

THE DESIGN OF ACCOUNTING SYSTEMS:
A GENERAL THEORY WITH AN EMPIRICAL STUDY OF THE
CHURCH OF ENGLAND

By

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CHAPTER 5ACCOUNTING SYSTEMS IN THE CHURCH OF ENGLAND:SAMPLE SELECTION AND ANALYSIS5.0 SOME INTRODUCTORY COMMENTS

The contents of this Chapter and the one following are addressed to the design of 'critical theorems' with regard to a selected sample of accounting systems in the Church of England in the light of the overview presented in the previous Chapter. The contents of the previous Chapter has not only supplied an important information system which will be drawn on heavily in future Sections but has also given a basis for choice of which accounting systems should be investigated even though an answer has only partially been supplied.

Before taking this choice process further - which is covered in Section 5.1 - it is worth bringing together the reasons why such a choice is necessary. There are three major reasons for this.

Firstly because of the immense number and variety of the accounting systems in this institution. As Chapter 4 has indicated there are at least 9 central funding units, 43 diocesan ones and 13,663 parochial ones. Our assumption throughout this study has been where there is a funding unit there will be an accounting system of sorts. Thus there are at least, on this basis, 13,715 accounting systems in existence in this one institution. However, this disguises the fact that all of these units have their own unique sub-funding and sub-accounting arrangements which could legitimately be seen as funding and accounting systems in their own right and thus additional to this total. Even if this is not done without a selection process the magnitude of the task would mean any investigation would be superficial at best.

This brings us to the second reason why choice is necessary on which accounting systems should be investigated: because the philosophical approach of this study takes the view that generality and order cannot either be assumed

or ruled out. Our Kantian viewpoint is built on the assumption that specific localised meaning is more likely than universal global truth but that the latter is also possible. This is clearly a difficult balance to hold since it implies the need for an emphasis on specific local phenomena but not so as to totally exclude the possibility of discovering generalisations. However the emphasis is still on choosing specific areas for investigation rather than attempting some general survey to discover underlying patterns which cannot be assumed to exist.

The third reason for the need for choice is because of the detailed requirements of the methodology of Critical Theory. The thrust of this approach coming from its Kantian roots sees discourse and a consensus theory of truth as paramount. To exercise such a process following the strict rules of an ideal speech situation requires extremely small numbers of people. Thus to satisfy the methodological approach defined sites and actors must be chosen - choice in other words is necessary in such a diverse and geographically dispersed organisation such as the Church of England.

This Chapter is therefore addressed firstly to this choice process and, in addition, the method of approach to the selected areas and secondly to making certain statements about the accounting systems of the chosen units. Section 5.1 is addressed to the former concern while Sections 5.2 to 5.4 looks to the latter respectively to the chosen parishes, dioceses and central units. Section 5.5 presents the customary conclusions and link to Chapter 6.

Before moving into the contents of Section 5.1 it is necessary to make two introductory points concerning these 'statements' about the accounting systems which form the bulk of this Chapter. Firstly about their nature and secondly concerning their importance.

On the first point concerning nature Sections 5.2 to 5.4 will attempt to make statements about the current nature of the accounting systems in the selected sample of parishes, dioceses and the central units. This current picture will contain the present system in operation as at the time of data

collection. The only change element introduced at this stage will be, where appropriate, the futuristic intentions for the system. The roots including any general information concerning the unit in question and past changes in the system, will be picked up, where necessary, in the critical analysis of Chapter 6. In sum the statements made in this Chapter are a current, a-historical cross-sectional analysis of only accounting systems on the grounds that this is the primary focus for the design of the critical theorems in the context of this study.

This brings us to our second point concerning the importance of these statements. The reason quite simply is that the process of making such statements forms the first stage of the radicalised theoretical discourse (as depicted in Figure 3.4.3(1)) which is the necessary precondition to formulate a consensus on critical theorems (see Figure 3.4.1). Without such preparatory statements the theoretical explanations and conclusions as presented in Chapter 6 have little meaning. But they are preparatory nevertheless and only form a prelude to the more reflective insights in Chapter 6.

In addition such statements along with the contents of Chapter 6 form together a prelude to the important 'processes of enlightenment' stage and it may be helpful to make one or two points about this at this stage. Firstly it is worth recalling that using this Habermasian methodological approach the standing of these statements and the resulting critical theorems (Sections 5.2 to 5.4 and Chapter 6) are insufficient as 'truth' until they are tested and refined at the 'enlightenment' stage. Secondly and because of this the contents of these various parts are therefore written for the discursive partners at this 'process of enlightenment' stage. This means, in effect, that the level of detail involved must be necessarily high and the page length long in consequence since this researcher is writing for people who have an intimacy with the Church of England which at least needs to be matched if not surpassed for meaningful discourse to ensue. Thus the 'outside'

reader might find the detail in Sections 5.2 to 5.4 somewhat excessive and the argument in Chapter 6 unnecessarily cumbersome but it is necessary in the context of to whom the material is addressed. However, comprehensive summaries are supplied throughout the text so that the reader can capture the essence of the argument without necessarily a full immersion in the detail.

With this in mind we turn to some important prior points in Section 5.1

5.1 SOME PRIOR ISSUES OF METHOD

This Section looks at some important prior issues of method: namely the selection of the sample, the way this sample was approached and details on the researchers and the researched. It's contents are, to an extent, a diversion from the design of critical theorems, yet, in the spirit of discourse, it is presented to expose the thinking which led to the sample selected, the information gathered from such a sample and details on the discursive partners.

Section 5.1.1 looks at the issues surrounding the selection of the sample, Section 5.1.2 is addressed to the method of approach and Section 5.1.3 looks at the researchers and researched involved.

5.1.1 The Selection of the Sample

The key question which dominated this selection process was: how is it possible to select a sample which gives greater credence to specificity and indepth analysis of particular situations, and upon which dialogue is possible, while still allowing generalisations to emerge? The answer undoubtedly is that it is extremely difficult for at least two reasons. Firstly because the research methodology is biased towards uniqueness and specificity, as we have already indicated; any generalised claims can only be 'confirmed' to the small group who arrive at a consensus about them. Secondly, and allied to this, the research methodology calls for a time consuming level of intimacy with the unit being investigated which cannot be lightly repeated. Thus it is not only difficult to repeat the process and compare the avowed generalisations with another group but also it is unclear as to how many total groups are required to obtain 'real' generalisations.

For these reasons this study has tended to concentrate on the specific indepth analysis of a few units in the Church of England. We have in fact concentrated on only three units in this institution - one parish, one diocese and one central organisation. The initial theorems forthcoming are specific to

these respective situations so as to allow a process of discourse (in the 'enlightenment' stage) with the primary actors about their units of responsibility.

However, to allow generalisations to emerge we have built in a secondary process at both the critical theorem and enlightenment stage of this study. This process calls for reflection by both the researchers and the researched on the insights forthcoming as to their general or local nature. Undoubtedly some of the insights forthcoming will, by their very nature, appear naturally to be more one than another. However, to aid this process some comparative information concerning units at the same level have been introduced.

This comparative data has been collected from 40 other parishes, 3 other dioceses and the remainder of the central units. However, the insights from these other sites have not been gathered in a uniform manner as will become apparent in the following Section on the method of approach adopted.

Before moving to this in the following Section it is worth drawing together, and giving some detail, on the points above with respect to the sample chosen. For various, particularly methodological, reasons the sample has been restricted to three: one parish, one diocese and one central unit. The actual units for this purpose are St. Thomas Church, Crookes, Sheffield, the Diocese of Sheffield and the General Synod Fund. The supplementary comparative data comes from the Dioceses of Bradford, Carlisle and Blackburn while the 40 other parishes are all drawn from the Diocese of Sheffield. The choice of dioceses was made on the grounds of partial similarity to the Diocese of Sheffield - all are Northern dioceses with both an industrial and agricultural mix. The choice of parishes all in the Diocese of Sheffield was made for two reasons. Firstly because of the immense geographical and cultural variety in the Diocese of Sheffield making it something of a microcosm of all possible types of parishes. Secondly so as to allow some form of overarching diocesan influence to emerge if it is there.

However, it is important to repeat that the bias of this study is towards understanding the three dominant units of analysis; whatever generalisations

that are forthcoming can only ever be partial at best. Deriving generalisations are, to a considerable degree, of secondary importance even though they must never be ruled out using this methodological approach. However, the nature of truth in this approach is consensus based; thus any points concerning either 'theory' or 'enlightenment' (as discussed in Section 3.4) whether it be of a general or local/specific nature only ever has legitimacy to those who are conducting the investigatory discourse - such is the inevitable relativity of insights generated by this methodology.

5.1.2 The Method of Approach

The method of approach to the selected sample varied greatly with respect to the primary three sites and the more secondary, comparative, ones. However even the secondary group were not uniformly investigated: at each of the levels some units were looked at in greater depth than others. Thus, in sum, a three by three level of analysis was conducted, relevant details of which are given in Table 5.1.2. The method of approach with regard to the primary and two secondary focuses varied quite significantly as we shall see.

The method of approach with regard to the primary focus was basically through active involvement over a long period of time. With regard to the parochial and diocesan levels this was not done initially with the research intention in mind - active involvement, in terms of committee membership and holding positions of responsibility, occurred before and, in fact, sparked off the research endeavour.

However, it is important to make the point that the emergence of the research project did not alter the nature of the involvement, it simply added a new dimension to it. Instead of trying to be some form of independent observer this researcher was acting within the normal confines of the culture of the respective organisation but then actually trying to unravel why such actions occurred in the first place. This dynamic reflexive process supplies an intimacy of insight into the nature of the institution in a way that no other research approach can.

Unfortunately such an approach could not be achieved with regard to the primary focus at the central level. The reason quite simply was the lack of executive responsibility by the researcher in this unit. To compensate for this lack of direct familiarity, coupled with some degree of curtailment of access, insights had to be gleaned from unstructured interviews with key executive individuals plus a detailed analysis of important committee minutes and schedules. Such partiality of access to material has clearly reduced the confidence we have in the resulting critical theorems. But undoubtedly the great advantage of this methodological approach is that such concerns are not disastrous because all critical theorems are unconfirmed anyway until the enlightenment stage is completed by which time all obvious 'errors' will be removed.

The method of approach with regard to the more detailed secondary focus was intended, in general, to simulate as closely as possible the detailed involvement as with the primary units of analysis. However, executive responsibility was not possible, thus reliance had to be placed on regular attendance at meetings, a great number of unstructured interviews with key individuals and documentary evidence. Involvement with the central units was once again somewhat curtailed. However, the first three of the funds listed in Table 5.1.2 are under the auspice and close control of the Central Board of Finance* and therefore could be looked at in reasonable depth. The insights into the Church Commissioners was achieved through unstructured interview, letters and various documents and reports.

The method of approach to the less detailed secondary focus was considerably more structured and short-term, but it was, like the previous two approaches, intended to gather as wide and as comprehensive a picture as possible concerning the respective units. Although the main focus was on accounting and finance the whole intention was also to catch something of the culture and life of the institution and so amplify what may be possibly hidden in the accounting and finance flows. At the diocesan level this was achieved by spending a day in

* Who also control the General Synod Fund our designated primary site.

each of the diocesan offices conducting unstructured interviews with key individuals as well as gathering documents, schedules and accounts relevant to obtaining some insight into these respective institutions. Insights into the remaining central units were obtained basically from accounts and reports.

Insights into the remaining parochial units were obtained through partially structured interviews and what could be called reflective questionnaires all conducted with the incumbents.* Initially 57 parishes were contacted via letter in May 1982 (see Appendix 1) this was followed up by telephone to confirm agreement to participate. Of those originally contacted 46 agreed to participate - the remaining 11 contained only 8 real refusals the other 3 were either retiring or leaving the parish in question. Of the 46 remaining all were visited either by myself or a research assistant or by both of us in July and August 1982 to go through an interview schedule (Appendix 2) which, on occasions, was abandoned, when considered dysfunctional. At this meeting a further two sets of questions (Appendix 3 and 4) were left behind for completion and subsequent return. The first set (Appendix 3) dealt with a mixture of factual and reflective questions. The reflective questions were intended to see whether such incumbents could think of reasons concerning why things are as they are in the particular parish. It was something of a dry run on the processes of enlightenment stage without the introduction of either critical theorems or dialogue so as to discern the present reflective powers of the dominant actors. The second set (Appendix 4) were some standard personality tests based on an unabridged version of the Myers Briggs Type Indicator and a created repertory grid in the Kelly (cf 1955) tradition. These were introduced for two

* Incumbents were chosen due to their centrality in the parochial system, their knowledge of what is happening and their potential influence over financial, accounting and other such matters.

reasons. Firstly so as to see whether the personality of the incumbent, as measured through these instruments, played any part at all in understanding a particular parochial situation as expressed in accounting or other phenomena. Secondly because it was something which was both easy to analyse and hence give some fast feedback and maintain an on-going contact to those participating as well as being of potential interest to the incumbents in question. This feedback (Appendix 5) was sent out in November 1982 to the 38 (out of the 46 originally visited) who had returned both sets of questions left behind at the time of the initial interview. Responses to this feedback have been both positive and confirmatory.

In sum the method of approach to the selected sample varied considerably. Wherever possible the approach was unstructured and reflexive to allow properties to emerge. Where structure was required either due to access limitation or because it was on the more secondary part of the sample this was always done so as to allow the data to speak rather than the other way round.

5.1.3 Researchers and Researched

The essence of a Habermasian critical theoretic approach is centred around discourse: without it a consensus is not possible and without a consensus meaning and truth are but empty phrases. Thus the actual presence of researchers and individuals in the researched situation (which we have in Chapter 3 called, somewhat inappropriately, the 'researched') become vital rather than in the more scientific approaches 'things' which often get in the way or bias real truth.

As indicated in Chapter 3 it does seem obvious that to have any sort of dialogue requires at least two people with both the ability and insight to put forward relevant speech acts if there is to be anything resembling an ideal speech situation. However, undoubtedly this is difficult at the formulation of the critical theorem stage of the overall research process unless there is the luxury of having more than one researcher with the level of intimacy into the life of the researched institution. The nearest this study came to this

luxury was during the summers of 1981 and 1982 when this researcher was able to employ some research assistants who were able to gain some insight into relevant areas and conduct a suitable dialogue in the context of this design of critical theorems. However, in the main, this researcher had to conduct his own critical debate with himself although it was possible to use the Head of Department as, to an extent, a discursive partner. Thus the accuracy of critical theorems of this study are limited to the extent that this researcher has been able to conduct a radicalised theoretical discourse with himself. Fortunately the structure of the research process which requires the confirmation of critical theorems through the joint enlightenment stage means that what imperfections there are can be righted provided an ideal speech situation, at the enlightenment stage, can be reached and a grounded consensus can ensue.

This brings us to looking at the details on who constitute the researched for the purpose of this study. As there was only one researcher it seemed only right at the early stages of the enlightenment part of the research process to concentrate on an individual at each of the primary focus sites. Such a one to one relationship would at least allow equality of persons as well as making it easier to guarantee equal opportunities of making speech acts.

The respective individuals were chosen on the basis of their holding a key position in the unit of interest, their intimacy of knowledge with respect to the accounting system and their grounding, knowledge and insight into the Church of England as a whole. The holding of a key, which is, in effect, a power position in the primary focus sites was important for at least two reasons. Firstly because of their potential to enlighten others, because of their influence in the system, on the critical theorems which are forthcoming from the 'enlightenment stage' of the critical theory process. Secondly because they also have the potential power to bring about changes when possibilities emerge at the 'practical action stage' of the critical theory process. The understanding of the unit's accounting system was obviously an

important criteria for the choice of person in the researched institution since this formed the dominant focus for discussion. Yet because of the belief in the organisationally grounded nature of this system it was also vital to deal with people who were aware of the wider facets of Church life and could, by having such knowledge, make the necessary linkages between this and the design of the accounting system should such connections be suggested.

Based on these criteria three obvious individuals emerged - the Vicar of St. Thomas, Crookes, the Diocesan Secretary of the Diocese of Sheffield and the Deputy Secretary of the Central Board of Finance. The Revd. Canon R.P.R. Warren (Vicar of St. Thomas, Crookes) was chosen due to his masterly understanding and involvement with financial and administrative matters, his leadership in the Church and his overall comprehension of wider Church affairs. Mr. C.A. Beck (Diocesan Secretary in the Diocese of Sheffield) was chosen because of his centrality in diocesan financial and accounting affairs, his active involvement and understanding of diocesan activities and his overall grasp of wider Church issues. Likewise Mr. R. Stallibrass (Deputy Secretary of the Central Board of Finance) was chosen since he has similar responsibilities and insights. Although Mr. Stallibrass is beholden to the Secretary he does have general responsibility for many financial and accounting matters. His relationship with the secretary on these matters is more like a leading member of a partnership rather than of some superior - subordinate type.

This then concludes our somewhat arid, but extremely important, diversion into some prior issues concerning method. We now turn directly to the cross-sectional analysis concerning accounting systems.

5.2 ACCOUNTING SYSTEMS IN THE CHOSEN SAMPLE OF PARISHES

5.2.0 Some Introductory Comments

This and the following two sections look at the nature of the accounting systems in the three primary focus sites ('P'sites hereafter) chosen in Section 5.1 complementing this with information on similar or dissimilar facets from the two secondary focus sites ('S1' sites and 'S2' sites hereafter). We start with the parish P, S1 and S2 sites.

But before looking at this it is worth recalling what we mean by an accounting system. In Section 1.2 we defined an accounting system for the purposes of this study as

'... an enterprise based formal system which expresses
in fundamentally numerical terms past, present and
future financial actions of such an enterprise'

Thus any enterprise based system which expresses in a formal or orderly fashion matters of a financial nature can, for the purposes of this study, be considered to be an accounting system. Thus the contents of this Section plus the two following are concerned with making statements about phenomena which can be considered to be accounting systems according to this definition.

The accounting system in St. Thomas Church, Crookes, Sheffield (the parochial P site) is centred around the fund units which make up this enterprise. There are six such fund units and each of these are served by varying aspects or elements of the accounting system - these are summarised in Table 5.2.0.

We will in the following Sections concentrate on the (column) accounting elements rather than the (row) fund units allowing an illumination of the latter to come from an analysis of the former.

However, in the discussion that follows we omit a detailed discussion of the recording system element. This has been done for three major reasons which need to be appreciated at this point. Firstly because, in a basic sense, the recording system is a function of, and closely related to, the other, more output, elements in the accounting system. Whether the output actually leads or is led by the input is difficult to discern but clearly the former reflects the

latter. Secondly because some of the recording system elements will be picked up anyway in looking at the processes of arriving at the output. Clearly not all aspects will be looked at in this context but enough to supply some insights. Thirdly to introduce a detailed analysis of the recording system would take us into a level of detail which would be dysfunctional for this study. We are, in this study, more concerned with explaining the outputs from the accounting system and the broad processes leading to such outputs rather than whether, for instance, there is a single entry or double entry recording system or whether day books and nominal ledgers are or are not kept etc. Our assumption is that such insights are interesting but not significant.

For these three reasons we will not look in detail at the recording system element but concentrate on the other four (column) accounting elements in Table 5.2.0 for St. Thomas' bringing in comparative insights from the secondary sample as appropriate.

5.2.1 The Budget System Element

Turning first to the budget system of St. Thomas' this can best be viewed in terms of its nature and the processes involved in its design.

It's nature is expenditure oriented, predominantly functionally related but moving more towards a responsibility approach. It's expenditure orientation is because of the greater surety concerning this side of the equation as compared with the income. The expenditure forecast leads and supplies the details on the income requirements rather than the other way round - the balancing figure always being direct giving. The changing nature of the budget system can be demonstrated by looking at the detailed expenditure forecasts for 1982 and 1983 (Table 5.2.1(1)). Up until 1982 the budget attempted to portray the projected costs of the on-going tangible commitments of the Church (staff, building, quota etc.) any new work being somehow encapsulated in these costs or paid for anyway whether budgeted for or not. The budget for 1983 and forthcoming years, as Table 5.2.1 (1) demonstrates, while not abandoning this basic approach, complements it with moves towards being more specific about particular areas of

work (e.g. youth work, evangelism) budgeting global figures for these and allowing appointed individuals (a staff member or committee) the responsibility to spend up to such an amount on the area in question as he/they think fit.

This tendency towards responsibility accounting was extended half way through 1983 for that year and a resulting updated budget can be seen in Table 5.2.1(2). There are a number of things to note when comparing this with Table 5.2.1(1). Firstly the total has decreased, not through stringent controls (see Section 5.2.2 for more details on this) but because the forecast is made later with half the year gone and can improve it's predictive power accordingly. Secondly there has been a very slight increase in the number of defined areas of work (e.g. Children's Work, Creative Arts, Training etc). Thirdly the substantive items remain as functional headings but all now have a named individual or small group or committee who is(are) responsible for keeping expenditure within the total specified.

The annual budgeting process is initiated by the Treasurer in consultation with various individuals particularly the Vicar. The resulting forecast is taken initially to the Standing Committee* and finally on to the Parochial Church Council, essentially for information purposes rather than modification, and for final approval by this body who are legally responsible for financial matters.** Much of this work is conducted between July and September of each year with the focus of attention being the forthcoming calendar year. The forecast is then published in the October issue of a monthly magazine which is distributed free to all Church members. The publication of this information forms a natural prelude to what is known as a Commitment Sunday in early November where people are asked to give details on how much they are prepared to give both to the Church

* An elected body of the Parochial Church Council (PCC) with devolved powers to make interim decisions between PCC meetings.

** As indicated in Section 4.2.2 above.

budget and to missionary work (which is separate and unbudgeted for until received) in the forthcoming calendar year.

Both the S1 parishes have a budget system whose nature is also expenditure oriented but with a total functional emphasis. Estimates are taken of the costs of on-going commitments for the forthcoming year with the projected income required from defined categories (partly based on reasonable expectation and partly in hope) set alongside these expenditure estimates. The actual construction and details of these are presented in Table 5.2.1(3) and 5.2.1(4) which shows clearly the expenditure orientation and functional nature of these budgets.

The process of formulating the annual budget of both S1 parishes is fundamentally the same as St. Thomas. The only real difference is on timing. The Treasurer and Vicar once again are the key initiators and the more formal committees (e.g. the Finance Standing Committee (in one of the parishes) and the Parochial Church Council (in both parishes)) play a more passive legal confirmatory role. However, in both parishes the preparation time is shorter and the time when the budget is brought before the Parochial Church Council (PCC) is later. In one of the S1 parishes the budget is put before the PCC in early December without first going to the Standing Committee and is produced but days before this formal meeting. In the other S1 parish the budget is not presented finally until the January PCC meeting of the year in question. In both cases the information is presented to the Churches in a much more ad hoc manner than with St. Thomas which marries up with the more relaxed and less formal approach to the members in terms of forthcoming financial commitment. However, with increasing financial demands such approaches have been changing, particularly in one of the S1 parishes, although neither are, as yet, similar to the St. Thomas' structure.

