The accountability information needs of key charity funders

Cherrie Yang, Deryl Northcott and Rowena Sinclair

Government and philanthropic funders are key charity stakeholders, yet we know little about their accountability information needs. This New Zealand study captures these stakeholders' perceptions of the background, financial and non-financial performance information they need from charities. It also reveals how, in addition to imposing reporting requirements, these key funders engage in 'institutional work' to ensure they receive appropriate accountability information.

Keywords: Accountability; charities; funders; information needs; neo-institutional sociology.

Increasing public scrutiny of the charity sector has highlighted changing expectations about the accountability information needs of stakeholders (Saxton, 2016). In the charities context, accountability is the 'process by which assets devoted to charitable purpose are put to their proper purpose and information about their use is made available' (Fishman, 2007, p. 13). Hence, accountability is discharged via reporting information that meets the needs of charities' stakeholders (Connolly and Hyndman, 2003, 2013a). The stakeholders to whom charities are accountable include: regulators; funders (government and philanthropic); beneficiaries, volunteers; boards of trustees; and paid staff. Among these groups, funders are key stakeholders, with high accountability expectations (Dhanani, 2009). Connolly and Hyndman (2013b) examined the accountability information needs of philanthropic funders (including donors), and found that small donors have limited powers of interrogation and rely on communication channels such as trustees' annual reports to meet their information needs. There is, however, a lack of research into the information needs of larger government and philanthropic funding organizations and the mechanisms they use to ensure charities provide this information. This paper addresses this research gap.

Government and philanthropic organizations have a distinct and important accountability relationship with charities because not-for-profit organizations (NFPs), including charities, rely heavily on these funders (Meyer and Simsa, 2014). Consequently, government and philanthropic funders hold a legitimate and immediate interest in charities' activities and have considerable influence over their accountability reporting practices. Also, unlike donors, government and philanthropic organizations often have direct contact with charities they fund. This gives them the opportunity to influence the institutional structures and norms that shape accountability reporting, as will be shown in this paper. However, although some studies (for example Benjamin, 2010) examine the information *requirements* funders place on charities, these imposed requirements may not fully meet funders' information *needs*. Indeed, little is known about funders' own perceptions of the accountability information they need from charities.

This paper examines the perceived accountability information *needs* of key charity funders from their own perspectives. Extant understanding of the information needs of charities' stakeholders is derived largely from UK-based evidence, so this paper provides a useful comparison because our empirical setting is New Zealand (Connolly and Hyndman, 2013a).

Another contribution is our use of 'institutional work' (IW) theory (Lawrence and Suddaby, 2006) to examine how key funders get the accountability information they want.

Research context

The charity sector contributes much to New Zealand's society and economy. More than 27,000 registered charities employ 180,000 equivalent full-time paid staff and use 400,000 volunteers. The sector receives around $NZ16.8 billion in annual income and, in 2014, had assets of $NZ48.9 billion (Charities Services, 2015). In the face of declining government funding, New Zealand charities have increasingly turned to commercial fundraising (Cordery, 2012). Nonetheless, New Zealand NFPs (including charities) rely on the government for around 25% of their funding, while also receiving a higher proportion (20%) of their funding from philanthropic organizations than do their counterparts in the USA (15%), UK (11%) and Australia (10%) (Sanders *et al.*, 2008). Hence, the

Cherrie Yang is a Lecturer in Accounting in the School of Business, Auckland University of Technology, Auckland, New Zealand.

Deryl Northcott is Professor of Management Accounting in the School of Business, Auckland University of Technology, Auckland, New Zealand.

