its annual financial reports</td><td>E</td><td>40.1%</td><td>252</td><td>81</td><td>36</td><td>46</td><td>116</td><td>38</td><td>20</td><td>337</td></tr>
<tr><td>Board member /trustee of an NPO involved in its annual financial reports</td><td>T</td><td>12.7%</td><td>80</td><td>14</td><td>6</td><td>9</td><td>48</td><td>12</td><td>3</td><td>92</td></tr>
<tr><td>Professional accountant involved in preparation of NPO financial reports</td><td>PP</td><td>10.1%</td><td>63</td><td>29</td><td>10</td><td>17</td><td>27</td><td>6</td><td>1</td><td>90</td></tr>
<tr><td>Professional accountant involved in the audit or external examination of NPO financial reports.</td><td>PA</td><td>13.5%</td><td>84</td><td>10</td><td>10</td><td>11</td><td>41</td><td>12</td><td>2</td><td>86</td></tr>
<tr><td>Not a professional accountant, supporting the preparation or examination of NPO financial reports</td><td>GP</td><td>3.6%</td><td>29</td><td>15</td><td>3</td><td>7</td><td>4</td><td>2</td><td>1</td><td>32</td></tr>
<tr><td>Representative of a professional body for accountants</td><td>R</td><td>2.5%</td><td>16</td><td rowspan="4">8</td><td rowspan="4">5</td><td rowspan="4">10</td><td rowspan="4">13</td><td rowspan="4">11</td><td rowspan="4">3</td><td rowspan="4">50</td></tr>
<tr><td>Representative of regulator of organisations operating in the not-for-profit sector.</td><td>R</td><td>0.3%</td><td>2</td></tr>
<tr><td>Accounting Standard Setter</td><td>R</td><td>2.6%</td><td>17</td></tr>
<tr><td>Funder</td><td>R</td><td>1.3%</td><td>9</td></tr>
<tr><td>Academic or researcher who studies the financial reporting of NPOs</td><td>U</td><td>5.4%</td><td>35</td><td rowspan="2">8</td><td rowspan="2">7</td><td rowspan="2">11</td><td rowspan="2">19</td><td rowspan="2">7</td><td rowspan="2">7</td><td rowspan="2">59</td></tr>
<tr><td>User of NPO financial reports</td><td>U</td><td>2.8%</td><td>18</td></tr>
<tr><td>Totals:</td><td></td><td>100%</td><td>605</td><td>165</td><td>77</td><td>111</td><td>268</td><td>88</td><td>37</td><td>746</td></tr>
</table>

Panel C: Respondents' extent of involvement with financial reporting by NPOs of in various income categories (numbers of respondents – more than one income band allowed. The question allowed respondents to use GBP, USD, or EUR as the currency – but categories are presented in GBP for this table.)

	< £30k	£30k- £300k	£300k -£3m	> £3m
1-9 NPOs	124	199	195	182
10-100 NPOs	32	46	31	23
>100 NPOs	8	5	7	2
Total	164	250	233	207