Budgeting in the 38 S2 parishes is highly variable. Before looking briefly at some issues concerning nature and process it is important to note that only 15 out of the 38 have any budgeting system at all. Out of the remaining 23, 4 make a 'vague attempt' at some form of estimation but 19 consider the practice of

budgeting 'unnecessary' or 'unspiritual' or 'pointless' etc. Any comments on budgeting systems therefore refer to under half of the total sample.

All of the budgeting systems are expenditure and functionally oriented. They all look to the on-going commitments and build a budget around these costs in the forthcoming year and invariably simply inflation-adjust previous year's figures. However, not all saw this annual exercise as a basis for income challenges - only 8 out of 15 saw the budget in this light. The remaining saw the practice of budgeting as 'good stewardship' or 'good book-keeping' or 'common sense' etc.*

With regard to the process 14 out of the 15 all conducted an annual working of the system - the remaining 1 adopted a 6 monthly budgeting procedure. In all cases there were important originators of the actual figures who played a large part in the final budgets forthcoming. These originators were: the treasurer (in 9 cases), the vicar (in 3 cases) and a small finance/standing committee (in 3 cases). In only 2 cases did the budget not go to the PCC for either information or approval. In only 6 cases was there anything like a full debate on budget figures and even in these cases there is little evidence to suggest that major changes ensued in the budget figures. In the remaining 7 cases 4 budgets were simply approved by the PCC and 3 were presented as information to the committee.

Although much of the above calls for comment we will leave this until Chapter 6 and turn now to some statements about the budget review process.

* Even though these comments tend towards some form of explanation they should not be read as such here. We are at this stage still simply making statements about the accounting systems even though these are statements about statements about the accounting systems.

5.2.2 The Budget Review Element

The budget review system in St. Thomas is more a sporadic information service rather than some form of regular control process. Quarterly accounts are produced which allows the Treasurer to get a complete picture of what is happening. This, coupled with a regular check on giving and expenditure levels supplies the Treasurer with a reasonable picture as to whether the budget is on or off course and whether it needs to be adjusted upwards or downwards because of this.

This information is invariably shared with the Standing Committee and on occasions, where the agenda allows, with the PCC but there is little of a control nature that can be done with the information. The nature of the budget with its close alignment to on-going tangible commitments makes major remedial change somewhat difficult. However, where certain more controllable items (e.g. telephones, staff, conferences etc - see Table 5.2.1(1)) look over-consumed for the period in question the Treasurer can call for restraint even though his call may not always be heeded. Clearly this is not always the case but his position is both honorary and part-time and he is invariably not the initiator of the expenditure.

To a certain extent with the move towards responsibility accounting in St. Thomas' the Treasurer's control dilemma will be partially devolved to others. The Treasurer will only be concerned with overspending beyond a total budget allocation. Yet there will still be a large proportion of the expenditure which appears to have a momentum all of its own rather than in some way internally controllable by the St. Thomas' Treasurer or any other responsible person. Such items as staff costs, quota, fabric, heat and light, rates and insurance etc. all seem to be of this type although clearly most of these are controllable to some extent through internal mechanisms.

Similar problems in the budget review process can be seen in the systems in operation in the two Sl parishes. In each there is a monthly review by the Treasurer which is presented to the PCC. In one there is a regular verbal

presentation of bank balances and weekly income with some general feel as to budget performance but with little real intention to do anything with the information. In the other a similar regular verbal presentation is made by the Treasurer but not structured in quite the same way. The Treasurer is given time on the monthly PCC agenda to present whatever he considers appropriate. So for instance the minutes for the June 1982 meeting read as follows:

'The Treasurer commented that he had nothing further to report on the finances and general funds of the Church ...'

Whereas the minutes for the September 1982 meeting read as follows:

'The Treasurer made a very full and detailed report on the current financial position of the Funds. There was a serious imbalance of £5000 at present and that every effort ought to be made to reverse the situation, and suggested the following course of action':

1. Firm financial control of expenditure
2. Raise more money by 'events'
3. No increase this year in the amount of annual donations to charity
4. Consideration be given to a special 'Fabric' appeal
5. The General Purposes Committee be asked to consider whether in view of costs, some or all of the work in hand could be deferred until the next year.

The Treasurer, for an example, referred to the serious increase over budget for the cost of the internal redecoration of the Church. The Churchwarden observed that proper procedures had been adhered to. The Rector said it was a 'must' to live off income.

RESOLVED

'The Treasurer's Report be Adopted and the General Purposes Committee be asked to take whatever steps considered appropriate''

Thus in this parish, and the other S1 parish as with St. Thomas', it is left to the Treasurer to 'sound the alarm bells' as well as initiate remedial action. However, even though in the above case some controls were forthcoming from this resolution in terms of expenditure authorisation the problems of the uncontrollability of a system with its own apparent momentum remain very real indeed - a difficulty clearly shared by the P and two S1 parishes.

Similar types of review and problems can be picked up from the survey of the S2 sample. Out of the 15 who have a budget system only 13 conduct a review - 3 of which are conducted monthly, 2 three monthly, 1 four monthly, 5 six monthly and 2 annually. Of the 13 who conduct a review all are initiated by the Treasurer either direct to the PCC or to a small Finance/ Standing Committee. All give the impression of being powerless within limits to do anything about the information forthcoming. However in 5 out of the 11 cases which presented the review to the PCC* there was claimed to be a real debate on the review to consider possible changes in the future. But the general impression of inevitability, and uncontrollability remained clear and dominant despite this claim.

5.2.3 The Annual Account Element

The annual accounts of St. Thomas (see Appendix 6 for a sample set) are a simple Receipts and Payments Account divided as indicated in Section 5.2.0 into 6 major funds: 3 Church accounts (Church Extension Project, General Account and the Church School Fund) and 3 Missionary accounts (General Missionary Fund, Arthur Wightman Charity, and the Sick and Poor Fund). Of the 3 Church accounts 2 refer to capital appeals - on the total renovation and development of the Church building and on the purchase and conversion into a community centre of an adjacent original Church school - the remaining account covers the running costs of the Church as an institution and a building (see Table 5.2.1(1) for details). Of the 3 Missionary accounts - 2 are small capital trusts held by the Vicar to distribute the income to needy causes according to the terms of the trust - the remaining account refers to a separate fund where people can give to missionary work generally or to specified causes.

* Of the 13 reviews conducted only 2 were not presented to the PCC. The remaining 6, taking aside the 5 being discussed were all presented to the PCC as information only.

Clearly these divisions in the accounts of St. Thomas' are not some arbitrary categorisation but reflect important aspects of the life of this enterprise. We will not pursue this at present but simply note it's presence.

The annual accounts are both designed and produced by the Treasurer and his assistants following a standard procedure for their presentation to the various committees and the Church generally. The actual design comes from a format suggested by a previous Treasurer and has only been marginally changed by the new Treasurer and a new auditor. The sub-structure constitutes 6 separate recording systems to support the 6 funds which constitute the accounts. These records are summarised during the first few months after the year end to formulate the accounts which are then audited, presented to the Standing Committee, PCC and finally the Annual General Meeting for the whole Church.

The lack of really searching questions at any of these meetings gives the impression of a certain ambivalence towards this part of the accounting system.

The annual accounts of the two S1 parishes vary both between each other as well as when compared with those of St. Thomas'. The accounts of St. Mary's Sprotbrough are Income and Expenditure Accounts (see Appendix 7 for a sample set of these) divided into a General Account, 4 subsidiary permanent accounts (Fabric Account (St. Mary), Fabric and Churchyard Account (St. John), Literature Account and Church Hall Account) and 3 more ad hoc short term accounts (Hymn Book Appeal, Parish Weekend, Fund Raising for Church Hall Repairs). The annual accounts of St. Marks, Mosborough are basically a Receipts and Payment Account dominated by a General Account which also records the movements of three other separate funds (Fabric, Organ and Appeals) - see Appendix 8 for a sample set of these.

As with St. Thomas' the respective Treasurers are responsible for the design but with a more overt concern for audit requirements and diocesan suggestions. However, like St. Thomas' both S1 parishes have, in the main, if not to quite the same extreme extent, maintained and preserved their respective independent situation-specific approach to the design of the accounts

and the supporting recording functions.

The accounts of these two S1 parishes follow a similar passage through the committees with similar reactions as in the St. Thomas' situation. The accounts are prepared, audited and presented to the various committees in the first few months after the year end finally to be looked at in the Annual General Meeting held in April or May of each year. All presentations are, to a large extent, a formality judging by the lack of meaningful response to the contents of the accounts.

Similar ambivalent attitudes to the annual accounts can also be picked up from the sample of 38 S2 parishes. However, before discussing this particular point further it is valuable to set it in the context of some more general insights which are forthcoming from the S2 sample - some of which are summarised in Table 5.2.3. As this table indicates out of the sample of 38 only 12 have a full Income and Expenditure Account the remainder adopt a more simple Receipts and Payments approach to their accounting. Only 3 out of the 38 do not have any funds at all and in each of these cases it is unclear as to whether this is really the case or whether simply they do not appear in the main accounts. Of the remaining 35 as Section C of Table 5.2.3 indicates the funds in addition to the General Account varied considerably - the modal parish having 3 additional funds. Thus the division of the parish into definable areas with their own funding and accounting system is clearly something of significance and generality.

What is also of significance is to note the dominance of the treasurer in the initiation of the design of the annual accounts. As Section B of Table 5.2.3 indicates out of the 38 parishes only 4 parish annual accounts were designed by other people and these were because of a basic inability of the present or past treasurers to initiate the process. What is also interesting to note is that basically 24 parishes and their treasurers looked more towards the uniform suggestions put forward by the central and diocesan authorities rather than some more localised specific-to-the-parish approach.

Although the whole idea of uniform parochial accounting has been a constant topic of debate leading to various suggestions the major development and initiative came in 1979 with the introduction of a new 'parish account book.' The correspondence and suggestions both by the Central Board and Sheffield Diocesan Board are contained in Appendix 9. As can be seen from this correspondence it is unclear whether this uniform accounting is claimed to be for the good of the parish itself or rather to get the accounts into such a form that the statistical returns to the Central Board are easy to complete. These statistical returns - a proforma of which can be seen in Appendix 10 - form the basic two to three yearly record of parochial income and expenditure which are published periodically in the Church of England yearbook (see Section 4.1 for the details on the output of this process). Undoubtedly the parish account book is geared exclusively to this statistical return* but whether or not such a uniform approach is really 'good' for each parochial concern remains an open question.

A full adoption of the parish account book would, in fact lead to the design of an Income and Expenditure Account. However, due to the predominance of Receipts and Payments Accounts in the S2 sample complete acceptance of the Central Board's suggestion has not totally occurred. In fact only 6 out of the 20 parishes who claim allegiance to the central and diocesan suggestions use an Income and Expenditure Account. Thus the remaining 14 clearly look to the diocesan and central suggestions but do not follow them completely.

However, the very fact that they are able to look to these suggestions and adopt them within bounds suggests further evidence on the ambivalent attitude

* A careful look at the classification numbering of items in the parish account book (Appendix 9) and the statistical return (Appendix 10) shows a complete one to one correspondence.

towards these annual accounts. All the S2 parishes, like the P and S1 ones, give the same impression concerning lack of response when the accounts are presented at various committees including the Annual General Meeting.

Yet in addition to this, which as we indicated suggests a certain ambivalent stand on the usefulness of these accounts, the very fact that treasurers can quite easily adapt these accounts to suggestions forthcoming could be interpreted as a certain lack of commitment to any particular design - a sign, in other words, of ambivalence. If it is easier for the treasurers to use a uniform accounting system because it will ease the completion of a standard form and if there is little commitment to any particular design then it is possible and probable that the new (easier) option will be adopted - which, in a large number of cases, it has been.*

5.2.4 The Residual Element

This residual element is basically some form of accounting system output which is neither a budget nor a budget review nor annual accounts.

In St. Thomas the outputs which could be classified as residual in the sense used above are of a recurring and non-recurring nature. The recurring being things like quarterly accounts for the General Fund and for the General Missionary Fund - in the latter case so that the account can be cleared quarterly to specified destinations and the unspecified giving can be split between causes by the Missionary Committee. Other recurring residual accounts are the verbal or written reports on the accumulated income, expenditure and anticipated costs of the two capital appeals (the Church Extension Project Fund and the Church School Fund).

* Although much of this last paragraph appears to be of an explanatory causal nature it is not. We are still making statements about the accounting system and certain attitudes towards it. We are simply making a statement concerning the seemingly ambivalent attitude towards the annual account we are not explaining why this should be so.

The non-recurring accounts are those mostly allied to major decisions, dealing with possible cost profiles. Yet this information is used in a very secondary sense when decisions are to be taken. It is primarily the 'rightness' of the project which dominates the discussion when major decisions such as a new appointment or an adaptation of buildings are taken.* The costs and supporting accounting information is admittedly in the minds of those authorised to make such decisions (primarily the PCC) but is not a determining factor unless it indicates a plan which is totally beyond possibilities for funding. However, where this boundary is, is very difficult to discern but it certainly lies way beyond financing from known resources. In sum the attitude is that if a project is right from a spiritual perspective and is a recognised need then costs will be covered and consequently are of little relevance when the decision is taken. In this sense the accounting information is partially superfluous to the decision in hand.

In the two Sl parishes there is also recurring and non-recurring information of the 'residual' type and it is to this we now turn.

The recurring information in both these parishes is largely to do with the missionary giving. At the PCCs in November in one and December in the other allocation to missionary sources for the calendar year are made. These are supported in one case by a verbal account of last year's giving with some suggestions based on consultation with the Church members on possible destinations for this year. Decisions are then taken on the specific amounts to be allocated in the light of the budget allocation. In the second case a written report on previous giving with this year's suggestions based on the

* In both of these areas a number of decisions have been made in the last few years.

thoughts of the Standing Committee and in the light of the total budget allocation is distributed for agreement by the PCC. Apart from this form of recurring information there is little else which could be classified as such although, as we indicated in the Section 5.2.2, each S1 parish gives space to the treasurers' each month to present a report which is basically budget related but can, on occasions, be used to supply recurring information of the sort being discussed here. For instance the S1 parish which is supplying a regular picture of monthly balances may be better classified as supplying 'recurring' information than 'budget review' information.

The non-recurring information of the S1 parishes is, like St. Thomas', related to major capital projects and, in one of the parishes, staff appointments. In both parishes the information on costing plays a more important (than in the St. Thomas' case) but still not dominant role in the decision. It is still the necessity or rightness of the project which is uppermost but there is greater awareness on both the costs involved and the feasibility of raising the money. To ease the financing both parishes keep a Fabric Fund which is a sort of parochial savings account on which to draw to meet possible major building costs (see the accounts in Appendix 7 and 8). Thus when a particular project is suggested firstly the necessity or rightness is decided followed immediately by the question, 'can we afford it?' which involves information on Fabric Fund balances and details on other ways to raise money and their likely effects. Only when the PCCs' are assured of the financial feasibility is a final decision taken. If not so assured the PCCs' invariably cancel the project or phase it over a period of time.

When we turn to look at the S2 sample there appears to be a mixture of the P and S1 uses of information for major projects. On the matter of staff appointments only 10 out of the possible 38 actually made any additions to the parochial workforce: of these, 7 were curates or parish workers which were heavily funded by diocesan resources and thus not a substantial problem to be

dealt with, the remaining 3 were a very different set of appointments* which involved complete financing. However, in none of these cases was accounting information used as indicated by the responses.

When we turn to look at the use of accounting information for decisions on buildings a more mixed response can be seen. Table 5.2.4 summarises the somewhat mixed picture forthcoming by relating work done on Church buildings and halls in the last few years to those claiming to use (irregular) accounting information. What is interesting to note is the relatively small numbers who have undertaken major** or minor changes or basic repairs and used accounting information to aid them. One further point to note which is not covered in the summary in Table 5.2.4 is the fact that out of the 38 parishes 37 have Fabric Funds to which regular transfers are made.

The S2 sample also supplies some interesting points concerning the regular residual information element. What appears to be forthcoming is that such regular information is fundamentally verbal although not exclusively so and is mostly about bank balances, bills and missionary allocations. Of the 38 S2 parishes 19 make a verbal presentation each, or every other, PCC meeting as to bills outstanding and current bank balances, 3 however, present half yearly accounts and 1 quarterly accounts. The remaining 15 parishes apparently do not claim to have any regular information of a financial nature supplied. However, 33 out of the 38 all make annual allocations to missionary work which is, in all but 3 cases, conducted through the PCC meetings. In

* Such as an Asian Evangelist, a Youth Worker and a Lay Elder

** Clearly what constitutes 'major' in this sense is fraught with difficulty. This major classification includes a wide variety of work ranging from over £300,000 to but a few thousand. In this sense it may be more appropriate to classify a number of the 'major' as 'minor' although either way it doesn't detract from the points being made.

addition 1 parish makes half yearly allocations, 1 makes quarterly distributions and 2 on more sporadic occasions - 2 of which in total do so through the PCC meetings. Thus there is good evidence to suggest that some form of regular discussion or written presentation is made in 32 out of the 38 parishes with regard to this missionary giving as it is conducted through the PCC which is somewhat contrary to the figure of 19 parishes who stated they used regular (residual) information.

5.2.5 Some Concluding Comments

As a way to conclude this Section we will draw together the points in terms of questions which are both implicit in the analysis and can also form a focus for the contents of Chapter 6. The following will pose these questions primarily at the St. Thomas' case but with the possibilities of generalisations in mind these will be expanded, where appropriate, to give direction to these possibilities. The questions are divided into five sections: the first dealing with general points about the accounting systems as a whole and the last four related to the accounting system elements discussed in this Section. They are listed together in Table 5.2.5.

The questions in the latter four sections somewhat naturally come out of the previous discussion and form a useful summary of the main points forthcoming. We will not summarise these various points here but before closing this Section a word needs to be said about the first, less obvious, general question.

The whole work of St. Thomas' is geared towards spiritual and human concerns yet while such activities invariably have financial costs attached either directly or indirectly the accounting information system which is there to supposedly guide such a process is, to a considerable extent, underdeveloped and underutilised. As we have indicated the budget system fails to either mirror or set any priorities; the budget review system fails to achieve any real control over expenditure; the annual accounts are of little significance or importance to anybody; the recurring and non-recurring information, while produced, is partially ignored particularly when major decisions are taken.

All this adds up to a picture of presence but insignificance.

Such reasoning naturally leads into the two questions at the start of Table 5.2.5: why is the accounting system so insignificant and why is it there at all? Undoubtedly such questions underpin and even undermine many of the other more specific questions in Table 5.2.5 and will form the most important areas for discussion when we look for answers to these questions in Chapter 6.

5.3 ACCOUNTING SYSTEMS IN THE CHOSEN SAMPLE OF DIOCESES

5.3.0 Some Introductory Comments

As in Section 5.2 we will in the following be concentrating on the accounting system elements of the various fund units of primarily the Diocese of Sheffield (the diocesan 'P' site) bringing in insights on the S1 and S2 dioceses where appropriate.

We start, as before, by relating dominant fund units to accounting elements with regard to the primary site. A summary of these relationships are presented in Table 5.3.0. As can be seen it is possible to divide the accounting system into the same elements as in Section 5.2. However, as we shall see, the actual nature of these elements with respect to the diocesan sample vary considerably when compared with the parochial examples.

As in Section 5.2 the following will not look in detail at either the fund units or the recording system element for the reasons discussed in Section 5.2.0. It was indicated there that our concern was, and is, with making statements about the essential nature of the accounting system, ignoring unnecessary detail (hence the omission of the recording system element) and allowing such statements to amplify the nature of the fund units which such a system serves.

The following, therefore, is divided into the same four Sections as in Section 5.2 starting as before with the budget system element.

5.3.1 The Budget System Element

The budget system in the Diocese of Sheffield varies depending on the fund being dealt with. As Table 5.3.0 indicates four out of the nine fund units all have some budget system. There is a clear interrelationship between three of these (General Fund, Augmentation Fund, and the sundry spending sub-committees) but the remaining one is totally divorced in nature from this sub-set.

Thus the following will look at the essential features of the budget system in each of these two definable areas as well as making some comments on the absence in other areas before looking at such systems in the S1 and S2 sites.

For consistency with the discussion on the parish budget systems we will look at each of these three areas in terms of both nature and process.

The nature of the General Fund, Augmentation Fund and sundry sub-committee (GAS hereafter) budgets can be discerned from their content. Tables 5.3.1 (1) and 5.3.1 (2) give the budgets for the two main funds for 1983 and examples of the budgets for two of the sub-committees are presented in Tables 5.3.1 (3) and 5.3.1 (4).

From these Tables it can be seen that the GAS budgets are expenditure oriented and predominantly functional in nature but with some allocations to specific responsibility centres. All start from the initial basis of the costs of on-going activities and commitments with suitable marginal changes for additions and plans. There is a certain 'literalness' in the expenditure involved in these calculations. So, for instance, in the Augmentation Fund it is only the actual augmentation of incumbents' salaries and the actual grants to be paid to curates which are included. These are not the total salary costs but rather the expenditure requirements towards such costs required from the diocese (for incumbents) and reducing such costs for the parishes (for the curates etc). This is because the nature of the budget is geared towards arriving at the bottom line income requirement (via quota or grant from the General Fund in the case of the sub-committees) rather than supplying some more general picture of total receipts and payments. In addition the majority of all the budgets are functionally related to particular tangible needs (salaries, diocesan office, central funds, etc.) Even the allocation to sub-committees which are of a more defined work area /responsibility centre nature are based on functional requirements as the two sample budgets in Tables 5.3.1 (3) and 5.3.1 (4) indicate.

The process of arriving at the budget for the General Fund and Augmentation Fund, which in turn draws in the budget requirements of the sub-committees, follows a complex pathway over a number of months. As a start to understanding this pathway it is necessary to appreciate something about the committee structure of the Diocese of Sheffield. Most of the work of the Diocese is conducted de jure

through committees although de facto it proceeds outside of these by the full time paid officers who are technically beholden to such committees. The main committees are as depicted in Figure 5.3.1 (1). This figure also gives details of some of the sub-committees (for the Finance Committee and Bishops Council) since an understanding of these are pertinent to appreciating the pathway of the budget.

It is not intended to go into any details about these committees at this stage. They are introduced simply to aid an appreciation of the committees involved in the budget process and how they are related to one another. However, one point should be noted: according to ecclesiastical law any diocese only needs to have seven major committees or boards as indicated in Figure 5.3.1. (1), all other committees or sub-committees are optional additions.

Figures 5.3.1 (2) and 5.3.1 (3) attempts to portray the important stages and inputs into the formulation of the budget for 1983 and 1984. There are differences between the years which we will look at shortly but there are also commonalities which in fact give important insights not only into the real processes involved but also into the very nature of the budget as well.