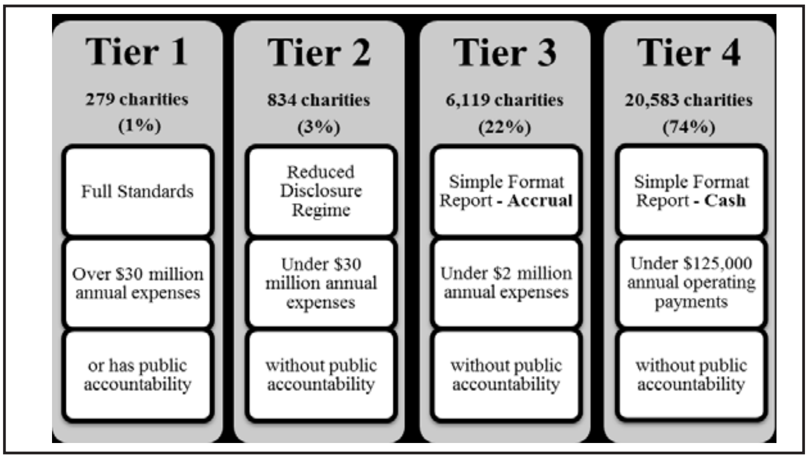
Rowena Sinclair is Senior Lecturer in Accounting in the School of Business, Auckland University of Technology, Auckland, New Zealand.

support of these funders is key to the sustainability of New Zealand charities.

The Department of Internal Affairs-Charities Services (DIA-CS) and the External Reporting Board (XRB) regulate the New Zealand charity sector. The XRB issues relevant reporting and assurance standards. The DIA-CS oversees charities' registration and reporting processes and guides charities on complying with XRB standards (Charities Services, 2015). The DIA-CS requires registered charities to provide background and financial information via an 'annual return'. The required background information includes the charity's legal name and contact details, registration number, structure, and key aims and purposes. The financial information includes financial statements (which, depending on the charity's size, may be unaudited) and information on accounting methods. Failure to furnish this information can lead to a charity's deregistration and consequent loss of special tax status and perceived legitimacy to funders. From April 2015, many New Zealand registered charities have also been required to report performance information. A new framework (figure 1) classifies charities into four tiers based on their annual expenses (tiers 1 to 3) or operating payments (tier 4), and whether they have 'public accountability' (for example their debt or equity instruments are traded in a public market) (XRB, 2013, 2014). Tier 1 charities are the largest charities.

Tier 1 charities must apply full accounting standards based on IPSAS. The reporting regime for tier 2 charities has the same recognition and measurement requirements, but with reduced disclosure requirements, while the 96% of New Zealand charities that are in tiers 3 and 4 have simplified reporting requirements (Charities Services, 2014).

Figure 1. Charity tiers and reporting requirements (Charities Services, 2016).



While the NZASB (2016), a sub-board of the XRB, is still developing standards on service performance reporting for tier 1 and 2 charities, from 2015 tier 3 and 4 charities must report their actual, budgeted and previous-year outputs in their statement of service performance (SSP). Outcomes reporting will also be required for tier 3 charities, but remains optional for tier 4 charities. Although it is too early to assess New Zealand charities' compliance with the new XRB reporting standards (when we conducted this study they were yet to file their first performance reports), the regulators' ability to sanction registered charities makes compliance likely. The background and financial information that New Zealand charities furnish to meet regulatory requirements is publicly accessible on the Charities Register. However, at the time of this study, there was no regulatory requirement for registered charities to disclose non-financial performance information.

Information needs of key funders: what do we know?

The international literature makes clear that background, financial and performance information are all crucial elements of how charities discharge accountability to their stakeholders (Connolly and Hyndman, 2003, 2013a). Background information enables stakeholders to understand charities' structures and activities; interpret the financial statements; and understand the context for charities' performance (Connolly and Hyndman, 2003). Financial information indicates how charities' funds are acquired and spent and meets funders' needs for information on solvency and efficiency (Connolly and Hyndman, 2003). However, financial information appears to play a limited role in discharging accountability, with other performance information such as outputs and outcomes seen as equally important (Connolly and Dhanani, 2009; Connolly and Hyndman, 2013a). Outputs are the direct results of services and are generally disclosed in quantified form, for example the number of children fed. Outcomes are benefits or changes for beneficiaries 'during or after their involvement with a program' (Hatry *et al.*, 1996, p. 2). UK research suggests that charities' limited reporting of such performance information illustrates significant weaknesses in their accountability to funders (Connolly and Hyndman, 2013a).

Interestingly, there has been little examination of what accountability information funders feel they need from charities. Further research is therefore needed to understand the information that funders perceive they need and how they go about ensuring its provision. This paper addresses this gap by examining the information needs of two key funders of New Zealand charities—government and philanthropic organizations—to understand what accountability information they need and how they go about getting it.

Theoretical perspective

Prior studies of charity accountability have drawn mainly on accountability, agency, or stakeholder theory. However, these theories do not capture the institutional structures (rules, norms and routines) that shape what is considered 'legitimate' behaviour and how the institutional environment is created, maintained and changed. Since charities and their funders operate in an institutional setting with both explicit (regulatory and contractual) and implicit (normative and legitimating) social structures, neo-institutional sociology offers insights into how key funders guide charities' accountability practices.

Neo-institutional sociology (DiMaggio and Powell, 1983) would suggest that funders can exert three types of 'isomorphic pressure' on charities' reporting practices: coercive pressure (via contractual requirements); normative pressure (via establishing professional norms); and mimetic pressure (via encouraging organizations to emulate other organizations perceived as more legitimate). However, this view overlooks the agency of individuals and groups in shaping organizational norms and practices (Lawrence *et al.*, 2009).

The concept of IW addresses this deficiency. IW is 'the purposive action of individuals and organizations aimed at creating, maintaining and disrupting institutions' (Lawrence and Suddaby, 2006, p. 215). We use this theory to examine how actors in government and philanthropic funding organizations perform IW to influence the institutional framework that shapes charities' accountability reporting, in order to secure the accountability information they need.

Creating institutions via institutional work

IW directed at creating institutions emphasizes 'actions designed to alter abstract categorizations, in which the boundaries of meaning systems are altered' (Lawrence and Suddaby, 2006, p. 221). This category includes the following forms of IW:

- 'Changing normative associations' (re-forming the connections between practices and their moral foundations to change norms and belief systems).
- 'Defining' (setting rules, systems and boundaries).
- 'Constructing normative networks' (constructing a 'peer group' for monitoring compliance with accepted norms).
- 'Mimicry' (associating new practices with existing, practices to ease their adoption).
- 'Educating' (imparting skills and knowledge necessary to support the new institution).

Maintaining institutions via institutional work

IW aimed at *maintaining* institutions involves 'supporting, repairing or recreating the social mechanisms that ensure compliance' (Lawrence and Suddaby, 2006):

- 'Policing' work maintains institutions by enforcing adherence to rules.
- 'Embedding and routinizing' work reproduces existing norms and belief systems.
- 'Valourizing and demonizing' work profiles positive and negative examples that illustrate accepted practice.

Disrupting institutions via institutional work

Finally, IW aimed at *disrupting* institutions involves intentional action to undermine the controls that underpin institutions (Lawrence and Suddaby, 2006). Lawrence *et al.* (2009, p. 9) note disrupting work tends to be observed in the context of creating new institutions. Key forms of disruptive IW include:

- 'Undermining assumptions and beliefs' to decrease the perceived risks of innovation and differentiation.
- 'Not selecting institutional practices and/or selecting others' to indicate changed preferences regarding accepted practice (Battilana and D'Aunno, 2009, p. 48).

This paper offers a novel theoretical contribution by using IW concepts to reveal how, in addition to imposing formal reporting requirements, key funders influence charities' accountability practices by creating, maintaining and disrupting institutionalized reporting norms and practices. This IW is underpinned by day-to-day interactions and relationships and is more subtle than coercing charities to provide accountability information.

Research methods

The concept of IW highlights the role of actors, their institutional actions and their relationships with institutions. Hence, to understand the accountability information needs of key funders, we examined their perceptions within the New

Zealand charity sector.