In this context there are four somewhat interconnected observations to make in respect of the contents of Figures 5.3.1 (2) and 5.3.1 (3). Firstly to note the importance of the Secretary and Chairman of the Diocesan Board of Finance in the budget process. It is they who are key in the early filtration process of the formulation of the forecast which, to a considerable extent, becomes the final budget. However, this needs to be set against the second observation concerning the relative uncontrollability either by these officers or the other committees of the total budget. The bulk* of the budget is largely determined by the

* The exceptions are three: the diocesan office (£70,030 in 1983) the allocation to sub-committees (£41,665 in 1983) and the grants to assistant curates (£206,568 in 1983). However, it is probably only the allocations to sub-committees which constitutes the real controllable element - both the others have their own momentum. In fact it is interesting to note that it is these allocations to the classified 'spending' committees which take up a sizeable amount of the time of both the Secretary and Chairman and the committees indicating again the potential controllability of such costs.

Central Board of Finance's allocation, the agreed clergy stipend scale by the Central Stipends Authority (the Church Commissioners), the number of clergy in post in the diocese and the number of diocesan officers under contract. To a considerable extent these cannot be influenced by the diocesan staff or the committees. If this is so then it would appear obvious that one or two responsible officers can do the necessary calculations. This and the previous insights bring us naturally to the third and fourth observation. Thirdly it is important to note that the actual controllable element (basically the spending committee requests) is very small relative to the total budget. Table 5.3.1 (5) presents the details of this which needs to be set in the context of the total budget (Tables 5.3.1 (1) and 5.3.1 (2)) and the committee structure (Figure 5.3.1 (1)). The contents of this Table are largely self explanatory. However, it is important to point out that the spending committee's requests constitute only 3.5% of the main budget of the Diocese of Sheffield. The remaining 96.5% constitutes items which are largely outside of the control of the diocesan authorities. The fourth point which needs to be set in this context is to note that despite this certain inevitability of the budget a great deal of committee time from May to October is absorbed on looking at the forecast/budget. Due to the inevitability of the expenditure items clearly such time involvement results in but marginal changes. However, it is interesting to note that both the number of committees and their time involvement despite the lack of substantial opportunity to change the details is considered necessary and important.

We now turn to the differences in the budget process for the two years. There are two of significance. Firstly the forecast is being made sooner and released to committees earlier. An early draft of the 1984 forecast was produced in March and April which is approximately two months earlier than for the previous year. In addition the sub-committees of the Finance Committee and the Bishop's Council have been involved much sooner in their, still somewhat limited, activities in the formulation of the final budget. Secondly there is a growing move to

involve the Bishop's Council earlier in the budget forming process and to take what policy issues* there are to this body rather than to the Finance Committee or more specifically the Budget Sub-committee. Thus, for instance, the 1984 forecast although seen by two of the Finance Sub-committees went to the Bishop's Council first before being seen by the Budget Sub-committee.**

These two points coupled with a growing pressure to get more accurate parochial (quota) assessment figures out to parishes earlier*** has resulted in major changes in the budget process for 1985 and onwards. The agreed process for the formulation of the 1985 budget which covers these changes is contained in Table 5.3.1 (6). As a result the major policy issues and spending committee requests are to be handled by the Bishop's Council and the deanery meetings, which will still be held in May/June of each year, will be supplemented in September with extra information on not only the final budget but details on the suggested (quota) allocations to parishes.

We turn now to the Parsonages Fund budget which differs both in terms of nature and process when compared with the main fund budget discussed above.

The nature of this budget can best be understood in the context of its detailed contents which are presented in Table 5.3.1 (7). Unlike the main funds, which are largely expenditure oriented, in the Parsonages Fund the income is more assured and predetermined than the expenditure. Out of the six income

* One such policy issue which needs to be decided on is what is called the 'diocesan minimum stipend'. Although the Central Stipends Authority actually specify the national stipend level this is always presented as a range with a band of between £300 and £500 leaving it to dioceses to decide where they should be positioned on the scale.

** The Budget Sub-committee's meeting on the 13th April dealt with only the spending committees requests rather than the total budget.

*** The system for all years up to and including the 1984 allocation was (and is) done only after the Diocesan Synod in October or November leaving parishes with little notice on costs they are required to pay from the following January.

items it is only the 'assessment on parishes' which is, to some extent, variable even though this is highly limited due to the five year arrangements made with parishes* - thus only one fifth of this amount is variable within highly determined limits** and the remainder is fixed. The expenditure items therefore should be set in the context of income available. However, it is not as simple as that due to the necessity to cover the costs of parsonage repairs whether there is income or not. Thus if a major repair is necessary which does not conveniently occur at the time of the quinquennial survey it has to be done because of the obliged responsibilities of the Parsonages Board. Such 'interim' requests, as they are called, absorbed over 50% of the 'parsonage house repair costs' in 1982 but there is no reason why it could not be a higher or lower percentage depending on a variety of factors.

Taken together the Parsonages Fund budget is difficult to classify. It is not a statement of intentions or needs or being used as a basis for assessment allocation to parishes. It is simply a possible statement of what might happen from a financial perspective and although as Table 5.3.1 (7) indicates there was a clear resemblance between actual and budget for 1982 this is neither guaranteed as other years have indicated nor designed to be so.

The process of formulating this budget is quite simple. It is formulated by the Parsonages Secretary in June or July, it is then seen by the Parsonages Committee in September and passed without alteration. It then goes direct

* How this works is as follows. The Diocese of Sheffield which has approximately 160 houses surveys about 30 of these each year. This survey specifies current repairs and improvements and what the surveyor thinks will need to be done at the next 'quinquennial' survey. This latter estimate is costed and divided into yearly and then quarterly charges which forms part of the 'assessment on parishes' figure. The repair element of the former is also costed and undertaken and forms part of the 'parsonage house repair costs' expenditure item and when approved the diocesan cost of the improvements form part of 'capital allocation expenditure' item.

** Depending on the surveyors' assessment on the 30 houses whose quinquennial is due in the year in question.

to the Diocesan Synod in October who, acting as the Parsonage Board (see Figure 5.3.1 (1)), confirms the budget virtually without question. Thus the committee involvement in the production and confirmation of this budget is minimal - it is primarily the work of the Parsonages Secretary and based almost exclusively on his experience and insights.

Before turning to look at the other diocesan budget systems a comment or two is appropriate concerning the fund units in Table 5.2.0 which do not have budget systems. Although it is possible to see reasons for the absence of budgeting on some of the funds what does seem surprising is the lack of a budget for the Education Pool given the presence of one for the Parsonage Fund. The reason it is surprising is because, in essence, the concerns are not that dissimilar. Basically the Diocesan Education Committee has capital improvement and repair responsibilities for the 25 parochial aided* schools as does the Diocesan Parsonages Board for the 160 parsonages. Equally there is a similar quinquennial survey system which results in once-off as distinct from equalised charges to the schools' managers for a proportion of the total 15% Church responsibility. Yet these and the capital improvements are not set out in a formal budget as are the similar financial movements for parsonages.

This is not the place to explore the reasons behind this anomaly but it is important to note its existence. This is so quite simply because even though we have directed our discussion to the nature and processes of existing budgets the absence of same with respect to similar areas of concern must be seen as equally interesting.

* For information there are two types of Church schools: aided and controlled. Following the 1944 Education Act which required, amongst other things, a certain standard of maintenance all the Church schools had to decide whether they were to be maintained totally by the State (designated controlled) or that such costs were to be shared (currently 85% and 15% respectively) between the State and Church.

We now turn to look somewhat more briefly at the nature and process of budgeting in the three dioceses as depicted in Table 5.1.2: namely Bradford Blackburn and Carlisle. We will, in the following, concentrate on pertinent similarities and differences in comparison with the budget system in the Diocese of Sheffield rather than embark on excessive detailed analysis. However, as with the parishes we will give relatively more attention to the Diocese of Bradford, which we have categorised S1 rather than S2.

There is only one major budget in the Diocese of Bradford dealing with the bulk of all expenses including, parsonages, stipends, central requirements, spending committees etc. There are also informal budgets for the spending committees (which feed into the global budget) and for the Education Committee dealing with the repairs of aided Church schools (which is handled separately) but the whole philosophy of the Board of Finance is to handle all expenses together.

Despite the difference of approach which in comparative terms brings together Sheffield's General Fund, Augmentation Fund and Parsonages Fund, the actual nature of the budget varies very little. The nature is fundamentally expenditure oriented and in the main functionally related to on-going commitments and activities as Table 5.3.1 (8) indicates. As in the Diocese of Sheffield there are a number of responsibility areas (under the sub-title Education and Mission in Table 5.3.1 (3)) but these spending areas or committees once again constitute a very small part of the total budget (5.9% of the 1981 total). However, as with Sheffield, the bulk of the budget is largely predetermined either by previous policies or by decisions over which the Board of Finance has little control. As with the Diocese of Sheffield the budget is designed and set out to arrive at the bottom line figure of income requirement. Thus as Table 5.3.1 (8) indicates the key figures are those contained in the third column, the actual details of income and expenditure, although included, are of only passing interest.

The process of arriving at the budget is less formal and much quicker in Bradford. The key figure in the whole process is the Diocesan Secretary who, in

July of each year, following the Church Commissioners' Annual General Meeting when future stipend scales and diocesan allocations are confirmed, formulates a budget. His handling of spending committee requests is highly informal since he is the secretary of all the committees and thus can both specify and regulate the requirements. Once formulated in July the budget is then passed through four committees before being finally approved. These committees and dates are as follows: the General Purposes Committee (a committee of the Board of Finance) in early September where very marginal changes are made, the Board of Finance in late September, where no changes are made, the Bishops Council in October where certain policy issues* are decided (e.g. actual position on the agreed stipend range) and the Diocesan Synod in November where it is formally and finally approved.

The budget system of the two S2 dioceses differs both compared with each other and in comparison with the Diocese of Sheffield and Bradford. However, even though there are subtle and important differences of approach there is an essential similarity in the budget expenditure items namely for:

1. Augmentation of parochial priests' stipends
2. Repair costs to parochial parsonages
3. Central activities
4. Diocesan administration costs
5. Diocesan activities
6. Repair costs to aided schools

All, therefore, have an inevitable expenditure and functional thrust to the nature of the budget even though in one of the S2 dioceses there is a subtle monetarist

* In Bradford, as compared with Sheffield, the Bishop's Council has always been the key policy making body.

twist* to this orientation.

The key differences in the two S2 dioceses are in the same areas as the perceived differences between Sheffield and Bradford. A careful synthesis of the case studies of Sheffield and Bradford suggest that there are two overarching differences between the budget systems of the two dioceses - on the number and separateness of the budgets and on the level of formality involved in their formulation. Such are also the areas which encapsulate the differences both between the two S2 diocese as well as in comparison with Sheffield and Bradford.

One of the S2 dioceses has the same number of budgets as Sheffield but is much more formal in its handling of the budget process. This diocese (Carlisle) has four separate budgets (Stipend, Domestic, Parsonage and Education) covering exactly the same areas as the similarly named Sheffield funds. But the process of arriving at the budget has the air of much greater formality to it certainly as compared with Bradford but also with Sheffield as well. Items are clearly under budget cost centres in Carlisle and formal requests have to be made to the Secretary with active involvement of, and comprehensive reports for, various committees (particularly the Standing Committee of the Board of Finance, the Board of Finance itself and the Bishop's Council) in the formulation stage. However, even though there is a very high level of order and formality in the system there is still the problem, as indicated with regard to both Sheffield and Bradford, that the bulk of the budget is actually predetermined either by

* In this one S2 diocese (Blackburn) there is an agreed policy that all parishes pay 15% of their income into the diocese to cover items 3,4 and 5 in the above list. Although the actual income figure is not known when the budget is formulated the sacrosanct nature of the policy causes some degree of caution in the budget formulation of these expenditure items. In the other three dioceses although the income generation problem is a constant subtle control on expenditure there is no formal agreement as to how much is to be paid over to the diocese. What parishes are asked to pay is the balancing shortfall after the expenditure needs are decided and other income sources are settled.

past internal decisions or external forces.

The other S2 diocese (Blackburn) has only one major budget which is similar to the contents in the General Fund in the Diocese of Sheffield. The remaining items which have to be collected by the Diocese (e.g. augmentation for stipends, parsonages repairs, aided school repairs) are dealt with on a diocese to parish basis. The dominant philosophy of the Diocese of Blackburn is to devolve as much of the diocesan responsibilities as possible to the parishes. Thus it is for the parish to decide at what point on the agreed stipend scale they wish to pay their incumbent. Likewise the bills for such stipends (suitably reduced by a pro-rata allocation of Church Commissioners money) for his parsonage and their aided school are levied directly on the parish and school managers in question. A central diocesan policy in all these areas is minimised. Such a philosophy also features in the financing of the remaining diocesan budget items. As we have already indicated each parish is obliged to pay 15% of a suitably defined parochial income over to the diocese for such purposes. The parishes have over the years accepted such a tax, knowing that it will not be changed and can use such stability of information to aid their prediction of future needs given some understanding of changing income levels.

The budget process in Blackburn is highly informal handled mostly by the Diocesan Secretary with a minimum involvement of formal committee time. Informal requests are made to the Secretary in August or September by spending committees who regulates whether these appear or do not appear on the final budget depending on his experience and prediction as to how much the 15% tax should return in the forthcoming year. Once he is satisfied that the budget is feasible it then runs through the official process (Board of Finance, Bishop's Council and Diocesan Synod) both unchanged and unopposed.

This then completes our survey of the budget element in the diocesan accounting systems of the sample chosen. The length of this Section is indicative of the importance of this element in the total accounting systems of dioceses - a point which will become clearer as we look at the other elements.

5.3.2. The Budget Review Element

The following will adopt the same structure as in the above discussion. We will look at the budget review process in each of the two defined areas in the Diocese of Sheffield first and then turn to insights on the procedures in the S1 and S2 dioceses.

The budget review process on the main General Fund and Augmentation Fund in the Diocese of Sheffield is a somewhat informal procedure conducted primarily by the Diocesan Secretary with involvement by three sub-committees of the Finance Committee in particular areas. Table 5.3.2 presents some of the dynamics of this review process and provides a focus for the following discussion.

The contents of Table 5.3.2 are to a considerable extent self explanatory but as a way to highlight the important points four observations need to be made. Firstly to note that in all the 19 income and expenditure areas listed the Diocesan Secretary is actively involved. In only 5 of these does he involve the various sub-committees of the Finance Committee in any review process of budget performance. In these latter cases the review is more formal on a bi-monthly or quarterly basis. Secondly in only 2 cases is it possible to see the review process as having any active control intentions/implications. These two areas (which constitutes only 16.7% of the total budgeted expenditure) refer to expenditure where there is flexibility on the specification of totals at the budget allocation stage. As a result the Diocesan Secretary, in the review process, can ensure that overspending is not occurring. This, however, leads into our third observation namely that in a further 10 cases (which together constitutes 80.7% of the expenditure and 45.5% of the income) the Secretary keeps a regular review of progress viz a viz the budget but is powerless to do anything about the figures which are forthcoming. He can do nothing about, for instance, the comings and goings of incumbents in the parishes - if they come the Diocese must pay them if they leave the Diocese saves money. Likewise the Secretary does not have the

authority to disallow the bulk* of requests under the 'special payments' headings. A sizeable element of this is to do with removal grants for new incumbents coming to the Diocese which, of course, he cannot control. It also includes a number of things not budgeted for but required to be covered during the year on the instruction of the Bishops or other senior staff. The Secretary can therefore simply review the increase in this amount and hope that savings on the incumbents' stipends element will compensate for the inevitable upward movement in this budget element.**

Fourthly and finally in 7 out of the 19 cases although all are reviewed regularly by the Secretary the result leads to neither a clear cut ability to do something about the information forthcoming nor a total inability to change an inevitable movement. This important middle ground position holds 12.5% of the expenditure and 54.5% of the income and thus is far from insignificant in terms of the total budget.

Yet it would be wrong to give the impression that this middle ground can be dealt with as a defined homogeneous class. The 7 cases are all different and thus it is helpful to look briefly at each particular example. The 'assessment for central fund' item is, to a large extent, out of the control of the Diocese once levied. Thus any review simply indicates how much is still to be paid. Yet there is flexibility in particularly timing of payment as well as in terms of actual payment. On the point of timing the Diocesan Secretary does exercise some control in the light of a review of the total financial situation of the Diocese. Although expected to pay over to the Central Board quarterly the

* Details of these are contained on Table 5.3.1 (2) - those he has authority to control are contained in Table 5.3.1 (5).

** This was indeed the situation in 1982 as Table 5.3.2 indicates but it is not necessarily or normally the case.

amounts due this is not always done. This is because the amount payable is not legally binding and is, in fact, something of a 'gentlemen's agreement' on which defaulting can occur. The Diocese of Sheffield has not to date defaulted but could potentially do so if it so chooses.

The two quota receipts are of a similar nature to the above although this time the relationship is between parish and diocese rather than diocese and centre. The quota charge to parishes is a similar non-legal 'gentlemen's agreement'. However defaulting is more common sometimes intentionally but more usually because of lack of resources. Although parishes are encouraged to pay in monthly instalments not many do making the problem of reviewing progress very difficult indeed. The review process is considerably more intense towards the end of the current year and the beginning of the new year. If a default looks likely then some form of remedial action of a 'gentlemanly' nature will be conducted. However, only moral pressure is allowable usually by the Secretary and Chairman of the Board of Finance and is not always successful leading to shortfalls in the budget.

The two other income items which are classified 'A/P' in Table 5.3.2 ('interest and dividends' and 'property rents') are under regular review as to amounts received but with only some control opportunity possible with the information forthcoming. The Investment and Accounts Sub-Committee keeps a regular check on the portfolio of investments and the interest forthcoming and has flexibility to move investments around where returns can be improved. The General Purposes Sub-Committee who are responsible for rents on diocesan property are kept informed as to rents received, can take action with regard to defaulters through the Secretary but can do little in the short term to change the rental agreements.

The remaining two 'A/P' expenditure items in Table 5.2.3 ('grants outside the diocese' and 'diocesan office') are similarly under constant review by the Secretary but with little real control possibility. The expenditure on grants is initiated either by past precedent or by suggestions from the senior staff or the Mission and Unity Committee. As long as the payments remain within the

total then this is all the control the Secretary can exercise. The costs of the diocesan office are, to a considerable extent, fixed in the short run made up of mainly property and staff costs. However, the Secretary keeps these costs under constant review and will do the utmost, wherever possible, to keep the total either below or within budget even though the controllable element is highly limited.

In sum there is a certain informality in the review process as compared with the budget formulation. It is handled basically by the Diocesan Secretary who has little real opportunity to take any control/remedial action with the information forthcoming.

The review of the spending committees' budgets are handled either by the officers in charge or by these in combination with the Diocesan Secretary. There is a strict adherence to budget allocations and thus the review of expenditure to date is a necessary basis for determining resources available in the remainder of the budget period.

Turning now to the Parsonages Fund it is interesting, but not unsurprising, to note that no formal review is undertaken with regard to this budget. The work of the Parsonages Board continues under its own momentum with its inevitable financial implications whether budgeted for or not. Thus a formal review between budget and actual becomes a pointless exercise and the simple hope is that should the costs outstrip the income the reserves are sufficient to meet such demands.

We now turn to the budget review process of the other dioceses starting with the Diocese of Bradford. The review of Bradford's budget, as with the main funds in Sheffield, is similarly handled by the Diocesan Secretary. Such a review is even more informal but with the same problems involved in using the information to actually ensure that substantial elements of the budgets are kept in line with expectations. The only real difference between Sheffield and Bradford comes with the greater informality of the Secretary and the very fact that he is also Secretary to the spending committees and therefore is both spending as well

as reviewing expenditure to date. There is therefore little to add to the picture already presented for the Diocese of Sheffield which, with minor changes, is largely duplicated in the Diocese of Bradford.

However, there are some differences in the review process in the two S2 dioceses. In Carlisle the Stipend, Parsonages and Education budgets are reviewed in the same, somewhat informal, manner as in the Diocese of Sheffield. However, the so called Domestic budget is handled in a highly formal manner. As indicated above the Domestic budget is divided into cost centres and the review process sets out formally actual and budget figures on a quarterly basis which are discussed by the Standing Committee of the Board of Finance. Although the Domestic budget constitutes only 16.8% of the total Diocesan expenditure and contains many items which have their own momentum it is considered an important quarterly exercise to produce highly detailed cost schedules with annotated variances. However despite such formality the control possibilities still remain as limited as in the Diocese of Sheffield and Bradford.

The budget review process of the Diocese of Blackburn is similarly informally conducted by the Diocesan Secretary but somewhat different to the other dioceses very largely because the nature of the actual budget is different. The review of the stipends, parsonages and aided schools parish charges are conducted regularly to ensure that the monthly receipts from parishes are coming in as planned. Where parishes are falling behind the Diocesan Secretary will contact those involved and find out reasons, exercise moral pressure and, where appropriate, consider appeals for changes in the assessment made. The review of the budget for the General Fund concentrates initially on the quota receipts i.e. how much constitutes the total 15% charge and whether parishes are making the monthly payments to the diocese as planned. Such a review gives leadership to the level of intensity to the expenditure review. If the anticipated income is unlikely to cover the estimated budget then the review of expenditure to date will be most intense. In such a

situation the review will not only be looking towards being in line with budget allocations but will also be attempting, where possible, to alter the budget and the expenditure downwards. On the other hand where the anticipated income looks better than expected* the review process of expenditure is more relaxed with the possibilities of overspending on new unbudgeted items.** In all this the Diocesan Secretary is central - it is he and his staff who conduct this process and very rarely involve any formal committees.

This then concludes our discussion of the second element in the selected sample of diocesan accounting systems. We now turn to the third.

* The situation which has occurred consistently in the last few years.

** Alternatively, as seems to have happened recently, an excess of income over expenditure is returned in the accounts. Interestingly there is no embarrassment by the Diocesan Secretary or the Board of Finance to return such excesses - such indeed is the confidence with which this Diocesan office conducts its business.

5.3.3 The Annual Accounts Element

The annual accounts of the Diocese of Sheffield (see Appendix 11 for a sample set) are made up of 7 income and expenditure accounts (with balance sheets) and 1 receipts and payments account. The 7 income and expenditure accounts are for the General Fund, Augmentation Fund, Church in Action Fund, Parsonages Fund, Education Pool, Whirlow Grange Conference House and Sheffield Industrial Mission. The 1 receipts and payments account is with respect to Glebe. These 8 sets of accounts reflect some important fund units in the Diocese of Sheffield. The nature of many of these have already been looked at in the above discussion on the budget element. The exceptions are the Church in Action Fund and Glebe: the former being the unused part of a capital appeal fund set up in 1945 to meet the building needs following the Second World War - the income received from these assets is now used to augment stipends, - the latter being a separate fund created to collect glebe rents following the 1976 change in glebe management.*

Although we have already looked at the revenue accounts of many of the various funds when discussing the budget element it is important to make a few comments about the assets of these funds as recorded in the various balance sheets. The assets of the General Fund are made up largely of houses purchased for various diocesan officers with some small investment and cash deposits from past budget surpluses. The assets of the Augmentation Fund are made up of glebe lands, the capital in the Diocesan Stipends Fund held by the Church Commissioners, loans to clergy for car purchases and investments and cash deposits from past budget surpluses. The assets of the Church in Action Fund are largely made up of short term investments from the capital surplus from the major appeal as indicated above. The assets of the Parsonages Fund are investments and cash

* See Section 4.2.2 for more details on this change into diocesan ownership of parochial glebe land.

deposits from past budget surpluses. The assets of the Education Pool are made up of capital expenditure on schools plus the investments and cash deposits generated by the sale of redundant school buildings. The assets of the Whirlow Grange Conference House are made up of the balance of capital repairs met by Whirlow's funds and some small investments and cash deposits from past budget surpluses.