Semi-structured interviews were conducted with five participants from two government funding agencies and nine participants from nine different philanthropic funding organizations. Thirteen of the 14 interviews were recorded and transcribed (one interviewee declined to be recorded, so notes were taken). In the interviews, participants were encouraged to share their perceptions of their accountability information needs in their own words.

We triangulated the interview data with documents obtained from the interviewees' 11 funding organizations. Where available, these documents comprised (for government funders): value for money reviews; outcome measures brochures; outcome framework discussion documents; funding agreement practice guidelines; health and lifestyles surveys; codes of funding practice; results-based accountability documents; and webpages, and (for philanthropic funders): eligibility questionnaires; funding application forms and guidance notes; donation/funding report-back forms; newsletters; annual reports; preliminary assessment forms; final impact reports; strategic plans; and webpages. Some documents were provided during interviews (for example final impact reports), while others were in the public domain (for example funding application forms). The interview data was analysed using NVivo. Key concepts related to isomorphic pressures and IW were used as a framework for developing the analysis codes. Thematic analysis was then used to extract comparative and/or supplementary data from the documents.

Findings

Our findings are presented in two parts: background and financial information; and non-financial performance information. Our aim is to highlight for each category the different information *requirements* versus *needs*, and the various roles of IW. We first consider the accountability information required by the funders via coercive pressures. Second, we examine how these funders create normative and mimetic pressures on charities (to obtain further information they perceive they need) by engaging in IW to create, maintain and disrupt the institutionalized norms and practices that shape charity accountability reporting.

Background and financial information

Required information: Both government and philanthropic funders indicated they require background and financial information from charities. Required background information comprises the charity's legal name and contact details, taxation status, DIA-CS registration number, organizational structure, aims and purpose, and the people applying for the grant. Much of this information is available from annual returns, as published on the Charities Register, but funders also use grant application forms as coercive mechanisms to require summary information: 'They need to tell us what type of organizations they are, their addresses, the people who are applying for grants…their [DIA-CS] number, if they are GST registered, if they have an IRD tax exemption, whether they are affiliated to a national or regional body or corporation' (grants and marketing manager, philanthropic funder 4).

The annual returns required by the DIA-CS also contain financial statements (often unaudited) and information on accounting methods. However, both government and philanthropic funders require further financial information from charities via budgets, budget variance reports, and audited financial statements. A government funder noted the importance of the budget and variance report for demonstrating financial accountability: 'We ask for our funding to be named separately, so it says "this amount is funded by the Ministry". From there, we will see where they have spent the money' (family and community service manager, government funder 2).

Grant application and report-back forms require audited financial statements, which funders see as crucial to accountability: 'we rely on their audited accounts to see where they got money from and how it was spent. If they don't do that, it will become a contractual issue; we would not fund them the following year' (family and community service manager, government funder 3).

While each element of financial information serves different needs, collectively they allow funders to: assess the efficiency of a charity's resource allocations; monitor expenditure; and be assured of the charity's financial sustainability. This financial accountability is a key element of the information funders want from charities, as this quote illustrates: 'The principal criterion comes back to accountability; did they spend the funds on what they said they would do?' (principal policy analyst, government funder 1).

Accordingly, the funders invoke various sanctions to ensure the provision of financial information. First, if grant application forms omit required background and budget information, funding will not be offered. Second, charities that fail to meet contractual financial obligations will receive no future funding. Third, ‘money-back’ penalties may be used: ‘If the financial accountability…is not correct then of course we might need some or all of the money back’ (grants manager, philanthropic funder 1). These sanctions reflect the coercive pressure funders can exert to secure the background and financial information they view as necessary for accountability. However, coercive pressures are only one means by which funders elicit this information. Their more subtle, day-to-day creation of normative and mimetic pressures on charities’ reporting of accountability information is considered next.

Institutional work—creating and maintaining norms and practices: Normative and mimetic pressures are exerted by the studied funders through various forms of IW directed at creating and maintaining the institutional environment that shapes reporting practices. For example, via their use of standardized grant application, budget and report-back forms, funders perform both ‘defining’ and ‘embedding and routinizing’ IW to create and then maintain rule systems. The use of standardized reporting templates reinforces ‘legitimate’ practice in the provision of background and financial information. Institution-maintaining ‘policing’ work is also carried out via ‘background checks… reference checking and due diligence’ (foundation manager, philanthropic funder 7) on charities, and by imposing sanctions for non-compliance with financial reporting requirements.

Non-financial performance information

Required information

Despite the importance of background and financial information, it is perceived to depict only a partial picture that fails to capture charities’ effectiveness: ‘Financial accountability is a major concern…but we have started to ask [about performance]…we ask what outcomes they see being achieved and in the [report-back] form we ask how the grant enabled organizations to achieve [these] outcomes’ (grants manager, philanthropic funder 1). And, from the family and community support team manager, government funder 2: ‘There should be a little bit of numbers, but more important is what the impact was…I want clients to say [the charity’s services] really helped them and made a difference in their lives’.

Accordingly, three types of non-financial performance information are required from charities by these funders: achieved outputs, achieved outcomes, and ‘results-based accountability’ reports (government funders only).

Outputs and outcomes: At the time of our study, New Zealand registered charities were not required by regulators to disclose their outputs or outcomes. However, this information was required by government and philanthropic funders, although outcomes were perceived as more significant: ‘Generally outputs are in terms of a contracted volume and a number of clients, but they are not as important as the outcomes for us’ (family and community service manager, government funder 2). And ‘Any information on outcomes is good, for example, what are the short and long term outcomes? Charities need to understand and tell the story of what difference they may have made’ (grants and project manager, philanthropic funder 6).

These findings suggest that the funders need information on both short- and long-term outcomes. However, reporting of more difficult-to-capture long-term outcomes is encouraged but not required. Interestingly, while information on outputs was *required* by these funders, it was perceived as less *necessary* than outcomes information. Hence the funders downplayed easier-to-measure outputs in favour of more challenging and subjective outcome measures. This was a surprising finding that we discuss later in regard to the IW done by these funders.

Results-based accountability: The use of a results-based accountability (RBA) framework is also required by government funders: ‘Providers report back against a results-based accountability reporting framework…If a provider is not achieving what we want in terms of outputs and outcomes, we will put them on an action plan to improve…If they fail to meet the agreed actions, that provider will be exited’ (family and community services manager, government funder 2). This RBA framework links outputs and outcomes to three questions: *How much did we do? How well did we do it? Is anyone better off?* Charities funded by this government agency are contractually required to disclose performance information according to the RBA template. This suggests that strong coercive pressures influence charities’ reporting practices in regard to outputs and outcomes accountability. While philanthropic funders did not require charities to report against the RBA framework, some were moving towards this approach.

Institutional work—creating, maintaining and disrupting institutions

In addition to these coercive requirements for charities to report on outputs, outcomes and results-based accountability, the funders in this study can be seen to exert normative and mimetic pressures via their IW directed at creating, maintaining and/or disrupting institutionalized norms and practices around charities' reporting of non-financial performance information.

Outputs and outcomes: As noted, outputs reporting is seen as less important than outcomes reporting. Further, funders encourage charities to report both short- and long-term outcomes and to use narratives and beneficiaries' stories to capture long-term outcomes. For example: 'For the children in respite care, you are going to get some short-term outcomes such as 'I was happy with the service'. Then when they are 20, you want them to say 'actually, I had a good childhood…and things worked out really well' (family and community service manager, government funder 2).

Funders promoting outcomes reporting can be interpreted as an example of IW aimed at disrupting institutions by 'not selecting institutional practices and/or selecting others' in order to change institutionalized preferences regarding accepted practice (Battilana and D'Aunno, 2009, p. 48). This IW undermines current reporting norms that accept outputs as a key measure of charity effectiveness and view long-term outcomes as subjective, difficult to capture and, thus, less useful for accountability purposes. Funders' 'undermining of assumptions and beliefs' (Lawrence and Suddaby, 2006) about the problems of (particularly long-term) outcome measures serves to decrease the perceived risk of practice change, thus encouraging charities to tell their outcomes stories in innovative ways.