Such a seemingly normal picture of assets, and also income and expenditure to an extent, however disguises some very important anomalies in these accounts. The following will look briefly at these in the context of comments under two headings: firstly concerning the handling of particular items in the accounts and secondly concerning the inclusion and exclusion of various funds and items in the accounts.

On the first point on handling matters there are a number of comments to make relevant to the accounts in Appendix 11. Turning first to the General Fund there are two points to note. Firstly concerning the £50,000 increase in reserves on acquisition of properties to compensate the increase in the assets purchased. This notional entry is because the funding for these properties comes not from diocesan funds but from a Diocesan Pastoral Account (DPA) held by the Church Commissioners. This account to which sale proceeds of redundant churches and parsonages are earmarked is available for capital transactions of this sort but only at the discretion of the Church Commissioners. If such assets are sold the proceeds return to the Commissioners who would still earmark them to the DPA - so whose assets are they? The second point concerns Note 6 attached to these accounts. This also requires a little bit of explanation to understand its significance. If a particular parsonage, which is still in the technical ownership of the particular benefice but repaired and managed by central and diocesan authorities, is to be replaced then there may be a timing delay between the purchase of the new and sale of the old. In such a situation the Church Commissioners supply the necessary finance but on the basis of a 5% interest bearing loan to the diocese in question. This loan is to the Board of Finance

of the diocese in question who cannot secure this against the unsold benefice property since such are not in diocesan ownership. As a result in the case of the Diocese of Sheffield with a loan outstanding as indicated of £399,241 it could be seriously embarrassed if the Church Commissioners decided to foreclose on the debt! Similar problems with regard to the 'Church Commissioners - Diocese' relationship can be seen when looking at the Augmentation Fund. Both the handling of the Diocesan Stipends Fund (Capital) and the Glebe as separate items on the balance sheet registers again the uncertainty on the part of the Diocese of Sheffield as to its real ownership rights. The use of both are very tightly managed by Ecclesiastical law so, for instance, net glebe, as the receipts and payments account indicates, is required to be paid directly over to the Church Commissioners. Turning now to the Parsonages Fund accounts there is a further demonstration of this uncertainty in relation to the handling of the capital allocation from the Church Commissioners and the capital payments by the diocese for parochial parsonages.* These two items are clearly related and are rightly put together but are placed not in the income and expenditure account (as in the budget) but as an earmarked Church Commissioners 'liability' grant fund on the balance sheet - a sign yet again of the doubts around the ownership rights of Church Commissioners money.

On the second point on inclusion and exclusions of various factors in the accounts there are once again a number of comments to make. The first general comment centres around the inclusion and exclusion of various funds in totality. An interesting question is why Whirlow Grange and The Industrial Mission both have formal sets of accounts while the other spending committees (see Table 5.3.1 (5) for details) do not. It is also interesting to note that neither the balance nor the movement in the Diocesan Pastoral Account can be seen anywhere in these accounts.

* See below for details about this complex Church Commissioners - diocese - parish financial relationship on parsonage capital improvements.

The second general comment to make centres around the actual monetary totals attached to various items in the accounts. For instance in the Augmentation Fund it is interesting to note that, as in the budget, so now in the annual accounts there is no mention of gross cost of the salaries of incumbents or curates. The various amounts like funeral and wedding fees and guaranteed annuities which reduce the incumbents' salaries down to their 'augmented' level (the actual figure stated) are not shown. Likewise the payments to the Diocese from parishes for the balance between curates grants (the figure shown) and actual cost are similarly unrecorded. In a similar manner in the Parsonages Fund it is only the actual payments by the Diocese (40% of the total cost) for capital improvements on parsonages which is recorded. The 40% paid by the parish and the 20% by the Church Commissioners (which is the agreed division with the diocese picking up the balance) towards the total capital costs remain unrecorded. The final point to note in this context is with regard to the inclusion of capital expenditure* in the accounts of the Education Pool and Whirlow Grange but the exclusion of any capital value on the properties involved. Such values are basically zero rated, however, it is deemed appropriate to show all capital improvements as an asset.

Before looking briefly at the process adopted in drawing up these accounts it is worth making a few reflective summary comments about the above discussion. Two matters are of particular importance. First the accounts seem to demonstrate an uncertainty about the costs and assets of the Diocese of Sheffield. There is clearly some tentativeness with regard to knowing when an item is a cost when it is an asset or when it should be recorded at all. Secondly the presence or absence of any particular account is not determined solely in relation to the fund units of the Diocese of Sheffield - some find expression in the formal annual accounts but some do not. Clearly this seems to suggest some more local and specific reason for the presence or absence of particular annual accounts. Both these valuation doubts and local history behind the accounts are apparent in the S1 and S2 sample of dioceses. However before looking at these points

* This refers to only 15% of the capital expenditure on schools in the Education Pool due to the heavy grant support by the Department of Education and Science.

some comments on the process involved in the production of these accounts of the Diocese of Sheffield are appropriate.

The accounts are produced by the Diocesan Secretary's staff in the first month or so after the year end. The General Fund and Augmentation Fund with comparative budget figures are then presented to the General Purposes Sub-Committee and the Stipends Sub-Committee respectively in early March before being handed on to the Investment and Accounts Sub-Committee for a final review on presentation. The Parsonage Fund Accounts after being initially sent off to the Church Commissioners* are presented to the Parsonages Committee. Likewise the Education Pool accounts are presented to the Education Committee. All these accounts at this stage are unaudited. However, at the main Finance Committee (at the end of March) the Board's accounts (General Fund, Augmentation Fund, Church in Action Fund and the Glebe Account) are presented suitably audited with, from 1983, comparative budget figures. The complete set of accounts are presented to the Bishops' Council in May and then finally to the Diocesan Synod in June for formal approval.

In all these committee appearances there is very little discussion at all. The accounts pass through virtually without any question raised. The only issue which does raise some comment or question is the budget and actual relationship and any major variances involved. But generally the accounts are both a formality and formally accepted without comment.

We turn now to looking at the annual accounts of the three dioceses that make up the S1 and S2 sample. Like the budget and review elements the annual accounts of these dioceses differ quite considerably. Rather than recount at length the detailed variety we will in the following concentrate on the two

* This is done because the following year's grants are only paid out to dioceses on receipt of the previous year's accounts suitably audited. Although not audited at this stage the Parsonages Board invariably is in a cash squeeze and the Church Commissioners oblige on the basis of the draft accounts.

key elements discussed above on valuation issues and the actual unique and local make-up of the annual accounts. Such an approach helps to capture both the richness of the variety but also something of the common issues to be faced and the responses to these.

Table 5.3.3 attempts to capture some of this richness and variety in the chosen sample but set in the context of a common comparative framework as supplied through a detailed expression of the two reflective comments coming from the analysis of the annual accounts of the Diocese of Sheffield. This Table as can be seen has two sections to it: one dealing with important valuation issues where some accounting problems could be seen in the annual accounts of the Diocese of Sheffield, the other dealing with a simple classification system concerning the make-up of the annual accounts.

It is not intended to go through the detail contained in the Table since the contents are largely self explanatory. However three general comments which highlight important points are appropriate. Firstly to note that there is no common approach to the handling of these valuation issues. The only real commonality is in the uniform rejection of any attempt to place any capital value on property, particularly schools, but the common willingness to capitalise any expenditure on improvements on these unvalued assets. Secondly to note that even though certain accounts are an ecclesiastical requirement they are not always done and certainly do not take on a uniform design. On the former point Blackburn for instance fails to supply an account for glebe. On the latter point this variety can be seen in embryo form in Table 5.3.3 by the varying income and expenditure and receipts and payments nature of these ecclesiastically required accounts. In addition Blackburn with its immense number of church schools records its education work not in one account but in two. Thirdly to note the immense variety in the numbers of particular annual accounts as well as their uniquely local nature. Although Table 5.3.3 doesn't capture the detail of this, some pointers to it are apparent in the number and nature of the accounts in the bottom half of this Table. To give some further

insight into the important local nature of many of these accounts perhaps we could list the titles of one account from each of the three dioceses: Bishop of Bradford's Overseas Fund (Bradford), Whalley Abbey (Blackburn) and Dean Rashdell Memorial Fund (Carlisle). All unique and important to the local diocese but with little meaning to those outside.

One thing is common to all three dioceses and Sheffield as well - the accounts are presented to the June meeting of the Diocesan Synods with little comment either there or at any previous committees where they are seen. The annual accounts are in general a formality and formally accepted without comment.

This then concludes our discussion of the third element in the accounting systems of our selected diocesan sample. We now turn to the fourth and final element.

5.3.4 The Residual Element

The residual element in diocesan accounting systems has similar sub-elements to those discussed for parishes* namely of a recurring and non-recurring nature. We will look at each of these in turn for the Diocese of Sheffield and then make a few comparative comments for the other dioceses.

The accounts which can be classified as recurring in this sense for the Diocese of Sheffield are primarily centred around the budget allocation process to the parishes.** There are two aspects to this. Firstly on the process of arriving at what is called the 'Assessed Parish Income' (API) of particular

* See Section 5.2.4

** Although the following detailed comments apply to the allocation of the main budgets of the Diocese of Sheffield similar uses of recurring residual information are made with respect to the allocation of parsonage charges and aided schools assessments to parishes. Thus even though in both cases the allocation basis is different the basic principles and importance of the accounting system is the same. To reduce too much detail the following concentrates on only one of these schemas which deals with the allocation of the main funds.

parishes upon which the allocation is made. The API is a complex equation based on previous years' income less suitable allowances. (See Appendix 12 for the detailed mechanisms involved). Although the API has for many years formed the base for the allocation system, from 1983 onwards this has been abandoned in favour of a new system (see Appendix 13 for details) which bases the allocation not directly on past income (after allowances) but on a number of factors including membership statistics. Although the basis has changed the intention is the same: to provide some numerical criteria to allow the second stage of the allocation process to proceed.

This second stage is the detailed allocation and communication of the actual budget to the specific parishes. The allocation part of this process is largely automatic once the detailed base is calculated. Appendix 14 supplies an interesting example of this process on the 1982 budget allocation but based on both the API criteria as well as the new system.* The communication aspect is strictly speaking to deaneries not directly to parishes. Sheffield Diocesan Board of Finance have consistently held the view that the allocation is a deanery responsibility even though how much they have to find is based on the simple accumulation of parish shares. Thus, in November/December** of each year following the approval of the budget at the Diocesan Synod (see Figure 5.3.1 (2) and 5.3.1 (3) for actual dates) each rural dean*** receives a schedule of his

* A close look at the details of these figures shows what a radical and disturbing change has occurred with the alteration of the allocation system. We will not pursue this point further here but need to note these variations in the wider context that the last column reflects current income levels and that many parishes are under extreme pressure from a financial perspective.

** However, as from 1985 onwards this information will be made available in September of the previous year - see new budget timetable in Table 5.3.1 (6).

*** This is an incumbent in a particular deanery who is given this co-ordinating role on a five year cycle.

deanery allocation with parochial proportions calculated, according to the allocation schema, clearly marked. The rural dean then calls a meeting in late December or early January for parishes to deviate from or accept the parochial apportionments as listed. Although some rural deans attempt to break away from the detailed schema they are still heavily curtailed by the bottom line deanery total to which most wish to see covered by parochial commitments.* The particular commitments agreed to at this meeting form the 'gentleman's agreement' between the parish and the diocese as to quota liability for the forthcoming** year.

This whole difficult process therefore is given meaning, content and direction through the accounting information supplied on a recurring annual basis.

However, such centrality is not apparent with what could be called the non-recurring residual accounting information. Such non-recurring information is primarily related to major incremental decisions. Examples of such decisions include new appointments, new initiatives, repairs and improvements to parsonages and aided schools, movements in glebe land, sale of parsonages and churches***. However as in the parish cases, where there is a similar information relationship, the specific costing details are of a secondary, and often of minor importance. Decisions are taken not on the basis of any detailed costing estimates but on the criteria of an argument based on incremental need. The costing details

* There is, however, a channel of appeal through the Rural Deans' to the Chairman and Secretary of the Board of Finance who can, depending on the circumstances, change the deanery and consequently particular parochial assessments.

** Or present year if the meeting is not held until January.

*** As can be seen by this list most of the decisions handled by the funds listed in Table 5.3.0 are being discussed as a collectivity in the following. Clearly there are slight differences in emphasis on usage of non-recurring residual accounting information in these varied cases, however, the dominant homogeneity of this group is still clearly apparent from the perspective of the points being made.

either are not considered or are only referred to in passing in the various initiating committees although more budget related questions are raised when* a final decision is taken by the Diocesan Synod.

Clearly the financial implications become more apparent when the budget is being agreed which, of course, reflects the accumulated once off and unrelated decisions throughout the year. It is usually at this stage that more cost related questions are raised but with little real potential implication since the decisions have, in effect, already been taken and are in the process of being executed. In this sense such decisions are not faced and formulated in the context of total expenditure and total income (i.e. at the budget formulation stage) but are made under the partial belief of resource abundance. Clearly it is partial since there is a constant background sense of resource shortages but the detailed nature of this and its effect on which initiatives are to proceed and which not is never articulated.

In all three of the other dioceses (Bradford, Carlisle and Blackburn) highly similar, and similarly used, recurring and non-recurring residual accounting information can be seen. The recurring information in the other dioceses is totally taken up with the calculation and allocation of the budget to the parishes. Although the basis used to allocate the budget (in Bradford and Carlisle) and to collect income to meet the budget (in Blackburn)** is different from Sheffield the intentions and the dominance of the accounting information system in formulating actual parochial, as distinct from deanery***

* Most major decisions except parsonage and aided school repairs which are handled exclusively by the Parsonages Committee and Education Committee respectively are taken through the committee structure to the Diocesan Synod.

** This distinction is necessary due to the different approach to covering the costs adopted by Blackburn (see Section 5.3.1 for more details on their '15% tax' approach)

*** All three of these dioceses do not, unlike Sheffield, make allocations to deaneries but deal directly with parishes.

forthcoming quota or share payments are the same. But, as with Sheffield, the allocated share or quota, as specified through the accounting system, remains a 'gentleman's agreement' as an obligation rather than some legally binding contractual relationship.

The non-recurring residual accounting information, as with Sheffield, is similarly aligned to once-off new diocesan initiatives. In a similar manner there is a tendency to see the necessity of the project as being paramount with cost factors secondary although there are clearly different emphases involved in the three dioceses. In Bradford, where resource shortage is a highly critical factor, the information on costs plays a bigger part in the process. But this is expressed not in terms of the initial decision but rather with regard to how to minimise the financial cost on the budget e.g. exploring job sharing with local government social services on particular new appointments. These decisions, however, are not made at the budget formulation stage but are, like Sheffield, made throughout the year but with the constant resource shortage problem in very general terms always present. In Carlisle, not unsurprisingly with its more formal orientation, new initiatives are decided at the budget formulation stage and thus the financial effect clearly plays a bigger part. New initiatives in Blackburn, according to the Diocesan Secretary, are not in great abundance. However, where they do occur with the particular monetarist approach adopted by this Diocese they are set firmly within the criteria of an 'ability to pay' based on current levels of income. In this sense they can occur in the year in question providing income levels allow but they cannot be set in motion until such assurances are guaranteed. Thus in Blackburn possibly more so than in any diocese of the selected sample financial information plays a bigger part in the decision although still the dominant argument, in the rare cases involved, is for the necessity of the initiative, seeing the finance problem as an unfortunate constraint.

5.3.5 Some Concluding Comments

As a way to conclude this Section we will draw together the points in terms of questions which are both implicit in the analysis and can also form a focus for the contents of Chapter 6. The following will pose these questions primarily at the Diocese of Sheffield case but with a concern to allow generalisations to emerge these will be expanded, where appropriate, to give direction to these possibilities. The nature of these questions are listed together in Table 5.3.5 divided as in the parochial discussion above (in Section and Table 5.2.5) into five major sections.

The questions in the latter four sections naturally come out of the detail contained in the above discussion and provide a convenient summary of the main themes forthcoming. However the first question is more reflective and general and in closing this Section it seems appropriate to make one or two comments about this.

The dominant work of the Diocese of Sheffield as an entity is as a support system of the parochial super-structure. One important aspect of this is the collection and redistribution of parochial money to which the accounting system could legitimately be seen as a vital information network to set and order priorities. Yet although it is clearly present it's real significance in this area is highly limited. As we have indicated the budget system although reasonably sophisticated fails to order priorities and seems to be unable to present any real alternative schemas; the budget review system fails to achieve any real control over expenditure; the annual accounts are of little significance or importance to anybody; the non-recurring information while produced plays a very small part in major decision making; the recurring residual information on the other hand plays a vital part in the final allocation of the budget to individual parishes.

In sum, and in comparison with the parochial examples, the accounting system of the Diocese of Sheffield has both a great presence as well as a greater significance in the life of this enterprise yet it still does not hold a central

position in formulating the nature of it's activities.

Clearly such a general question underlies many of the other more detailed questions which follow in Table 5.3.5 and undoubtedly an adequate answer to this will help answer these. Thus, as will become apparent, it is this more general question which will form the initial focus for the critical explanatory discussion in Chapter 6.

5.4 ACCOUNTING SYSTEMS FOR THE CENTRAL ACTIVITIES

5.4.0 Some Introductory Comments

Unlike the previous two sections where it was both possible as well as appropriate to look at the detailed accounting systems of a number of parishes and dioceses respectively this is neither possible nor appropriate with respect to the various central units. As discussed in Section 4.2.3 a number of centralised funds have emerged over the centuries which, despite being collectively active in Church affairs, are basically separate entities both geographically, culturally and in terms of work activity which leads to very different approaches both in accounting systems and otherwise. There are basically five such units of activity which can be considered separate in this sense: the Church Commissioners, The Central Board of Finance*, the Investment Fund of the Central Board, the Pensions Fund and the Corporation of the Church House. Although in a number of cases these clusters coincide with fund units this is not the basis for the division since many of these also have their separate sub-elements often working with their own funds. The real differences are to do with function, culture, nature and history which are so markedly different that any detailed comparison, unlike parishes and dioceses where there is some potential, although not guaranteed, commonality, becomes largely a pointless exercise.

As a result the following will take one of these major units - The Central Board of Finance (CBF hereafter) - and explore in some detail it's particular accounting system. In addition, and so as to demonstrate something of this incompatibility of these five units listed above, the Section will end with a brief look at the accounting system of the remaining central units giving

* which includes a number of funds particularly the General Synod Fund our central 'P' site - see Section 5.1.2 above.

somewhat more attention to the Church Commissioners.

To aid some form of comparison with the discussion in the previous two sections we will start, as we did before, by looking at fund units and accounting aspects based on the four elements highlighted previously. The summarised picture of this is presented in Table 5.4.0. For the same reasons as discussed in Sections 5.2 and 5.3 we will not, in the following, discuss the nature of these various fund units per se but allow the discussion on the accounting system elements to supply this. In addition so as to reduce unnecessary detail the recording system element will be ignored.

Thus Sections 5.4.1 to 5.4.4 will look at each of the various accounting elements in turn. Section 5.4.5 will make some brief comments about the accounting systems in the other major functional units at this central level giving particular attention to the Church Commissioners and the final Section will provide the customary conclusions.

5.4.1 The Budget System Element

To allow some comparison with the budget systems in parishes and dioceses we will, as before, discuss the CBF's system in terms of nature and process.

The nature of the CBF's budget system is expenditure oriented, predominantly functionally related to particular areas (e.g. staff salaries, training etc) but set very firmly in a responsibility framework. Tables 5.4.1 (1) and 5.4.1 (2) and Appendix 15 capture some of these various facets set in the context of the detailed estimates for a three year cycle (1982 to 1984). Table 5.4.1 (1) provides an overview of the basic nature of the budget. As this Table shows the budget is totally expenditure oriented and set up in such a way which leads to the important 'bottom line' figure to be allocated out as a charge to dioceses. It is predominantly functional (i.e. costs of training, grants and provisions etc.) but this is disguised somewhat by the responsibility centre emphasis in terms of allocations to the Central Services Departments and the Advisory Committees

Permanent Councils and Commissions.* However, as Table 5.4.1. (2) indicates, as does a cursory look at Appendix 15, these allocations to boards and councils, which amount to 45.7% of the total expenditure for 1984 (41.1% in 1983, and 46.5% in 1982), are totally functional in nature (e.g. staff salaries, establishment costs etc.).

Before looking at the process of arriving at this budget three further points concerning its nature need to be made. Firstly concerning the importance of the 'Training for Ministry' element. As can be seen this amounts to approximately 48% of the total expenditure for 1984 (53.7% in 1983 and 47.1% in 1982) but this high percentage of the total budget has not always been the case. As Table 5.4.1 (3) demonstrates there has been a marked and dramatic change in the position of these costs relative to the total apportionment to dioceses.** There has been both an upward drift and major forward lurches in this cost centre which has far outstretched any natural inflationary rise.*** The second point to note is the very high staff and buildings elements in the cost allocation to the various responsibility centres. Based on the figures in Table 5.4.1 (2) staff salaries and expenses constitutes 76.0% and establishment costs 15.3% of the 1984 net cost total (75.6% and 15.8% in 1983 74.6% and 16.5% in 1982 respectively). In fact it is the staff, not unsurprisingly, of the

* We will look at these in more depth below when looking at the process of arriving at the budget although Appendix 15 supplies some important detail on these various responsibility centres.

** Although it may appear that the figures contained in Table 5.4.1 (3) are somewhat biased by setting against the General Synod costs all grants, interest royalties etc. this is not so since such income items, according to the CBF, are apportioned in this way.

*** In fact as can be seen in Table 5.4.1 (3) General Synod costs have gone down in real terms whereas the Training for the Ministry costs have exceeded inflationary rises by over 500%.

various responsibilities centres which generate the work which, in turn, generates the remaining cost items. Due to the dominance therefore of staff involvement in the cost factors Table 5.4.1 (4) gives some details on numbers and changes in this workforce over a period of years which shows a slow increase over time but a net decrease as compared with, for instance, 1971 staff levels of 204 full time employees. The third point to note is both the dominance and stability of particular items which make up the last three cost elements in Table 5.4.1 (1) (Grants and Provisions, Anglican Activities and Ecumenical Activities). As can be seen from the detailed analysis in Appendix 15 it is only the smaller items which in any way vary, the majority are inflation adjusted contributions to established ecclesiastical institutions (e.g. Anglican Consultative Council, British Council of Churches etc.) to which the Church of England has long standing links.

Having seen something of the nature of the CBF budget we now turn to a discussion concerning the process of arriving at such commitments. As in the case of the dioceses we need to start by understanding the organisational arrangements of the General Synod's full time staff who service and are linked to the various boards and councils* of which the CBF is one. Figure 5.4.1 presents a selected summary of some of the more important arrangements highlighting particular boards, councils and committees which play an important part in the budget formulation process. There are four points of significance to note coming out of this organisational chart. Firstly that all the boards and councils highlighted have been largely generated by, and are beholden to, the General Synod. As indicated in Section 4.2.3 only the Central Board of Finance and the Advisory Council for the Church's Ministry were in being at the

* As in other levels of the Church of England the CBF is organised around various formal committees whose members are always made up of non-full time staff.

inauguration of the original National Assembly* and they were soon reconstituted to be beholden to such a governing body. Thus it is to the General Synod reports are given and directions received. Secondly to note that even though all the boards and councils are beholden to the General Synod they are also technically beholden to the Central Board of Finance. The CBF is the financial executive of the General Synod and as a company in law has the only rights to both receive and spend money on behalf of all the boards and councils. Thus the budgets and accounts are technically in the name of the CBF even though the main and dominant fund they control is termed the General Synod Fund. Thirdly to highlight the important point that these officers and the boards and councils they service form natural and clearly differentiated responsibility cost centres to which budget totals are allocated. Table 5.4.1 (5) divides up the 1984 budget according to these centres, the detailed figures of which can be reconciled with those in Table 5.4.1 (2) and Appendix 15. However, such cost centres even though partially autonomous are still beholden to the CBF's controlling influence and authority. Fourthly and finally it is important to note the centrality of the Joint Budget Committee (JBC hereafter) in the financial relationships between boards and councils. The JBC, made up of equal numbers from the General Synod's Standing Committee and the CBF, is the major formal committee involved in the detailed formulation of the budget. However, even though it is 'joint' and organisationally separate from the CBF when particular policy issues need to be referred to higher authorities it looks not to the Policy Sub-Committee but to the CBF, primarily the Standing Committee (Executive) for guidance.

* Which metamorphosed into the General Synod

The detailed process involved in formulating the final budget is a complex process starting fifteen months before the budget period and ending nine months later. To capture some of this complexity Tables 5.4.1 (6) to 5.4.1 (8) trace the various stages in the budget formulation process for the three budget years 1982, 1983 and 1984. It is not intended to comment in detail on the contents contained in these tables since they are intended to be self explanatory. However, there are four matters of importance which need to be drawn out from these Tables.

Firstly to note the overarching importance of the original forecast sent out to dioceses in January and their comments in the final budget design. Despite an extremely comprehensive and laborious procedure of consultation between the JBC and the boards and councils ultimately it is the original forecasts and responses by the diocese which are the important factors. For instance the 1982 and 1984 forecasts were reasonably received with but minor dissension by the dioceses. As a result the JBC meeting in April had an overarching concern to get the estimates made after detailed negotiation as near as possible to the original forecast. For the 1983 budget, on the other hand, the forecast was met with immense hostility by the dioceses particularly with regard to the training costs. As a result ways had to be found to reduce the total budget to a more acceptable level which was achieved by the various actions as presented in Table 5.4.1 (7).

The second point to be drawn out from these Tables is the very important position of the Secretary and Deputy Secretary of the CBF in the budget formulation process. They are the key people throughout the whole process but are particularly important on certain crucial occasions. For instance it is they who actually draw up the original forecast which, after minor changes by the JBC, is distributed to dioceses and plays such a large part in the resulting budget. It is also they who work closely with the chairmen and secretaries of the various boards and councils during January to March to modify the requests before being put together and presented to the residential meeting of the JBC in March/April.

They are also present and active in all these JBC meetings.

However, having showed the dominance of the CBF's Secretary and Deputy Secretary this needs to be set in the wider context of the nature of the budget. As already discussed above the budget items, like so much in the Church of England, has, in large measure, a momentum all of its own which clearly reduces the power of any dominant actors. We have already seen that the total budget is made up of training costs (grants to students and maintenance of theological colleges), salaries of contracted CBF personnel whose salaries are tied to Civil Service Scales, establishment costs of Church House and ongoing commitments to various anglican and ecumenical activities all of which cannot be altered or affected by the CBF's Secretary or Deputy Secretary alone. Thus, in sum, although these actors are very important in the budget formulation process their power is largely curtailed by the nature of the budget itself.

This brings us to the third point which needs to be highlighted concerning the highly limited perceived* areas for change available to the various bodies in the formulation of the budget. Thus, for instance, in the 1983 budget where real savings needed to be made it is interesting to note that these were achieved not through real cost cuts but by changing reserve arrangements and increasing income subventions. Such moves were undoubtedly partly to do with minimising the damage caused but of greater importance was the genuinely held belief that, in large measure, the costs could not be cut i.e. ordinands could not be refused a training, staff in the CBF should not be removed from posts, support of various activities could not be stopped etc.

* Clearly what can and cannot be changed is largely a perceptual problem - the unchangeable is more often or not, not physically but emotionally unchangeable i.e. we want to leave it as it is. We are in the following attempting to adopt the perceptions of the primary actors.

Fourthly, and finally, it is important to make one or two points concerning the purpose of the long term plans and how they relate to the yearly budget. The long term plans of the boards and councils vary quite considerably but they do have one thing in common: their respective views on future full time staff requirements. It is this factor which dominates discussion in the JBC meeting in October and provides an opportunity to offer some cautionary or encouraging comments on both immediate requests and more longer term requirements. But neither the JBC nor the Policy Sub-Committee, who also see the plans, have an opportunity to fully discuss the overall strategy of boards and councils either individually or in a collective weighted sense interpreting these into resource needs. The discussion concentrates only on expected incremental changes which gives some prior warning for both current and future possible budget requests.

Although the above four points are not intended to capture all the detailed richness of either the budget process or the contents of Tables 5.4.1 (6) to 5.4.1 (8) they do highlight important points of both. These, together with the contents of the Tables, therefore, provide an adequate picture of the budget process at present to allow us to proceed to a discussion of the second element in the CBF's accounting system.

5.4.2 The Budget Review Element

The budget review process in the CBF is a somewhat informal procedure in terms of committee involvement but one which is structured in such a way that maximum control is exercised where it is possible to do so. Such control is greatly assisted by the way the final budget is approved and thus it is necessary to appreciate something of this procedure to give the discussion of the budget review some contextual meaning.

The budget of the CBF is designed around certain 'Votes' of expenditure which once approved by the General Synod are assumed to be realised unless supplementary Votes are requested during the budget year. At present there are 6 such Votes the nature of which are presented in Table 5.4.1 (1). However,

previously there were 7 Votes when the 'Service of loans' was still an item of expenditure (see Table 5.4.1 (1)) and even earlier there were 33 which gave a very detailed controlling intention to the General Synod as can be seen by the comparative figures using the two schemas for 1981 in Appendix 16.

There were three major reasons/implications put forward for the change which need to be appreciated if we are to understand the current budget review process. Firstly, the argument was made for a greater devolution of review and control from the General Synod to the CBF. The argument was that Synod is concerned with broad policy issues and should allow it's financial executive (the CBF) the authority to exercise detailed control. Secondly because a large volume of supplementary Votes seemed to be occurring with such a tight system leading to both acrimony, delays and excessive synodical time involvement. Thirdly so as to allow some justifiable 'virement' inside the votes subject to broad policy constraints.*

Thus, in sum, the General Synod as a governing body has relaxed it's controlling interest in budget performance and delegated such concern, with some considerable flexibility, to the CBF. However, as the 1982 budget and actual figures indicate (see last two columns in Appendix 15) this power of virement has not been exercised by the CBF largely because of the review process adopted which involves a very guarded delegation of spending authority and control to the separate boards and councils for Votes 2 and 3 particularly.

Before looking at this review process for these two important Votes we need

* These policy constraints were, and are, threefold. Firstly to disallow virement on Votes 4,5 and 6 of Table 5.4.1 (1) (or 5, 6 and 7 in Appendix 16). Secondly not to allow virement to finance any new commitments or major changes of policy without the prior agreement of the General Synod Standing Committee. Thirdly not to allow virement to finance any net increase in the full time total staff force of the General Synod's boards and councils.

to appreciate the somewhat different procedures adopted for the remaining ones (Votes 1, 4, 5 and 6). The 'training for ministry' Vote although strictly speaking under the control of the Advisory Council for the Church's Ministry (ACCM) (see Table 5.4.1 (5)) and under constant review as to amounts expended is both the least controllable as well as the most protected of the Votes. It's lack of controllability is because the total cost is dependent largely on numbers in training and the Local Education Authority grants students can obtain towards the cost of fees and subsistence. Neither of these factors can be foretold accurately and thus *the budget remains largely uncontrollable given* that the policy is to train whoever is accepted by the various ACCM appointment boards. It is for this reason that this budget is the most protected by a careful use of reserve funds, originally 20% of total annual cost now 15%*, which can be drawn on or supplemented depending on the actual to budget relationship. Thus by the use of these reserves this Vote is always achieved as Appendix 15 indicates.

While on the matter of reserves it is worth noting the reason for the General Synod Fund reserves (originally 10% of total annual central service costs and now 7½%)*. Basically these reserves are there to cover any major additional votes as well as a source to reduce or increase budget requirements in future years. The former is to prevent the politically difficult and damaging need to go back to dioceses mid-way through a budget year for supplementary finance. The latter is possible due to the accepted rule that reserves should be at a certain percentage level relative to the costs of central services - where they are below the required level then they must be

* These percentage reductions have only just recently occurred - see Table 5.4.1 (7) on the 1983 budget formulation.

supplemented out of the forthcoming year's budget; where they exceed such requirements the surplus can be used to reduce the forthcoming budget.

We turn now to the review of expenditure under Votes 4, 5 and 6 which can be seen as a homogeneous group. The budget review of this group which contains appropriated items where virement is not possible is largely an automatic activity conducted by the CBF's accounting staff and is simply ensuring that payments to the various bodies are periodically made, but not exceeded, based on the individual agreements between the CBF and these organisations. As a result, as Appendix 15 indicates, budget and actual are virtually identical.

The CBF's control and review of Votes 2 and 3 is somewhat more subtle and interesting. Basically the CBF's philosophy is to delegate the control and review process to the respective boards and councils but not in totality. Each board and council is basically given their agreed budget less staff costs and establishment charges under the various headings as indicated in Appendix 15 but not as a cash grant. All payments are made by the accounts office of the CBF who, in effect, become the controlling influence over the budget achievement of these non-staff and establishment items. Thus virement even with respect to this reduced budget responsibility can only be achieved after negotiation with the accounts office. However, virement with respect to savings on staff salaries is virtually impossible with the structure adopted since boards and councils are unaware of savings until the final accounts are produced.

This virtual total control over the amount expended of the boards' and councils' budgets by the CBF leads to some considerable and successful actual results viz a viz budgets as Table 5.4.2 demonstrates. As this Table indicates there were sizeable savings on salaries for 1982 which were not used (even though they could have been) on the other expenses of the boards and councils. However, even with respect to this part of the budget, which the boards and councils do have limited authority over, there is a tendency not to spend up to

the maximum available and only to call for extra resources when matters outside their direct control necessitate.*

The budget review process is conducted almost exclusively by the accounts office of the CBF with no committee involvement. The accounts staff make payments on the non-staff and establishment elements on the basis of demands from boards and councils. They keep a close watch on amounts expended to date and formally produce quarterly accounts of actual and budget for all boards and councils. These accounts are reviewed as a totality by the Accountant and Deputy Secretary of the CBF and sent individually to the respective boards and councils. Such reports, however, are simply an information service rather than supplying a basis for remedial action due to the careful control exercised by the accounts office when payments are made.

In sum the budget review process is highly informal but very effective in keeping actual figures in line with budget given some protected 'cheating' through the use of reserves on the somewhat uncontrollable major 'training for the ministry' element.

5.4.3 The Annual Accounts Element

The annual accounts of the CBF (See Appendix 17 for a sample set) are made up of 2 Income and Expenditure Accounts with Balance Sheets (for the General Synod Fund and the Central Church Fund) and 4 separate Balance Sheets/ Fund statements (Training for the Ministry Fund, Church Colleges of Education Capital Fund, Theological Colleges and Training Houses Fund and Church Schools

* In fact a careful look at the budget and actual figures for 1982 in Appendix 15 shows that all unfavourable variances are caused by factors which are outside of the direct control of the boards and councils (e.g. expenses relating to the Papal visit (General Synod) members expenses (General CBF), sale of publications (Publishing CBF) etc.

Fund).

Before making some comments about these accounts it is helpful to appreciate something concerning the general nature of these funds which are recorded therein. We have already noted the nature of the General Synod Fund which basically deals with all the work which is generated by the Synod and structurally organised through the various boards and councils. The Central Church Fund as we indicated in Section 4.2.3 was the original fund set up by the CBF on its inauguration in 1915 with the broad brief 'to meet any needs of the Church of England.* The Training for the Ministry Fund was the original fund of the Advisory Council for the Church's Ministry which predates the CBF (see Section 4.2.3). It used to deal with all training matters until quite recently but now simply handles the various earmarked funds built up over many years for specific grants for particular training needs. The three remaining funds are capital building funds for various educational establishments and a brief description of each is contained in the accounts in Appendix 17. Basically these funds are the outcome of a perceived need and centralised response to improving the buildings of colleges of education (Church Colleges of Education Capital Fund) theological colleges (Theological Colleges and Training Houses Fund) and aided schools (Church Schools Fund).

The accounts of these funds are all reasonably straightforward with few issues of significance to discuss. However it is worth highlighting two points which are to a certain extent, following the overarching concern of this Chapter, statements concerning these annual accounts yet in another sense go

* Although based on the figures contained in Appendix 17 how this is interpreted today is, in large measure, in terms of a substantial annual grant to the General Synod Fund and, for 1982, a once-off substantial grant to the Theological Colleges and Training Houses Fund.

beyond such considerations. On the grounds that they are more the former than the latter they are made here rather than in Chapter 6.

The first point to note about these accounts is the way these highlight and reinforce the separateness of the various funds. Not only are there 6 funds with 6 separate sets of accounts which are totally divorced from one another but inside each are further clearly defined sub-divisions. In this sense either the accounting system leads or certainly reinforces a very split financial world.

The second point to note is the perceived necessity of the CBF to hold high cash or near cash reserves and the partial mystification or disguising of this by the design of the annual accounts. As Table 5.4.3 indicates the cash deposits or near cash deposits (investments) constitutes 52.5% of the total collective assets of the various funds taken together. Such a percentage becomes even higher (86.5%) if grants to theological colleges are ignored about which there is some doubt as to their asset status to the CBF.* Thus taken together the CBF has substantial cash reserves but the full magnitude of this is disguised somewhat through the annual accounts. There are two aspects to this. Firstly the splitting and sub-division of funds leads to a natural dissemination of cash reserves over a number of different headings. As a result subventions to the General Synod Fund which, in large measure, come from other funds' cash reserves are seen not as a right and something to be increased through diocesan appeal but accepted as an act of generosity.**

* These grants are grants to colleges the total assets of which do not appear on the CBF accounts. These grants are not intended to be repaid unless, as indicated in Appendix 17, the college in question ceases to be a Church theological training establishment.

** In fact it is interesting to note as a reinforcement to this point that it was not the dioceses but the CBF who initiated and changed the rules for holding cash reserves for the 1983 budget resulting in a major release of funds to increase the subventions.

Likewise vast sums of money can remain locked into somewhat defunct funds* with never a question raised due to uncertainty as to rights of usage. Secondly the actual picture of the cash reserves is somewhat mystified by the relationship between the Central Church Fund and the other funds. At various places in the accounts of the other funds major cash reserves are marked 'Deposits with Central Church Fund' which, to the somewhat uninitiated, reinforced by the confusing note in the accounts of the Central Church Fund, could relate these to the 'Unappropriated Funds' of this Fund. Yet the two are separate: the cash reserves of the other funds use the Central Church Fund as a banker - the interest paid being recorded on the Income and Expenditure Account of this Fund (£138,476 for 1982) but the capital is not. The Unappropriated Funds of the Central Church Fund are the accumulated surpluses from interest and donations which have not to date been distributed to meet other 'needs of the Church of England.'

Although other points could be made concerning matters which come out of these accounts we will not pursue these here but rather turn briefly to look at some procedural matters on the production and reception of these accounts. The accounts office of the CBF produce the annual accounts during the first few months of the new accounting year. The provisional unaudited figures of the General Synod Fund feed into the budget process by supply some comparative figures on previous years' actual and budget performance. However, the other accounts are not seen by any committees until the CBF Standing Committee (Executive) meeting in April when the full set of annual accounts are received

* The Church Colleges of Education Capital Fund is a classic example.

along with estimates for the forthcoming year. The annual accounts then are also received by the June Annual General Meeting of the main board of the CBF and the July meeting of the General Synod. At both of these meetings as well as the April Executive the annual accounts for the previous year and the estimates for the forthcoming year are handled at the same committee session. As a result what discussion there is, which is undoubtedly very limited, centres not on the accounts but on the estimates.

In sum the annual accounts are formally produced and received rather than being a vital source of information for any clearly defined purpose. Their nature registers an important demarcation of separate fund units of the CBF which somewhat mystifies the total cash reserves that the CBF holds.

5.4.4 The Residual Element

The residual element in the CBF's accounting system is largely of a recurring nature using the definitions we have used previously. There is some non-recurring accounting information of this residual type with regard to The Church Schools Fund and the Central Church Fund for the use of formulating appropriate grants to respective applicants. There is also some use of similar information when evaluating the applications for grants for future ordination candidates. However, major decisions with respect to the major General Synod Fund are faced at the budget formulation stage rather than, as with parishes and dioceses, on an occasional basis. Thus any supporting information forms part of the budget process which therefore is not classifiable as non-recurring residual information in the sense we have used it here and in previous sections.

The recurring residual accounting information of the CBF is, as with dioceses, concerned with the apportionment system of the budget to the respective dioceses. As with dioceses this formal information plays a totally decisive part in the decision on what amount will form the allocation and consequent gentlemen's (obligatory) agreement between the CBF and the respective dioceses.

As with The Diocese of Sheffield the CBF's apportionment basis has recently been changed and it is valuable to appreciate some of the issues surrounding

these changes. Up until, and including the 1983 apportionment the basis used was on current parochial and diocesan income of the most recent year when full statistics were available. The system was thus similar to a taxation assessment under strict rules as to the income to be included in the formula.* However, such income did not include the historic resources (endowments) which each diocese, in somewhat disproportionate amounts, enjoyed.** As a result those dioceses who had greater historic resources needed less current income and consequently paid less to central funds. Such an anomaly was bearable when pressure on diocesan finances was not acute. However such pressure has been growing and came to something of a head at the July 1982 General Synod when approving the estimates for 1983. At these sessions apportionment was discussed and a further*** working party was appointed by the CBF with a clear brief to institute changes and quickly. The working party not only reported on progress but proposed a new system of apportionment at the July 1983 session of General Synod to be used on the 1984 budget which was to be approved at the same meeting. The new apportionment formula, which was accepted by the General Synod overwhelmingly, is presented in detail in Appendix 19 but in simple terms supplements current income of respective dioceses and parishes with income from historic resources and makes some adjustment to these figures with respect to 'potential' based on membership, average wage and unemployment factors of the

* For details see Appendix 18

** See Section 5.4.5 for more details on this

*** The CBF had already, on the rumblings from dioceses, appointed a working party in 1979 to look at the historic resources.

diocese in question. Table 5.4.4 gives some comparative figures on the allocation of the 1983 budget based on the present current income system, on a combination of current and historic income and on the proposed system. As these figures indicate the change in the system affects every diocesan allocation to a greater or lesser extent but such partisan considerations did not alter an overwhelming level of support at the General Synod for the new approach.

The actual detailed application of the formula to arrive at specific apportionments is largely a clerical exercise conducted by the CBF's Deputy Secretary however it is formally approved by a number of committees. Once the March/April residential meeting of the Joint Budget Committee is finished the budget formulation process is normally* complete and the CBF's Deputy Secretary can produce a provisional allocation schedule. This is then formally presented to the May meeting of the CBF Standing Committee (*Executive*) following their April meeting where the estimates are approved. The apportionments are noted and approved at this meeting and then passed on for formal approval by the CBF's Main Board meeting in June where the estimates for the forthcoming year are also received. Such estimates and apportionment are then presented at the July session of General Synod where each are approved separately.

In sum recurring residual accounting information is totally to do with apportionments and plays a dominant part in the allocation process. Non-recurring residual accounting information is virtually non-existent in the CBF due largely to the centrality of the budget process to capture incremental decisions concerning increases in staff and other new initiatives.

* Although not for the 1983 budget - see Table 5.4.1 (7).

5.4.5 Some Insight into the Accounting Systems of the Church Commissioners

Although access to data on the accounting systems of other central units was largely limited to the annual accounts of these enterprises it was possible to gain some more meaningful insights into pertinent accounting characteristics of the Church Commissioners. Thus the following will concentrate on these insights but will conclude with a few comments coming out of a study of the annual accounts of the other central units.

Before looking at some detail at the accounting system of the Church Commissioners it is helpful to appreciate something about the organisational structure of this body to set the finances and accounting in context. The formal organisational structure is as indicated in Figure 5.4.5. The members of the boards and committees' although made up of relevant experts, are led and directed, even more than in the CBF, by the large full-time specialist staff of the Church Commissioners. However, the formal committee structure does register an important division in both the concerns of the Church Commissioners as a whole as well as in the specialisms of the staff. This basic division is between matters concerned with finance and buildings/pastoral. The finance and consequent accounting matters are handled by two partially independent committees: The Assets Committee (on the income and assetbase) and the General Purposes Committee (on expenditure issues including stipend levels). The buildings/pastoral matters are handled by three committees directly related to the Board of Governors. The Board of Governors are much more active and encouraged to be so with the latter as compared to the former which is clearly apparent from the formal structure. A not unreasonable conclusion from this is that policy issues with regard to financial matters are minimal and consequently the detailed handling of such concerns should be the province of experts and specialist committees. In sum the financial and accounting matters are largely handled, with considerable independence, by the Assets Committee and the General Purposes Committee and the specialist staff who support them.

We will in the following, as we have done previously, look at the accounting

system under the four now familiar elements: budget, budget review, annual accounts and residual. However, due to a limitation on access to insights these comments are of necessity somewhat brief.

The nature of the budget is fundamentally an income led distribution mechanism. It's purpose is to predict the likely income levels and costs of known commitments to arrive at a figure for distribution on a once-off basis to needs which are the obliged concern of the Church Commissioners. The various aspects of this exercise can be seen in Table 5.4.5 (1) which is a reconstructed budget equivalent statement based on the figures in the 1982 accounts (which are given in full in Appendix 20). As this Table indicates the budget is addressed to attempting to predict the General Fund income for the forthcoming year and the likely costs of the ongoing 6 'permanent commitments' as listed. This then gives an indication of resources available* for annual once-off allocations which usually are for the same 3 areas as indicated in Table 5.4.5 (1).