A further unexpected finding was that philanthropic funders engaged in disruptive IW to reorient charities towards disclosing *unintended,* as well as intended outcomes: 'Our [funding] recipients might achieve 60% of their outcomes and they might fail, but then it will lead to some other stuff that grows into this big, beautiful, blossoming tree that we were not expecting…I think trust is a key component. It might look risky, but it is actually not if you…do the reference checks, meet them and see what they have achieved' (community manager, philanthropic funder 8). This can be seen as IW directed at creating new norms and practices. These funders are 're-forming the connections between practices and their moral foundations' by making it acceptable, even desirable, to report outcomes that might otherwise be perceived as inappropriate risks or failures. The funders encourage the reporting of unintended outcomes because they want to be informed of the innovations charities are achieving, and because they trust charities that have a verified track-record. The trust evident here differs from the irrational trust associated with altruism, a well-identified motive for charitable giving (Bekkers and Wiepking, 2011). Rather, it derives from 'policing' IW conducted by the philanthropic funders to verify charities' background and financial information and to build confidence in their capabilities. The development of such trust relations seems able to mitigate situations where formal accountability expectations (for example delivering promised outcomes) are not met by charities. It may also promote collaborative learning between funders and charities.

Results-based accountability: The government funders require results-based accountability reporting, but the philanthropic funders do not. However, philanthropic funders are choosing to adopt the 'language of RBA': 'A lot of the charities we support are also funded by government and are familiar with RBA…we do not follow RBA fully, but I guess we are trying to build a common language into everything that we do' (grants and project manager, philanthropic funder 6). This is an example of 'mimicry' IW by these philanthropic funders to create new norms and practices around accountability. The RBA framework promoted by government funders is perceived as a successful model, so by mimicking the taken-for-granted, legitimated 'language of RBA', philanthropic funders hope to ease charities' transition towards meeting their needs for non-financial performance information.

Up-skilling of charities: To cultivate appropriate performance reporting, the funders provide workshops, training, and funding for external mentoring. An interviewee illustrated how funders view normative (via professional peer-groups) and mimetic (via emulating best practice) influences as shifting charities towards improved reporting practices: 'One of the most valuable things for [workshop] participants was the opportunity to talk with other charities about what they do…For many of them it's sort of a lightbulb moment that's shown them evaluation can really help them tell their stories, which in the long-run will help them secure more funding' (grants and project manager, philanthropic funder 6).

These funders' efforts at 'educating' charities and 'constructing normative networks' via peer-group workshops and mentoring are forms of IW directed at creating new practice norms. They can also be interpreted as 'embedding and routinizing' IW directed at maintaining existing reporting practices that are perceived as desirable.

Further, the workshops promote 'mimicry' via sharing best practice and reinforcing accepted ways of reporting performance. Some good (legitimate) and bad (illegitimate) practices are held up as exemplars: 'Some of the practices identified as delivering in a way that we'd like others to deliver may be highlighted in those workshops' (family and community services manager, government funder 2). And 'There is stubbornness…"this is just another funder-led initiative, you just want us to tick more boxes and we don't have time for that' (community trust and CSR manager, philanthropic funder 9). This profiling of positive and negative practice examples can be seen as 'valourizing and demonizing' IW directed at maintaining shared norms about what non-financial performance-reporting practices are acceptable.

In sum, the information requirements these key funders impose on charities are augmented with a variety of IW directed at creating, maintaining and disrupting institutionalized norms and practices around reporting non-financial performance information.