Before looking briefly at the process of arriving at this budget we need to make one or two points concerning these permanent commitments. Firstly items 1,2,3,5 and 6 are, in large measure, predetermined either by legal obligation or by factors which are largely out of the Church Commissioners control. The administrative costs (item 4) is somewhat different although a substantial part (69.2% of the total) of this is in respect of the large full time staff force (375 at the end of 1982) whose contracts are on-going. Secondly that items 2 and 5 are made up of an amalgum of disproportionate specific diocesan allocations. A recent report by the Church Commissioners (1983) has published for the first time the details concerning this allocation and Tables 5.4.5 (2) and 5.4.5 (3)

* As the figures indicate for 1982 the commitments (both permanent and annual) outstripped income due to errors in the prediction of the latter.

taken from this Report highlight important differences both in total and in terms of per clergyman between dioceses. We will not pursue this complex differential here although it is important to note its presence. The point, at this stage, is to make plain that items 2 and 5 of the permanent allocations in Table 5.4.5 (1) are accumulated diocesan totals of various individual income sources whose nature is historically and legally determined. Referring back to Tables 5.4.5 (2) item 2 of the permanent allocation is made up of columns 2,3,4,5,6,7, and 9* and items 5 constitutes columns 12 and 14.

The process of arriving at this budget is a complex balancing act between income and expenditure (on permanent allocations) projections conducted over a number of months before the Annual General Meeting. The General Purposes Committee is the primary body involved in this complex procedure receiving income projections from the Assets Committee and generating various expenditure estimates over which it has control or calling for estimates from other specialist committees (e.g. Houses Committee). The outcome of this exercise is some budget estimate with suggested amounts to be given away in annual allocations. Such annual allocations** are confirmed by the Board of Governors and declared at the Annual General Meeting of the main Church Commissioners in June each year when the accounts are received and forthcoming stipends scales are announced.

* As a completion of this somewhat complex picture of the total cost (of the other clergy, deaconesses) and how it is funded Table 5.4.5 (4) attempts to portray the many elements involved in this process.

** Although the annual allocations as recorded in the accounts refer to the accounting period the actual allocations announced at the AGM are a mixture of calendar year and tax year promises. Thus the annual allocation with respect to other clergy etc. (which is usually announced in a combined total with the 'perpetuity grants' - see Table 5.4.5 (4)) is for the forthcoming tax year to coincide with the stipends scale which refers to the same period. The other two annual allocations are for the forthcoming calendar year.

The budget review process is very informal with little intention of curtailment of activities should income projections fail to be as predicted. The accounts staff keep a regular check on income and expenditure to date noting the former and ensuring that with respect to the latter that commitments agreed are met and, where appropriate, ensuring spending is in line with budget expectations. However, as Table 5.4.5 (1) indicates, once commitments have been made including those made annually they must be honoured no matter whether actual expenditure does exceed income as it did in 1982.

The annual accounts are an extremely simple single income and expenditure account and balance sheet.* These accounts produced during the early few months of the following year and presented to the Annual General Meeting of the Church Commissioners in June records simply the operations and financial position of the Commissioners and is received *somewhat formally with little real comment*.

The residual accounting information is as with other units of the Church of England both recurring and non-recurring in the sense we have used these terms previously. The recurring element deals with the allocation to dioceses direct and through their Commissioners' held Diocesan Stipends Funds of moneys from earmarked or general funds. Certain of these allocations are automatically decided with the use of relevant information however the annual allocations are neither automatic nor fully determined by statistical means. These amounts are made on a once-off basis and constitute the only area where the Church Commissioners have some reasonable discretion with respect to allocation. However, they exercise this discretion in a guarded manner using a basis which, is, largely unknown to either the researcher or the dioceses. However, the overall intention is to make some marginal adjustment for the disproportionate

* See Appendix 20 for a sample set

wealth division between dioceses.*

The non-recurring residual information is, in the main, concerned with changes in the investment portfolio of the Commissioners. The Assets Committee and the full time staff which supports it are constantly changing the various elements in the portfolio of investments of the Church Commissioners and are using sophisticated investment analytic techniques to guide their decisions. There dependency on such non-recurring residual information to guide their decisions is in somewhat interesting contrast with the lack of use of such information for similar once-off decisions at other levels in the Church of England.

Before concluding this Section a few brief comments concerning the accounting system and allied matters of the remaining three central units will be made.

The Corporation of the Church House which is a separate fund and accounting unit set up soon after the completion of Church House in Westminster is basically concerned with the maintenance of this central building. As indicated in Section 4.2.3 there is excess capacity in Church House which is hired out at a commercial rent as government offices. Such rent covers completely the expenses of maintenance as well as permitting the Corporation to not only offset the rent charge made to the CBF but also supply them with a large subvention (£215,000 in 1982) towards other costs. Such relationships are stated openly and without concern in the somewhat simply designed annual accounts of the Corporation.

The accounts of the Pensions Board show a similar interesting relationship not as above with the CBF but with the Church Commissioners. The Pensions Board

* This is certainly the Commissioners' declared intention and a close look at the figures in column 10 of Table 5.4.5 (2) in comparison with other more settled allocations (e.g. GAs in column 3) for stipends would bear this out.

originally brought into being in 1926 to help co-ordinate and systematise the support of retired clergy and their dependents have, over the years, become more and more dependent on Church Commissioners money to perform their allotted task. The upshot is that the actual payment of pensions and lump sums to retired clergy is not handled directly by the Pensions Board at all. The accounts indicate that the Board only administers the pensions of lay workers and deaconesses (the Church Workers Pension Fund) and those of clergy widows and dependents (Clergy (Widows and Dependents) Pension Fund) along with the maintenance and running of homes for these two sets as well as the clergy (Clergy Pensions Augmentation Fund, Clergy (Widows and Dependents) Augmentation Fund and Church Workers Pension Augmentation Fund). These funds and consequent accounts are the main ones administered by the Pensions Board which along with a General Purposes Fund for general needs and 27 separate Trusts endowed for particular clearly defined needs in the pensions area constitutes a bewildering array of accounts built up over many years to reflect such needs. Yet as Table 4.1 (15) and 4.1 (16) indicates, as do the accounts, such funds are largely dependent upon outside finance, particularly Church Commissioners money, to allow them to perform their allotted task.

The accounts of the CBF Investment Fund set up in 1958 as a separate entity to provide an investment service to particularly, but not exclusively, Church funds reflect the three different investment opportunities offered by this body. These three (Deposit Fund, Investment Fund and Fixed Interest Securities Fund) each have their separate sets of income and expenditure accounts and balance sheets and register clearly the different investment possibilities which the Investment Fund offers to the Churches and the public.

This then concludes our brief look at the accounting systems of other central units in the Church of England. It also completes our statements about all the accounting systems at the centre which will be drawn together in customary manner in the following.

5.4.6 Some Concluding Comments

As in previous sections we will draw this one to a close by a list of questions which helps to capture the essence of the contents of this Section as well as forming a focus for the contents of Chapter 6. These questions are presented in Table 5.4.6 divided according to the Sections into which the discussion has been structured.

The questions, numbered 2 to 6, naturally come out of the detail of these respective Sections and provide a convenient summary of the main themes which are apparent in the analysis. However, the first question is more reflective and general and in closing this Section it seems appropriate to make one or two comments about this.

The CBF is the financial executive of the General Synod which in turn is attempting to service and develop the on-going life of the Church of England. However, the CBF's executive role seems to be more concerned with efficiency of the system rather than with an intention for change and development - certainly that is what appears to be the case looking at the accounting system. As a result the accounting system's dominant thrust is keeping expenditure within reasonable limits as well as ensuring that income is received and available for such expenditure. Thus the budget system is intended to set the budget at a reasonable level in terms of income generation possibilities; the budget review element ensures that new initiatives are minimised by a careful expenditure control mechanism, the annual accounts design minimises any awkward questions while allowing the CBF to retain high current reserves for possible eventualities; the recurring residual information ensures adequate income levels while the absence of any non-recurring decisions or information prevents any unexpected changes occurring. In other words the accounting system is a cautionary brake rather than an initiator and leader of actual and potential activities of those conducted under the auspice of the General Synod.

Clearly such a general observation posed as the general question as to why it exists at all underlies many if not most of the remaining more detailed

questions in Table 5.4.6. Undoubtedly an adequate explanation of why this should be will help explain the more detailed aspects of this general phenomena which are contained in the other questions in this Table. It is for this reason, as with parishes and dioceses, we will in Chapter 6 concentrates more on this general question and less, relatively, on the more detailed expressions of it.

5.5 CONCLUSIONS

We will not in these conclusions attempt to synthesise the many detailed points which have been made in this Chapter* but rather make some more general observations concerning the contents which can be divided broadly into two areas: firstly dealing with certain issues of method e.g. sample selection and method of approach and secondly concerning making statements about the accounting systems of the selected sample. We will therefore direct our general observations to these two areas.

With respect to the methodological issues an overarching argument has been made for the need for a study of a very few sites in considerable depth without a primary concern to arrive at generalisable insights. Such an approach is the natural requirement of the critical theoretic methodology adopted whose ethos sees the world as a relativistic phenomena whose meaning can only be grasped through dialogue and discourse relative to the various discussants, but which still may have some underlying characteristics as defined by all. Such a balance is hard to maintain and requires a great deal of care in the selection of the sample chosen for investigation. Much of the early discussion in this Chapter and part of the discussion towards the end of the previous Chapter has been addressed to this important concern. The outcome is the choice of one parish (St. Thomas Church Crookes) one diocese (The Diocese of Sheffield) and one central unit (the Central Board of Finance and it's various funds particularly the

* This has already been done, to a considerable extent, at the end of each of the three substantive Sections (5.2 and 5.3 and 5.4).

General Synod Fund) with secondary units at each of these levels. Such a cross section is chosen since it supplies insights into this important interconnected structure which is at the heart of the Church of England as an institution.

Although other things could be said concerning this process of choice we will not do so here but rather turn to the matters raised with respect to statements about the accounting systems of the chosen sample. Much of this discussion, which is summarised in Sections 5.2.5, 5.3.5 and 5.4.6, need not be repeated here in-depth except to bring out a few general points about the total sample.

Accounting systems in St. Thomas and in other parishes are a partial irrelevancy to the on-going life of these enterprises. Budgets, where they are prepared, play a totally unimportant part in ordering activities, budget reviews are non-operative, annual accounts are produced but ignored and residual information informs but certainly does not guide decision making. In sum on-going activities and incremental changes in these are determined and directed not by accounting systems but by some other forces. Such a picture undoubtedly raises a very genuine question as to why there is any accounting system at all in St. Thomas' and in other parishes since it clearly does not serve seemingly more obvious needs.

Accounting systems in the Diocese of Sheffield and in other dioceses are more apparent and more sophisticated in comparison with parishes but are still insignificant in ordering and developing on-going activities. The budget plays a very important part in diocesan life not in ordering activities but rather in costing decisions already taken. The budget review while conducted has little possibilities to either control or re-order activities whose costs are exceeding expectations. The annual accounts even though produced are partially ignored by most. The non-recurring residual information backing up major decisions is often either not produced or only consulted after decisions are taken. The recurring residual information, on the other hand, plays a vital, and dominant, part in the allocation of the budget to various parishes. In sum, the accounting

system plays a large part in income generation and a very small part in actually determining on-going activities.

The accounting system in the Central Board of Finance, particularly with respect to the important General Synod Fund, is undoubtedly more important, as compared with parishes and dioceses, to the on-going activities of this enterprise but more as a containing and income producing influence rather than possessing some more directional concern. The budget process is an important policy determining exercise not in terms of questioning and reshaping older on-going commitments but in allowing and/or constraining new initiatives. The budget review process ensures that the budget is adhered to and no new initiatives are allowed to proceed mid-term through the financial year. The annual accounts are produced but treated with some indifference which conveniently by-passes any awkward questions on cash reserves for possible new initiatives which are cleverly disguised anyway to the reader through the accounting design. The recurring residual information as with dioceses plays a fully comprehensive part in determining budget allocation policy to the separate dioceses. In sum, the accounting system has a cautionary, careful role to play which allows, but constrains, the activities of the General Synod but does not determine their overall nature.

Thus in the three sites viewed there are three quite different designs of accounting systems as there are in respect of such systems of other units on the same levels. Thus there are different approaches in parishes and dioceses as compared with St. Thomas' and the Diocese of Sheffield respectively. However, the differences are minor as compared with those at the centre. For instance the accounting system of the Central Board of Finance is markedly different from that of the Church Commissioners. In fact the latter's accounting system is remarkably simple as compared with the Central Board of Finance which may appear surprising when the magnitude of money handled is compared.

There are, therefore, a number of issues and anomalies which are forthcoming from this Chapter's survey of the various accounting systems which clearly need to be explored. We turn therefore to Chapter 6 and some explanatory critical theorems which help to explain why the accounting systems as presented are as they are.

CHAPTER 6

THE DESIGN OF CRITICAL THEOREMS IN RESPECT
OF THE ACCOUNTING SYSTEMS OF SELECTED SITES
IN THE CHURCH OF ENGLAND

6.0 INTRODUCTION

Chapter 5 has attempted to make some comprehensive statements about the accounting systems in a selected sample of primary and secondary sites in the Church of England. Such statements are the first and necessary prelude to the design of critical theorems with regard to such systems which is the concern of this Chapter.

The formulation of critical theorems comes out of a process of reflexive logical analysis and discourse of the system under investigation - a 'radicalised theoretical discourse', in other words, set in the context of an ideal speech situation. The essential elements of this process can be depicted diagrammatically as in Figure 6.0(1).

The contents of Figure 6.0(1) summarise, in diagrammatic form, the comprehensive argument presented in Section 3.4. Thus it is not intended to go through this in any detail, except to discuss briefly the dynamics of the process involved. The process starts with 'statements about systems' (B1), in our case accounting systems and more specifically the contents of Sections 5.2 to 5.4. The aim is to arrive at a 'grounded consensus on conclusions' (B4) based on 'theoretical explanations' (B2) which have been 'critically appraised' (B3) and 'warring' explanations have been resolved through 'radicalised theoretical discourse' (A3). Underlying such a dynamic process needs to be some fundamental 'commitments' (A1) and some equal opportunity for researchers to offer 'speech acts' or, more specifically, explanations (A2).

The contents of B1, B2 and B3 - statements, explanations and resulting consensus in other words - form inputs into the 'processes of enlightenment' stage as Section 3.4 has already indicated and is depicted diagrammatically in Figure 6.0(2). In essence, this stage involves 'researchers' and 'researched'

modifying and adapting initially the 'statements about systems' (B1) into a new or confirmed set (B1'). The aim then is to arrive at a new or confirmed 'consensus on conclusions' (B4') based on new or confirmed 'theoretical explanations' (B2') by reacting to and developing, via critical appraisal (B3' and A3), the theoretical explanations and conclusions from the 'critical theorem' stage (i.e. B2 and B4 from Figure 6.0(1)).

There are two important points to highlight from the above before proceeding to introduce the contents of the forthcoming Sections. Firstly concerning the nature of these 'theoretical explanations'. As Section 3.4.3 has already indicated the nature of these explanations concerning accounting systems may have nothing to do with 'normal' 'rational' 'economic' phenomena: there could just as easily be social, political, psychological, but certainly organisational, factors involved. We have already indicated in Section 1.1 that one of the primary assumptions underlying this study is that an accounting system reflects and expresses the enterprise of which it is part and thus it is expected that organisational and institutional factors, broadly speaking, will play a large part in helping to understand why the accounting systems are as they are. The second point to highlight concerns the intended destination of both the contents of this Chapter and much of Chapter 5. As Section 5.0 has already indicated Sections 5.2 to 5.4 and all of Chapter 6 are primarily written for the primary actors who are to be part of the 'processes of enlightenment' stage. Of necessity, therefore, they have had to contain a level of detail which if writing for a different audience could have been drastically reduced. However, as with Chapter 5 so now with Chapter 6 comprehensive summaries are provided throughout the text.

With these points in mind we can turn to looking at the intended contents of this Chapter. Sections 6.1 to 6.3 will be addressed to arriving at a 'grounded consensus on conclusions' (B4 in Figure 6.0(1)) which comes out of an argument forming 'theoretical explanations' (B2 in Figure 6.0(1)) with respect to the selected sample's (parishes, dioceses and central units respectively)

accounting systems, statements about which (B1 in Figure 6.0(1)) have been made in Sections 5.2, to 5.4 in Chapter 5. Section 6.4 not only provides the customary conclusion but introduces some more general thoughts on the total sample of accounting systems investigated.

Before embarking on this analysis, however, three other introductory points need to be made. Firstly concerning the thrust of the analysis. As indicated on many occasions we are mainly concerned with understanding and analysing the three primary sites. The introduction of secondary sites has only been made for the sole purpose of judging the generality of the insights forthcoming from the analysis of the primary units. Thus our analysis will attempt to discriminate between the specific and general and will use evidence for the latter drawn from the secondary sample. Secondly it is important to highlight the limitations of the forthcoming analysis. As already indicated (in Section 5.1.3) it has not been possible to have a team of researchers working on the analysis and consequently the strictures and benefits of dialogue between equally informed researching partners has been curtailed. Consequently the following are the deliberations of one researcher at the farthest extremes of his perceptual powers under suitable challenges to the insights forthcoming. The truth of these insights therefore are limited to the researcher initially and if the reader is convinced by the arguments to him as well (to some extent). But initially the following portrays the insights and consensus of one researcher and such a limitation needs to be recognised.* Thirdly and finally it is important to say something about the emphasis of the forthcoming analysis. The following will not discuss at length the original explanations which were abandoned on critical reflection.

* Clearly as mentioned above the legitimacy of the insights can be increased as more people accept the findings at both the critical theorem and enlightenment stages of the process. This of course assumes legitimacy is some function of the number of people who are agreed on the insights forthcoming.

The analysis will, in fact, concentrate more on the explanations which the researcher currently believes to be true at the extremes of his perceptual powers as at the time of writing with the evidence available and the critical appraisal of this. However, where the earlier insights which were abandoned lead to and help highlight the later thoughts the former will be introduced into the analysis. But in general more attention will be given to the possible conclusions which are close to, if not the same as, the grounded consensus on conclusions.

This then concludes this important introduction the contents of which underpins all that follows.

6.1 CRITICAL THEORETICAL CONCLUSIONS WITH REGARD TO PAROCHIAL ACCOUNTING SYSTEMS

6.1.0 Introduction

Section 5.2 above provided a comprehensive summary of statements about parochial accounting systems with particular reference to St. Thomas' Church, Crookes, Sheffield. Such statements were further synthesised into a series of questions listed in Table 5.2.5 which forms the important bridge or link to the contents of this Chapter. Or, in other words, answers to these questions could legitimately be seen as theoretical explanations with regard to the accounting systems as described. Discovering and justifying such explanations forms the concern of this Section.

A summary of the researcher's present understanding of these explanations along with their links to the questions of Table 5.2.5 can be seen in Table 6.1.0. These explanations fall into two definable areas: general explanations applicable to all parishes (including St. Thomas') and those explanations which are more specifically and additionally applicable to St. Thomas'. Each of these four concluding explanations require separate supporting arguments which are discussed in detail in the four related Sections which follow.

Finally in Section 6.1.5 in the spirit of critique we will challenge these stated conclusions and their claimed status as a 'grounded consensus' as well as supplying some more customary conclusions and reflective thoughts.

6.1.1 Theoretical Explanation Coded A1

Conclusion

Lack of accounting system impact is because of the intolerance and indifference to such matters by the clergy whose dominance in parochial affairs results in a tendency for a parish to reduce such developments for primarily sacred and some related institutional reasons.

Argument

This explanation links the design and impact of accounting systems to the attitudes and intentions of dominant actors. Yet this is not a simple personality matter. These dominant actors are role defined according to institutional and other factors which compounds and largely determines clerical and consequently parochial indifference and intolerance towards financial and accounting matters.

Before looking at the nature of this role definition however it is important to justify the view concerning the dominance of the clergy in parochial affairs. There are three arguments or streams of thought which support this assertion.

Firstly from a legal viewpoint. The incumbent of a parish is given 'freehold of office' which includes limited* ownership for the time of his incumbency of the Church, churchyard and parsonage. Such benefits are given to him precisely so that he may act with conviction and determination in a way which he believes best. In other words his legal position gives him the natural right to be dominant in technically his own property, where much Church life is acted out, should he choose to be.** Alternatively he can choose not to lead or initiate or choose to delegate such powers but it is

* His rights of sale and adaptation are seriously curtailed by his role defined duties as will become apparent shortly.

** A right of course which is granted by Property Law to all those enjoying ownership in the legal sense.

his choice which is reinforced by his tenure of office and property rights. It is in this sense that he is dominant.

Secondly in terms of the way Church activities are structured. Clearly it is difficult to be categorical about what the activities of a 'Church' really are since technically it is the conduct of all those who claim to be the 'people of God'. Yet commonly accepted views about Church activity centres around the collective action of the people of God - the activities engaged in when such people are together. Invariably and inevitably such activities, particularly the important act of collective worship, are based in or sent from the physical buildings in a parochial situation. Such activities are either led or chaired by the incumbent as a matter of custom or legal right. In fact in the Church building the very architecture registers clerical leadership and domination: the most spectacular example being the pulpit available as of right to the incumbent and under his delegation to others for the proclamation of the Word of God.

Thirdly in terms of the role expectations created by historical precedent but maintained by present actors. The incumbent is expected to be the leading father figure in a parish both by his faithful congregation as well as by others in his parish boundary who look to him in times of need. This is especially apparent in the time between one resignation of an incumbent and the appointment of another (called an interregnum*) which is often a time of disruption and disturbance precisely because the leadership figure created and sustained by the expectations and desires of the congregation is not there. Such basic expectations are reinforced by the training clergy receive as well** and by their consequent beliefs concerning their role.

* Literally 'an interval between reigns' which registers again the regal position of incumbents.

** Clearly such role expectations cannot be lightly engendered by more secular authorities (e.g. Universities and Polytechnics). It is for this reason along with others it could be postulated that the Church of England despite vast cost increases (see Section 4.1) still wants to have maximum control over the training of future clerics.

All these expectations can be traced back to the origins of parishes and clergymen (see Section 4.2.2) where the seeds of the position of the clergy viz a viz those whom they 'served' were sown and have been reinforced over the years.

Thus clerical incumbents are powerful* figures in parochial settings and because of this it is possible to talk, somewhat interchangeably, about clergy attitudes and parochial attitudes since they are very closely aligned. Clearly such a view can be questioned not least from those who are incumbents and would want to disassociate themselves from the reality of their role defined positions but there are many pointers to suggest that such a one to one relationship exists which include not only the above points but the on-going experiences of parochial congregations.** We will therefore in the following look primarily at clergy attitudes and take these to be a microcosm of the attitudes of the parochial units in which they lead and consider these as generally interchangeable.

* Power in this sense is being seen as a property of the clergy as individuals yet as the above discussion indicates this phenomena, in large measure, is created by the 'structures' surrounding his office. Thus we have personalised what seems to be an institutional phenomena. This is because in the case of 'clergy power' it is difficult to draw a boundary between the two - thus our personalisation is also institutional. Although it is tempting to digress into the literature on power at this point this will be resisted on the grounds that it would be an unnecessary digression which would supply little extra information on the specific matter under discussion. This is because of the author's belief, along with Foucault who cut across traditional understandings of power, that the nature of power varies depending on the circumstances. Or as Sheridan (1980) puts it in summarising Foucault's view:

'Power as such does not exist but in challenging existing notions of how societies operate, one is forced, in the first instance, to employ the same word. Power is an effect of the operation of social relationship between groups and between individuals. It is not unitary: it has no essence. There are as many forms of power as there are types of relationships'.
(p. 218)

** We will critically reflect on the accuracy of this assumption again in Section 6.1.5 below.

Thus the clergy do have the potential power to engender accounting development or restrain it or to be generally intolerant towards it. Although it is possible when reflecting on the attitudes of the 41 clergyman interviewed from the total sample to see some as engendering some restraining etc. the overall impression is of general indifference and intolerance towards accounting developments. This comes out most dramatically in the attitudes towards the budget element highlighted in Section 5.2.1. Out of the 23 parishes* who didn't budget the clergy interviewed had no hesitation whatsoever in responding to why such an activity was not undertaken - all indicated a certain intolerance to the need for such an accounting element with comments such as 'unnecessary' and 'unspiritual' etc. In the 18 parishes, on the other hand, which did budget the incumbents were struggling to give coherent reasons for such an activity. Even those who saw such an activity as, in some sense, relating to income generation were not altogether convinced on such a relationship. In other words a basic indifference towards such an element appeared dominant with comments such as 'seems common sense' or the 'treasurer thought it was a good idea' rather than views which register the vital importance of such an activity.

Such clergy intolerance and indifference to accounting system developments leads to, and ultimately determines, the lack of impact of the accounting system on parochial affairs due to their dominance in parish situations.**

But why have they such intolerance and indifference and why do the other members of Church congregations allow such attitudes to become their own resulting in such simplicity in the accounting system design? An answer to this question centres around two important elements: firstly the splitting between sacred

* In total including the P, S1 and the balance of the S2 parishes.

** As discussed above and amplified further in the following discussion.

and secular in parochial activity and the pre-eminence of the former; secondly the related institutional arrangements which impinge upon and are part of parochial life. Both of these directly affect the role of the clergy and indirectly through such role definitions their indifference and intolerance towards accounting phenomena as well as in relation to the receptiveness of the other participants to adopt such attitudes. We will look at each of these in turn concentrating initially on the more direct effects on clergy role definitions followed by a discussion of the indirect effects on accounting system attitudes.

Firstly then concerning the split between sacred and secular and the pre-eminence of the former we need to start by appreciating something about the nature of a clergyman's avowed function. Mayfield (1958) puts such function succinctly as to:

'... minister to his cure of souls' (p. 48)

Such terms, which are not Mayfield's but part of ecclesiastical culture, register the important 'spirituality' of his ministry. His concern is with the 'cure' or improvement of assumed 'ill' 'souls' in a defined geographical boundary (the parish).

Such a view, however, leads to a split understanding about man and a hierarchical selectivity in the areas of 'illness' attended to. Such a view comes from Greek thought* which separates in conceptual and actual terms the 'body' from the 'soul' of man. With such a view of man it is possible to talk about and minister to the 'soul' of man (even though it's specific nature is undefined) and leave his more 'bodily' needs to others. Such a view, of course, permeates Western Society e.g. the separation of the Medical

* Possibly the best known proponent of this view being Plato.

from the Educational professions as it does the Church which can be seen as an important link in such dominant tendencies.

Despite many clergyman rejecting such a split view of man it still impinges in all sorts of ways into clergy attitudes. Many overtly would ascribe to a more Hebraic view of man which in some sense sees no division between body and soul or at least maintains a dynamic interrelationship between the two. Yet what clergy are trained to do, legally required to do, physically able to do with the buildings available to them, expected to do by their congregation, and personally prefer to do all register the pre-eminence of spiritual 'soul' activities as against more secular 'body' activities.

It seems likely that finance and accounting matters are in the minds of the clergy more 'body' than 'soul' related and as a result will be treated with greater disdain than those activities which have greater spiritual impact. Thus as a result of the overall tendency towards a Greek view of man and the clergy role expectations then, in the main, one would expect to see intolerance and indifference towards such financial matters which is indeed the situation. Thus, not surprisingly, the most common view held is that buildings, money and accounting matters are not 'their job' and in many respects should not be the job of the 'best' of their congregation either.

Such a split view about man and the importance of the spiritual viz a viz the secular is generated and reinforced throughout parochial life by the clergy. Exposure and praise are given to those with more spiritual ministries while those with the more secular jobs of service although tolerated as being 'necessary' are nevertheless clearly treated implicitly but not explicitly as second class citizens with second class activities even though most clergy would be at pains to deny such attitudes.

Accounting systems are quite clearly classified as 'second class' in this sense and are caught in the prevailing view which surrounds such activities of intolerance and indifference.

Apart from this important sacred and secular argument which helps clarify

why accounting systems are of so little importance there are various institutional factors which have a similar effect. Three are of particular note and as will become apparent each have a direct linkage to the basic sacred and secular divide.

The first concerns the administrative structures which are built on, and collude with, the division between sacred and secular in clergy activity. From the outset of parish life the desire has been to remove from clergy, as far as possible, all more secular anxieties and to lodge such concerns in other structural arrangements. So in Anglo-Saxon times the patrons set up trusts, gave land etc. in such a way that they could supply the clergy with adequate support with minimum involvement by the primary beneficiaries. Such basic concerns still dominate today except that with the Church of England taking control of it's own affairs as from the early part of this century the 'new patrons'* are certain central and diocesan authorities. However, their patronage is highly curtailed due to growing resource shortages as indicated in Chapter 4 and as a result these 'new patrons' cannot hold back all financial anxieties from the parishes. Yet the structure is clear: certain central and diocesan authorities are there to reduce the more secular anxieties of the incumbents and their parishes concerning their livelihood, survival and the property which is their's on trust.

This patronage system in it's old and new form is an interesting institutionalisation of the sacred and secular divide and it is important to see it in that light. As already indicated the Greek view of man maintains that the highest and most important concern of man centres around getting the

* Such authorities are, of course, not called this. In fact all parishes still have patrons whose role is in direct line to the functions of those originally in that position although all that is left to these people is some residual rights concerning appointments.

soul 'right'. Bodily ills are clearly secondary and can be greatly eased once the soul is improved. The patronage system in the Church of England has, in effect, registered this hierarchical divide into institutional form. Incumbents, congregation and the parochial units more generally are there to pursue 'higher' more important spiritual concerns. The support structures are there to handle all the 'lower' less important secular concerns related to parishes.

However, the 'new patrons' have never managed to hold back all such secular concerns from the parochial units. The new patrons, particular diocesan boards of finance, have constantly tried to emulate the actions of the older patrons but have largely been unable to do this and as a result shifted many of these 'secular' anxieties back into the parochial situations (viz increasing quota - see Section 4.1 for more details). But such a shift is giving problems to the parishes which they are illequipped to deal with because they have never been encouraged to handle such issues and should not, based on the logic of the sacred/secular divide, be having to handle anyway.

The implications of this dilemma for the future of parochial units is very great indeed. We will return to this theme again in Section 6.1.5. However, what is important to note at present is that parishes have never been encouraged to be involved with the more 'secular' concerns (i.e. money, fabric etc.). Thus it is not surprising when, through necessity, they have been faced with such matters they are intolerant towards such an intrusion and are unable to encompass such problems with either relish or skill.

The second institutional factor concerns the apparent democratisation in parochial affairs which, contrary to expectations, has also encouraged clerical and parochial indifference to financial and accounting matters. Such a point is surprising in the light of original intentions and it is worth reflecting on this before exploring how such democratisation has actually led to encouraging indifference to accounting and financial matters.

Greater democratisation and power sharing has been occurring in parishes

ever since the 12th Century precisely so as to aid incumbents in the management of the residual* 'body' elements in parochial life. The earliest move in this direction was the creation of the office of 'church-warden' to assist with financial matters. It was extended by the introduction of 'vestry meetings' where key lay individuals (including church-wardens) and the incumbent jointly viewed financial and practical matters. It was finally brought to completion legally from 1921, but defacto earlier, by the introduction of parochial church councils who have legal responsibility for management matters.

Such an institutional change should, on the surface, indicate a heightening of the importance of accounting and financial matters but this has not occurred for two reasons. Firstly because of the prevailing 'spiritual' ethos surrounding parochial activities. This, of course, links directly into the sacred and secular divide discussed above. Based on this argument activities need to 'spiritualised' which in effect 'blunts' any more management oriented intentions of key lay people in this new democratic structure. This makes any more sophisticated accounting advances of dubious value due to the difficulty involved in 'spiritualising' such development. It also creates some mutual delusion: those most equipped to initiate management advances feel that such developments are probably inappropriate while the incumbents note such struggles which reinforces their own prejudices about inappropriateness in a Church context. Such developments are also blunted by some interesting dynamics involved in the management of these democratic bodies and this brings us to our second point. The chairman, who is the incumbent, sees his responsibility shared which in turn further encourages his indifference to financial matters. Yet because the council members look to him for leadership, due to his prevailing

* Residual because the intention of the patronage system has, as already pointed out, been concerned to minimise these concerns.

and permitted dominance, their own initiatives in this area, already blunted by the need to spiritualise developments, can be precluded from appearing because it isn't 'their job' to lead in these or other areas or such enterprises can be thwarted by attitudes from the chair. In such a situation irresponsibility and indifference to financial and accounting matters is most likely.

These two arguments together create a subtle and important implosion of expectations - greater democratisation has, in fact, created the opposite of original intentions and added to the underdevelopment of accounting and financial systems and other managerial advances.

The third and final institutional point which also links into the sacred and secular divide concerns the low level of accountability of the clergy and the total parish unit to either the new or old patrons leaving the accounting information needs minimal at best. Despite encouragement to the clergy to bring growth, change and development to parish life there are no requirements that these should occur and no controls to ensure occurrence. What is implicitly required of the clergy is the maintenance of the physical property of which they are the quasi-owners but, more importantly, the achievement of the spiritual work for which they have been called. But none of these requirements are seen to require sophisticated accounting systems either to direct parish activities or inform higher secular authorities. Thus such strong 'maintenance-of-the-system' requirements and spiritual intentions reinforce clergy indifference to accounting systems which in turn leads to lack of motivation on the part of other parochial members as well.

Clearly such strong maintenance requirements have not occurred by chance and it is worth reflecting a little as to why such concerns came about. As we have already indicated in Section 4.2.2 the parochial system was the outcome of the manorial developments of the Anglo-Saxons. As is apparent the manorial arrangements have largely died but the parochial system has remained and the protection around such continuance have become stronger and stronger.

Such support systems have grown steadily over the years but expanded most markedly at a number of points in history.* At such times and between and after such times the Church of England as a whole has been anxious as to it's survival which has expressed itself in a strengthening of it's support systems in respect of, particularly, it's parochial sites which, of course, cover England in its totality.**

Now a parish cannot change its Church building in totality or in part, its parsonage, its boundaries or it's other property without cumbersome and complex permission from higher ecclesiastical authority. Such is the dampening effect of this cumbersome procedure coupled with a clear role requirement of incumbents (naturally passed on to the congregation which they lead) to maintain intact the land and property under their charge that maintenance becomes the norm and in a growing resource scarce situation a difficult norm to maintain.

Such strong maintenance requirements are also not surprising in the light of the sacred and secular divide already discussed. The whole function of the old and new patrons was and is to reduce, to a minimum, the more secular concerns with regard to parochial property and money. Thus to expect particular parishes to actually improve the plant and to be accountable for such developments would be a denial of their protective intentions. However, a minimal maintenance concern is to be expected given that patronage has a time invariant element to it beyond the confines of a particular incumbent's term of office. Physical, more secular improvements, given this model, are the primary concern of the new patrons not the present incumbents although given the

* See Section 6.1.2 below for more details on this.

** Needless to say such territorial anxieties, having strong militaristic overtones, needs to be noted but will not be pursued further here.

impossibility of such initiatives due to chronic resource difficulties most current developments come from present incumbents. However, the general point still holds: such developments are neither sought nor required but maintenance is.

In sum we have tried in this argument to show why accounting systems are both rudimentary in design and so lacking in impact in parochial situations. The argument is complex and stems primarily from indifference and intolerance to accounting system developments by parish incumbents whose attitudes, due to their dominance in parochial affairs, becomes those of the total parochial unit. The primary reason for this collective attitude is a basic divide between sacred and secular and the pre-eminence of the former with the latter being considered with some indifference. Accounting systems, and finance more generally, are categorised as 'secular' in this sense and as a consequence treated as of secondary importance requiring minimal concern and attention as are all similar activities classified in this way.

Three more institutional factors also ensure that accounting systems remain underdeveloped both directly and indirectly via a process of reinforcing the sacred and secular divide. Firstly the patronage system in its old and new forms ensures, in institutional form, that more secular concerns with survival, money etc. are not the primary concern of parochial units. Secondly the greater democratisation in parishes which was intended to increase managerial awareness has, in fact, aggravated such developments due to some interesting delusion about the inappropriateness of such advances in the prevailing spiritual climate in parishes. Thirdly the expectations of patrons for parishes has also led to a reduction in the need for accounting developments. Such expectations are primarily spiritual with a minimal secular concern for the maintenance of the parochial unit as an entity. Neither of these expectations are stringently

enforced* leading to low accountability and minimal outside pressure to create advance in accounting systems or anything else.

Thus the sacred and secular divide and the related institutional factors all interact in a dynamic way leading to a perceived minimal accounting need and consequent lack of accounting system development.

Although the above has concentrated on the accounting system because that is our primary focus other administrative and organisational phenomena, in fact, all similarly classified 'secular' concerns, are, in the same rudimentary state of development. Most parishes prefer to continue the traditional and usually simple managerial and organisational practices developed over the years rather than expend effort in changing these and so take energies away from their institutionally encouraged spiritual concerns. Thus the lack of accounting system development is symptomatic of a very real managerial malaise in parishes which basically stems from the all pervading sacred and secular divide and the total pre-eminence in the minds of parochial clergy and congregation of the former.

* The whole structure of the parochial system with quasi-freehold rights and freedom for the incumbent naturally ensures that the patrons, even if they wanted to, could not intervene more than they do. However, when the old patrons were in office there were more subtle and direct ways to ensure change since the Lord of the Manor was always near at hand! However the new patrons constitute some perceived amorphous secular administration which should be rightly rebutted by the dictates of freehold rights!

6.1.2 Theoretical Explanations Coded A2

Conclusion

The actual design of accounting systems is partly due to the somewhat cumbersome legal and statistical requirements which emanates from an anxious tension between Church and State and partly due to the permitted demonstrable talents of the dominant designers triggered by multiple, often non-rational and non-economic factors.

Argument

When one looks at parochial accounting systems given the above points concerning the simplicity generally of such designs it is possible, nevertheless, to divide the actual contents into required and optionally extra. Such a division is clearly discernible in the above conclusion and the respective arguments in support of each part comes from different sources. We will, therefore, in the following look at each of these diverse arguments although it would be wrong to consider them as totally independent from one another - the dividing line between required and optional is difficult to draw as is the separateness of the supporting arguments.

The part of the accounting system which can be classified as 'required' centres around the annual accounts element whose being and design can be traced to ecclesiastical law and diocesan and Central Board of Finance influence. The legal requirements concerning accounting phenomena can be found in the Representation of the Laity Measure 1956 and the Parochial Church Councils (Powers) Measure 1956*. Accounting provisions are set down in Rule 8 of both Measures and reinforce each other by a common emphasis. Rule 8 in the 'Powers' Measure states:

* Both of these consolidated and slightly modified similarly named Measures in 1929 and 1921 respectively with accounting issues remaining unchanged.

8. Accounts of the council - (1) Every council shall furnish to the annual parochial church meeting the audited accounts of the council for the year ending on the 31st December immediately preceding the meeting and an audited statement of the funds and property, if any, remaining in the hands of the council at that date.

(2) At least seven days before the annual parochial church meeting, the council shall cause a copy of the said audited accounts and a copy of the said statement to be affixed at or near the principal door of the parish church as required by paragraph (2) of Rule 8 of the Rules for the Representation of the Laity.

(3) The accounts and statement shall be submitted to the meeting for approval, and, if approved, they shall be signed by the chairman of the meeting who shall then deliver them to the council for publication, and the council shall forthwith cause them to be published in the manner provided by paragraph (3) of Rule 8 of the Rules for the Representation of the Laity.

(4) The accounts of all trusts administered by the council shall be laid before the diocesan authority annually.

Whereas Rule 8 in the 'Representation' Measure gives a very similar message:

8. - (1) The annual meeting shall receive from the council, and shall be free to discuss-
- (a) A copy or copies of the roll;
 - (b) An annual report on the proceedings of the council and on the financial affairs of the parish;
 - (c) The audited accounts of the council for the year ending on the 31st December immediately preceding the meeting;
 - (d) An audited statement of the funds and property, if any, remaining in the hands of the council at the said date; and
 - (e) A report upon the fabric, goods and ornaments of the church or churches of the parish
- (2) The council shall cause a copy of the said statement to be affixed at or near the principal door of the parish church at least seven days before the annual meeting.
- (3) Such accounts and statement shall be submitted to the annual meeting for approval. If approved, they shall be signed by the chairman of the meeting, who shall then deliver them to the council for publication and the council shall forthwith cause

them to be published and affixed on or near the principal door of the parish church and at such other conspicuous place or places in the parish as the council think appropriate.

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(6) The annual meeting shall appoint the auditors to the council.

Thus each parochial church council is obliged by ecclesiastical law to both hold an annual general meeting and to present to this meeting an audited set of accounts. It is also obliged to declare its parochial happenings of the previous year as recorded in the accounts to all who pass the 'principal door of the parish church'.

Thus these Measures ensure that annual accounts are produced but has nothing to say about design or about requirements for other elements in the accounting system.* It is for this reason as Section 5.2.3 indicates that all parishes looked at in the sample produce annual accounts even though the variety in designs is immense.

However, the potential variety in the design of the annual accounts is, to a certain extent, curtailed by the quasi-legal requirements to complete the Central Board of Finance's statistical return which has a clear influence

* However Section 7 of the 'Powers' Measure states:

(7) Miscellaneous powers of council. - The council of every parish shall have the following powers in addition to any powers conferred by the Constitution or otherwise by this Measure:-

- (i) Power to frame an annual budget of moneys required for the maintenance of the work of the Church in the parish and otherwise and to take such steps as they think necessary for the raising collecting and allocating of such moneys;

But as Section 5.2.1 indicates few parishes exercise this power and are certainly not obliged to do so.

over such design issues. This two yearly return (see Appendix 10 for a sample copy) which supplies the relevant statistical information on parochial income and expenditure is increasingly becoming a requirement to complete although in typical Church of England manner it forms a strongly held 'gentlemen's agreement'. So much so that as Section 5.2.3 indicates 20 out of the 38 parishes in the S2 sample claim to design their annual accounts on the basis of diocesan and central requirements so as to aid completion of this quasi-legal form, although only 6 have a one-to-one correspondence on closer investigation.

Thus legal and quasi-legal requirements determine the very existence of some form of annual accounts and, on occasions, the actual design which undoubtedly has more than a passing influence on the lack of parochial interest in these accounts. If, as seems to be the case, there is a basic indifference to accounting systems at parish levels then any obligation to produce certain information may well lead to its production solely to satisfy such an obligation and for no other reason. Certainly the indications are that this is the underlying reason but this naturally raises the question as to why such obligations are necessary given that they are not satisfying parochial interests or needs.

Such a question however needs to be seen in a wider context concerning ecclesiastical legislation more generally. Although the production of annual accounts in quite the form presently under discussion is covered by very recent legislation we cannot explain such modern (in terms of the total history of the Church of England) laws in isolation since this specific requirement is symptomatic of some general patterns underlying all such legal requirements.

Although the recent Church and State report (1970) sees ecclesiastical legislation in terms of three periods - pre-Reformation/post Norman conquest, post Reformation/Submission of Clergy Act 1533, and post Enabling Act 1919 - it is possible to postulate a tighter classification and also some underlying

patterns by juxtaposing these three time sets with the power struggle stages depicted in Table 4.2.3. A summary of this argument is presented in Table 6.1.2.

The contents of this Table are largely self explanatory but it is important to draw out two points concerning these possible patterns. Firstly to note that ever since the Norman conquest the Church of England has been governed by law very largely because of the close ties of the Church to the dominant government of the time (whether it be King, Pope or Parliament) who have, from the earliest times, used the legal system to order it's institutions and subjects. The Church of England today still has such close ties to the State and must accordingly legislate it's affairs in similar manner.

However, there are more subtle forces at play which help to explain the volume and nature of particular waves of legislation which have occurred over the years and this brings us to our second point. As Table 6.1.2 demonstrates a possible explanation is related to various struggles, pressures and anxieties which have implicitly and explicitly dominated Church of England affairs. A classical example of this is Henry VIII's Submission of the Clergy Act 1533 which was a direct result of his struggle with the Pope and his securing autonomy and power. However, similar less obvious relationships can be traced throughout ecclesiastical legal history. Even today, where the Church appears to be so much in control of its own affairs, there are subtle and important tensions at play between Church and State. This breeds a desire to demonstrate to the State that the Church can order it's own affairs (i.e. regulate itself) and so keep at bay the constant perceived possibility of a return to State control and/or possible demise. Thus the abundance of ecclesiastical measures are overtly concerned with ordering affairs but covertly an expression of anxiety brought on by projected(?) threats as to the institution's continued survival either generally or in terms of self regulation.

Thus the legislation concerned with producing annual accounts is an

expression in accounting terms of this anxiety. The production of annual accounts is not to inform the parishioners* but rather to register to the elusive 'State' that each year a formal process of declaring income and expenditure occurs. Presumably if such 'inspectors' are unable to attend the Annual General Meeting then they can always check the 'principal door' ('Representation' Measure 1956 Rule 8(2)) in the seven days prior to the meeting to check compliance!

We have concentrated at length on only the required element of the accounting system very largely because of it's direct link to an important underlying anxiety in the Church of England. However, such an argument does not explain why on certain occasions* the annual accounts have the design they have or why other elements exist at all. It is to this important question we now turn.

When one tries to explain why a particular parish has a particular accounting system design taking aside the above point that all must produce annual accounts then the only generalisation is partial at best. There is undoubtedly an underlying scepticism concerning the need for accounting systems engendered largely by the sacred and secular divide (See previous Section) and thus it is out of this apathy that any additional elements in the accounting system or changes in expression of the required annual accounts must emerge from. Yet such moves are not triggered by universally applicable factors such as the personality of the incumbent, growth in income, growth in expenditure or size of membership although some of these may have a part in certain circumstances.