Discussion and conclusions

We set out to examine the accountability information needs of government and philanthropic funders and the mechanisms they use to ensure charities provide this information. The findings reveal that these key funders perceive a need for a variety of background, financial and, perhaps most importantly, non-financial performance information from charities. However, there were surprising findings related to non-financial performance information, notably: there was some disconnect between the information that is (coercively) *required* by these funders and the information perceived as *needed*; outputs information is seen as less important than outcomes information; the reporting of long-term outcomes is encouraged, despite the challenges of capturing long-term effects; and unintended outcomes are also perceived as necessary in telling a charity's accountability story. The disclosure of unintended outcomes also seems likely to enable funder-charity dialogue and learning around innovation, and to further trust-building that can support the formal reporting aspects of accountability relationships.

Regarding how these funders elicit the accountability information they need, our findings revealed that both government and philanthropic funders not only impose reporting requirements, but also engage in IW to institutionalize what they see as appropriate performance-reporting behaviours. Regarding background and financial information, there was a close match between the required information and what is perceived by these funders as necessary. This suggests a mostly coercive approach to obtaining information. The limited IW done to influence institutionalized norms and practices around the reporting of background and financial information seems directed at creating and maintaining reporting rules, with no evidence of IW aimed at disrupting institutionalized norms and values. This suggests that the funders see little need for institutional change in regard to background and financial information reporting and are satisfied with currently available information.

The findings for non-financial performance information were rather different. First, there was less congruence between the coercively-required information and the information funders perceive as necessary. Notably, outputs information was less valued than its required status suggests, while two outcomes measures (long-term and unintended) were perceived as necessary and were promoted via funders' IW. Second, the IW done in relation to non-financial performance information was more activity directed at disrupting and (re)creating institutionalized norms. This suggests a perceived need to change the institutional framework that shapes non-financial performance reporting.

Our paper makes several contributions to the literature on charity accountability. First, it is the only study to consider accountability information needs from the perspective of government and philanthropic funders. Second, the literature is largely based on the UK charity sector, so by exploring this issue in a New Zealand context, this paper provides an international perspective. Third, we analysed funders' non-financial performance information needs in greater detail than previous studies, revealing the value funders place on reporting long-term and unintended outcomes. Finally, we extend prior literature by employing IW concepts to reveal funders' efforts to influence charities' accountability reporting norms and practices and elicit the accountability information they need.

Several implications for policy and practice are evident. First, there remains a perception among the studied funders that accountability information is weak in regard to non-financial performance, which is seen as crucial to charity-funder accountability relationships. This signals a need to improve this aspect of charity reporting. Further research is needed to compare the perspectives of charities and funders on this issue. Second, the findings offer insights into the roles of government and philanthropic funders in creating pressures for change, and diffusing accountability best practice throughout the charity sector. These insights signal the importance of the ongoing interactions between charities and funders, which form the arena for IW and for building trust relationships that can underpin accountability reporting. However, funders' actions influence only those charities they fund, leaving cross-sector variability in accountability reporting. This points to a third implication, i.e. the potential to develop more pervasive understandings of sector-appropriate reporting practices through, for example, training and evaluation, perhaps driven by regulators.

Finally, the findings suggest that the development of regulatory requirements around non-financial performance information is a positive step towards aligning charity regulation with funders' information needs. However, such regulation should accommodate the disclosure of unintended outcomes and it should emphasise longer-term outcomes and creative, narrative modes of disclosing them. Crawford *et al.* (2014) identified a need to develop international financial reporting standards for the NFP sector, but our findings suggest this convergence issue is perhaps even more critical for non-financial performance reporting due to its perceived importance in meeting key funders' information needs. This study can, therefore, inform future debate on the convergence and globalization of charity regulation and reporting practices.

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IMPACT

Key funders think charities' accountability information needs improvement in the area of non-financial performance. Regular interaction between the managers of charities and funding organizations appears important for building trust about accountability reporting. Also, more pervasive understandings of sector-appropriate reporting practices could be improved through enhanced training and evaluation of charities, perhaps driven by regulators. To better serve key funders' information needs, regulatory developments related to non-financial performance information could focus on the disclosure of innovative results and could emphasise longer-term outcomes and creative ways of disclosing them.