* We have already shown in Section 5.2.3 how such accounts are virtually ignored by parishioners.

** Although the quasi-regulation concerning statistical information does seem to have an effect on such design issues in certain cases as we have already indicated.

What pattern there is seems to be as follows. Accounting system development or potential developments originate from the ideas of particular actors who either have the responsibility for design issues (i.e. treasurers) or have the potential power to acquire such responsibilities (i.e. incumbents). Such ideas may be generated by multiple causes e.g. professional pride, potential benefit, financial crisis etc. which are not universally patterned. The initiator then either brings the development in to being without consultation or alternatively brings the idea forward for discussion where, because of the culture of indifference, it's survival cannot be assured. Either way it's survival is not guaranteed unless it is seen to be serving some purpose whether psychic or otherwise and its demise can be easily brought about by particularly the incumbents.

For instance the driving force behind the design of the accounting system in St. Thomas' has come from the treasurers with partial involvement by the Vicar but it's nature, the reasons for it's existence and it's intentions have changed over the years. The original budget, review and annual accounts design were introduced some 9 years ago by a previous Treasurer to demonstrate greater efficiency in this area and as a way to register disassociation with the work of a previous Treasurer who had been in office for 25 years. Such developments were intended to strengthen and improve the initiatives of the present and previous Vicar who had introduced a form of budget information as a prelude to the annual 'Commitment Sunday'. In recent years, however, as will become apparent in the following Section the accounting system has changed and the intentions and reasons for such changes are not the same as the above.

In a similar manner the accounting system design in the two Sl parishes are not a simple duplicate of either the St. Thomas' model or of each other: each has it's own unique and separate history. For instance the design of the accounting system in one of these parishes comes out of the professional pride and intentions of a very able Treasurer and the desire of the Incumbent to be

seen to be doing the 'efficient thing'. But such information has little relationship to income generation or decision making: it is seemingly there to demonstrate order and efficiency. The design of the accounting system of the other S1 parish, on the other hand, is inspired by the Vicar rather than the Treasurer and is largely geared towards income generation and a check on the success of such endeavours relevant to expenditure to date. In a somewhat similar manner to St. Thomas' the Vicar of this S1 parish believes, unlike many other incumbents incidentally, that there is some relationship between information and income generation and has implemented some elements in the accounting system to register such beliefs. However, unlike St. Thomas the Treasurer in this parish has not developed the rudiments of this belief registered in the accounting system design. Thus what one sees is nothing more than the Incumbent's interpretation who is neither trained in financial information technology nor encouraged to be involved in such cases by his role (see previous Section).

Similar highly variable factors have led to the actual design of accounting systems in the other 38 parishes in the S2 sample. However rather than recount 38 separate life histories it seemed appropriate to demonstrate that there appears to be no clear 'rational' or 'economic' relationships between these accounting system designs and certain measured variables. A not unreasonable assumption would relate the sophistication of the accounting system in some way to the size of Church membership i.e. the larger the size of the Church the greater the communication problems the greater the need for accounting information and the greater it's sophistication. Or alternatively the greater the change in the income and expenditure the greater the uncertainty reducing needs of the information system and the greater the expectation as to it's sophistication. Or alternatively given the dominance of incumbents in parochial situations it may not be unreasonable to assume that there may be a relationship between certain personality characteristics and the sophistication of the accounting system.

But no such 'rational' relationships can be postulated given the data from the sample of 38 parishes. Tables 6.1.2 (2) and 6.1.2 (3) bring together some, admittedly questionable, data which has been used to test such relationships. A number of bivariate and multiple regressions were run on this data with totally non-significant results - the highest R^2 being 0.06! Or in other words no matter how one looked at the data no patterns based on such seemingly sensible relationships were forthcoming.

In sum we can generalise about the presence of a particular element (the annual accounts) in the accounting systems of parishes and the very basic structure which leads to a particular design (see above) but cannot postulate some universal factors which trigger or cause the specifics of such designs. These latter issues can only be understood in the context of specific parochial situations.

It is for this reason we turn to the more specific issues surrounding our primary site: St. Thomas Church, Crookes.

6.1.3 Theoretical Explanations Coded B1

Conclusion

St. Thomas' present accounting system design and its nature needs to be understood in the context of two interlinked stages of development which mirror important patterns in the role defined attitudes of the Vicar* and consequently the overall life and ethos of the Church. The first stage, although supplying a sophisticated design, was little used in on-going developments (which were in abundance) due to a heightening of the sacred and secular divide. The second stage somewhat reluctantly increased the importance of the accounting system as a questionable substitute for, and due to a perceived temporary breakdown in, the more 'sacred' control system.

Argument

The present accounting system in St. Thomas' Church Crookes, Sheffield has gone through two distinct but interlinked stages in its development: the first from the beginning of 1974 to the end of 1980 and the second from the beginning of 1981 to the present day. These developments are linked largely because the latter stage cannot be fully understood without an appreciation of the former developments. This applies not just to design issues but also in terms of the contrasting positions of the accounting system in the overall life of the Church reflecting important but interlinked changes in such a fundamental ethos. The following, therefore, will attempt to trace the various factors which gave rise to the initial design and its position in St. Thomas and the consequent changes which ensued.

The initial accounting design change occurred at the outset of a period

* We will in the following take as given the dynamic relationship between the attitudes of the clergy (in this case the Vicar) and the ethos and life of the parish as an entity. We have tried in Section 6.1.1, which will be continued in Section 6.1.5, to discuss the dynamics of this relationship and will build on the basis of this argument in the following. Thus the following will concentrate on St. Thomas' Church as an entity which is assumed to be a reflection of the attitudes and intentions of the primary actor namely the Vicar.

of sustained growth and development on all levels in St. Thomas but even though it was symptomatic of such developments it was only partially involved in engendering these improvements. As indicated in Section 6.1.2 the accounting changes were introduced by a new treasurer who took over from one who had been in office over 25 years. The budget, budget review, new accounts design etc. were allowed to be introduced very largely because change was in the air and because changes invariably have costs attached it seemed only right to make sure the finances and the accounting underpinning were in order in some sense. But it would be wrong to see the developments in the accounting system as some sort of 'green light' to change and improvement - the relationship between the two was much more complex. The changes and improvements in the life of St. Thomas' would have occurred anyway with or without the new accounting system but were given greater credence and acceptability by what appeared to be an efficient treasurer and an efficient information system.

Lack of accounting system impact on major decisions (which during the 6 year period included a £630,000 building programme, the appointment of several new full time staff members, the initial move towards buying the adjacent school building at a cost of £30,000 along with major, more obviously spiritual strategies and improvements) has clear links to many of the issues raised in Section 6.1.1 suitably amplified and developed into what appears to be three important factors.

Before looking at these it is important to appreciate a major distinction between St. Thomas' and many other parishes which is basically that the former is not simply trying to survive and maintain it's presence but is

actually trying to improve it's present basic position.* It thus has a greater number of internal decisions to take and a vastly increased resource requirement. It has, in this sense, gone beyond what a parish is obliged to do (i.e. maintain an established institution) and created space for itself to act as a partially** independent unit from the diocesan support system.

This clearly has resource implications as Table 6.1.3 indicates*** in terms of obligatory and optional expenditure. As this Table indicates even though St. Thomas is still satisfying it's parochial obligations the percentage absorption of resources to satisfy these needs is less than half the comparative figures for the other two parishes.

There are two other points to note from this Table. The first is to note the discrepancy between the three parishes in terms of the magnitude of the obligatory expenses. This is largely due to the discriminatory quota system (operational in 1983 but now abandoned****) which taxed the so called 'rich' but left the 'poor' freer, the necessary additional costs of buildings with

* Such a realisation on the surface undermines much of the latter part of the argument put forward in Section 6.1.1 - St. Thomas' is not only trying to maintain a structure and it is not totally dependent on the support systems. Yet it is doing something additional to the 'normal' parish and in this sense the generalisations still apply to that part of St. Thomas' which constitutes the norm. What is interesting as we shall see when looking at the three factors is that they link directly, in an amplified and developed form, to the generalisation concerning the sacred and secular divide.

** Clearly it is only partially independent and still must set it's developments in the light of the maintenance requirement i.e. it cannot sell it's plant, sack it's vicar etc.

*** The figures for which come from a re-arrangement of those contained in Tables 5.2.1 (2), (3) and (4).

**** See Appendix 12 and 13 for details on the old and new schemes.

more activities occurring and the more generous attitude towards the Incumbent in terms of expenses. Thus even the obligatory has, both in the St. Thomas' case as in others, a certain level of optionality in it. Secondly to note the largely more obligatory nature of the optional expenditure. Even though St. Thomas' has greater flexibility in absolute and percentage terms to make a greater number of internal decisions this is severely limited by their own volition by their staffing and missionary support which predetermines, in large measure, the bulk of the optional expenditure.

It is tempting to see such an observation as explaining why, in this first phase of accounting development (1974-1980), the accounting system was the 'optional extra' that it was but this does not capture the real reasons. This may be partially relevant to this explanation but there are deeper factors involved. We return therefore to the three factors which combine together, in this authors opinion, to explain why, during this period of massive change and development in St. Thomas with immense financial implications, the accounting system was simply a sort of 'sleeping partner' - in existence but not really active or overtly needed in terms of directing these developments. As the footnote above indicates these three factors amplify and develop the sacred and secular divide discussed in Section 6.1.1. In other words given the new initiatives of St. Thomas, which allows the institutional factors which encourage apathy towards accounting developments to lie somewhat dormant, what seems to have happened is that the sacred and secular divide has continued to be a dominant explanatory factor but in a somewhat amplified and different form.

The first of these factors concerns the dominant belief* held in St. Thomas'

* This factor and the ones that follow are couched in a time-invariant sense. This is largely true although the nature of the assumptions underlying these have been marginally and, on occasions, substantially altered from 1981 onwards during the 'second stage' of accounting system development which leads to the different position of such a system in the life of St. Thomas'.

that peoples' giving is dynamically related to spiritual awareness and only to a lesser extent with expenditure expectations. The constant encouragement has been in terms of giving to God in response to the gifts He has given to individuals. In such a situation the budget information produced before the Commitment Sunday, where people express such a dynamic relationship in financial terms, is seen as incidental to such decisions. Even though the presentation of the budget information indicates a percentage rise between present and future requirements this is not seen as some guideline for the expected change in people's giving patterns. There is a strong discouragement for people to give under such legalistic principles - giving is a dynamic expression of a relationship with God in St. Thomas'. In such a situation accounting information is treated with some ambivalence but is produced nevertheless to register the care with which future expenditure has been considered.

The second factor concerns the overwhelming belief that decisions should be taken on the basis of the 'rightness of the project' with the cost factor being of secondary and even marginal importance. There has been an extremely simple but dominant principle pervading all decisions in St. Thomas' (including the £630,000 building project) that if it is 'right' then the supply of financial resources necessary to complete whatever is decided will be forthcoming. Expected costs are not unimportant and have, on occasions, determined policy (i.e. the rejection of other even more expensive building designs because of initial cost estimates) however such information is usually of secondary importance and often ignored. Experience on the success of this principle has reinforced its standing leaving the accounting system underdeveloped in this whole area due to lack of perceived need for any real refinement.

The third and final factor which has led to ambivalence towards the accounting system concerns the trust of the leadership and the lack of need for their accountability to the remainder of the congregation. St. Thomas' has consistently attempted to break out of a committee based approach to the

development of initiatives. It has allowed and encouraged leadership to emerge and to initiate developments based on the above principle, concerning the rightness of the projects suggested, and to be allowed freedom to pursue such initiatives, for the good of the Church, without the necessity to constantly account for the actions taken. Such attitudes are totally built on a very high level of trust between voluntarily role defined superior and subordinate based on the simple principle that the former have been allowed to emerge as leaders precisely because of their spiritual maturity and the trustworthiness of their judgements. Such a situation leaves the accounting system with little relevance in the initiatives that are taken.

In sum, even though the accounting system changed and developed at the outset of a period of massive development in the life of St. Thomas' with huge resource implications these initial changes were neither necessary nor vital for such improvements. St. Thomas', unlike many other parishes, has attempted to control its own development, which rather disguises some of the institutional arguments, discussed in Section 6.1.1, yet at the same time has still heightened and developed the sacred and secular divide, even though this is expressed in a different way, leading to similar indifference and intolerance to the standing of the accounting system.

Yet such standing has somewhat changed in the last few years and even though there has only been marginal alterations in the actual design of the accounting system its position and significance in the life of St. Thomas' has changed quite considerably. We have called this the second stage in the development of the present accounting system and it is to this we now turn.

The result has been a heightening of the importance of the accounting system, particularly the budget element, but it is important to note at this stage that such developments come out of a perceived regression in the life of St. Thomas'. The three factors discussed above are actually principles upon which St. Thomas would like to build to determine policy and action and it is largely because they are not working as well as they did in the period

1974 to 1980 that the accounting system is being resorted to. These factors or principles if working well would, from the perception of the primary actors, prevent any necessity for the development of the accounting system. Therefore their slow deterioration coupled with other changes could be seen as the reasons for the growth in importance of the accounting system. In sum it is out of character for St. Thomas' to rely on accounting information for action and there is a clear sadness, related to a feeling of failure, about making such a reliance necessary.

We turn, therefore, to the various changes that have occurred which have led to the above situation. Such changes can be structured in terms of the three factors or principles discussed above since, as already indicated, it is, in large measure, the ability of these to 'work' coupled with interlinked problems that have caused the growing importance of certain elements of the accounting system in St. Thomas'.

Turning first to the dynamics of peoples' giving this has not changed in substance but has changed in terms of its success in covering anticipated costs. In previous years no problems had been met in covering future budget requirements yet in the last few years difficulties in this area have been experienced. There are many possible reasons for this situation (e.g. declining spiritual 'health', an excessive budget in the light of the such 'health' etc.) which clearly need to be investigated. We will, however, not pursue these in the following analysis but rather turn to the changes which this resource problem has brought about in the position of the accounting system particularly the budget element.

The result fundamentally has been a heightening of the importance of the budget even though the expression of this has altered in the last two years. The formulation of the 1983 budget in St. Thomas' was given great attention long before Commitment Sunday and exposed to the Church before they made their promises in the hope that it would have some effect on such giving patterns - a relationship not expected in previous years to quite the same degree. However,

the anticipated budget had to be revised after the Commitment Sunday due to a potential shortfall envisaged. Thus in 1983 activities were determined where possible by what the Church could afford as declared in budget allocations. Based on this experience the 1984 budget has similar expenditure control intentions but the formulation of this was left, based on the 1983 experience, until giving totals were known i.e. after Commitment Sunday.

In sum, the accounting system is being used as a sort of holding operation to prevent a short term financial crisis. It is adopted reluctantly because accounting systems have never been used before to determine activities. Its use, therefore, is as a crisis prevention means, and mirrors both the lack of confidence in the spiritual dynamic which determined previous behaviour as well as the perceived inability, long term, for the accounting system to help solve such deep seated problems.

On the second principle concerning the way decisions are taken on 'rightness' terms similar marginal changes have occurred which again heightens the importance of the accounting system. Decisions are still taken on the basis of the 'rightness' of the particular strategy but now the cost factors play a greater part in that the embryo of the idea must somehow be formulated at the budget formulation stage so that the forthcoming budget is not overspent. This undoubtedly removes some of the spontaneity in decision making which was so much a part of St. Thomas' life and creates some over-zealous bids at the budget formulation stage.* The accounting system, therefore, has impinged on this principle recently in a way which it never did before.

On the third and final principle concerning leadership and trust as to the initiatives suggested this has markedly changed in recent years and given rise to both the significance of the accounting system as well as the design change to responsibility accounting. There are a number of factors involved in this complex change. Firstly there is the problem of an expanding leadership base and possible range of activities. As indicated above the full time staff has consistently been increasing over the years - doubling from 4 to 8 in the

* Although for 1984 the financial promises were so poor that cuts rather than bids were the areas for debate.

last six years - along with an encouragement to a great many of other 'lay' members to act as leaders. As a result the leadership structure is confused and confusing with a proliferation of possible initiatives forthcoming which possess similar qualities. Secondly there is the problem of a lack of balanced direction for the Church as a whole. There is now more than adequate plant for any manner of activities and many leaders pulling in different directions but a basic lack of clarity as to how to balance one development against another. Thirdly, and somewhat coming out of the confused situation from the previous two points, there is a growing awareness that leaders should be accountable and their initiatives should be 'tested' rather than assumed to be 'right' just because they are the ideas of a designated leader. In other words the simple trust exercised in earlier years, when the situation was smaller and more intimate, has been lost.

The upshot of such major changes have resulted in alterations in the significance and design of the accounting system as a way to stabilise, rather than resolve, the problems encountered. In terms of accounting systems this is expressed by, again, the growing importance of the budget and budget review and the responsibility approach to this as depicted in Table 5.2.1 (2). This, in effect, says that certain named people or small committees are permitted to spend up to a certain amount on what they believe to be appropriate. However, it is a holding situation only to prevent what could be mild anarchy with such leadership, direction and trust problems still remaining. Thus the accounting system has been resorted to as a way to control a potential anarchistic situation. However, because St. Thomas' has never relied on the accounting system to determine behaviour its significance in helping to resolve these complex problems is unlikely to be very significant in the future.

In conclusion the accounting system in St. Thomas' Church although originally a type of sophisticated extra or efficiency safety net, now plays an important central role on a hoped for temporary basis. It is, in this sense, acting as a makeshift control system until the real and desired spiritual control system

(in terms of the above three factors concerning spiritual giving, spiritual direction and spiritual and trusted leadership) comes back into full working operation. But the accounting system is not seen as a tool for facing and resolving such complex issues: the problems are 'spiritual' and need to be resolved by 'spiritual' means rather than those supplied through what are perceived to be more 'secular' (e.g. accounting) processes. In other words the sacred and secular divide is real and unbridged and thus to rely on secular means to control problems of a sacred nature is both somewhat resented as well as being considered impossible to supply suitable solutions.

6.1.4 Theoretical Explanations Coded B2

Conclusion

Separate fund accounting in St. Thomas' Church, and possibly elsewhere, can be traced to three mutually exclusive explanations depending on the fund being analysed. These three explanations come from simple convenience arguments, historical and legal necessity considerations and a deep seated perceived division in Church activities.

Argument

This last conclusion may not be quite as important as those that have gone before but it at least provides some valuable additional insights as well as ensuring that all the questions listed in Table 5.2.5 are actually addressed.

Specifically our concern is to discover the reasons for the existence of the six separate funds and accounting systems in St. Thomas' (see Table 5.2.0 for details) but with an eye to more possible generalisations about such common splitting of financial and accounting activities. Even though our specific concern is the St. Thomas' Church fund division, as Table 5.2.3 indicates it is a common practice in all the parishes looked at in both the S1 and S2 sample to have a number of separate fund and accounting units. It is thus something of a general phenomena with a possibility, therefore, that some general explanations may be applicable. The following explanations, although specifically related to the St. Thomas' case, could be of a more generalisable nature although it would be wrong to assume that such a claim is being made at this stage.

There appears to be three separate explanations as to why certain fund units and consequent accounting systems have arisen. These are arguments based on simple convenience, on historical and legal necessity and a deep seated perceived divide in activities and a consequent way to preserve and stabilise such divisions. We will, in the following, look at each of these in turn in the context of, and specifically related to, the separate funds of St. Thomas'.

The convenience argument is nothing more profound than simply that, in certain circumstances, it is more convenient to create separate funding units.

On the surface in St. Thomas' the General Fund, the Church Extension Project Fund, the Church School Fund and the General Missionary Fund could be seen as examples of this explanation. Put another way it could be seen as convenient to have a separation between internal (General Fund) and external (Missionary Fund) costs and income and between capital (Church Extension Project Fund and Church School Fund) and revenue items. However, it is questionable whether such divisions can all be collectively explained by convenience. The internal and external divide expressed through the two funds is a complex division of activities which cannot lightly be explained by a 'convenience' argument. The two capital projects, on the other hand, could be seen in this light if, in fact, they are closed after the capital appeal has been completed. However, there are very real indications that the Church School Fund will not be closed even when the capital costs are covered. This would undoubtedly suggest that other forces, apart from convenience, will explain why such a fund is likely to continue in existence after such a completion. In sum, convenience arguments explains the existence of both the Church Extension Project Fund and the Church School Fund while in existence as capital appeal funds but the continuation of the latter fund and the existence of other funds in Table 5.2.0 need to be explained by other arguments.

The second of these arguments centres around historical, legal and quasi-legal requirements for existence of separate funds and the reasons for such requirements. The two funds which fall into this category in St. Thomas' Church are the Arthur Wightman Charity Fund and the Sick and Poor Fund.* Both are trust funds set up as separate fund units by some previous benefactors.

* In fact as Appendix 6 indicates the Sick and Poor Fund is actually an amalgum of two trusts: the Hadfield Charity and Edith Bates Charity.

They are administered solely by the present incumbent to be used according to his discretion within certain broad bands (e.g. the 'relief of need'). In fact it was the perception that the incumbent should have certain sources of income for discretionary action which led to the existence of these funds and their separateness from all other Church resources. Undoubtedly the amounts involved are very small indeed, however this does not detract from the important reason for their existence and the force of Trust Law to secure their continuation.

The final argument centres around a deep seated divide between certain activities undertaken by St. Thomas' Church which is created by both local and more national historical factors. These divides find expression in the separateness of certain of the funding units in St. Thomas': more specifically the General Fund, the General Missionary Fund and the continuation of the Church School Fund after capital completion. There are historical reasons which give meaning to these divisions and thus in the following we will take this perspective starting with some pertinent, more national, historical factors.

A particularly important national historical factor concerns a long standing divide between the work of the 'Church' and the work of 'Missionaries' which finds its expression institutionally at a national level* as well as financially in most parochial situations. This divide reflects important attitudes about the respective work. In general missionary work has an air of mystical romanticism about it which is very different from the views about on-going 'normal' Church commitment: it seems that the romantic picture of the intrepid missionary denying personal health and safety to bring the 'good news' to the 'natives' still lives on despite the constant updated picture of their real endeavours. The role and support of missionary work is thus 'super-spiritualised' in parochial situations and somewhat separated off,

* The Church of England has always been separate from the many Missionary Societies which support the work of 'missionaries' at home and abroad.

certainly theoretically if not practically (in terms of separate funds), from the other Church activities as being something of much greater importance.*

In St. Thomas' such a basic attitudinal divide has found expression in a separate fund. Such separateness, however, is not generally applicable and thus the reasons for such a state are more local than national. We therefore turn to these more local factors with respect to this phenomena.

The support of missionary work has been a constant struggle to St. Thomas' over the years with many alternative approaches adopted and also abandoned. The key problem has been maintaining interest and enthusiasm for missionary work and how this can be achieved. At various times the Church, as an entity, has tried to lead on and develop such support. At other times complete freedom has been granted to the congregation to give support to their own projects in their own way. In typical Church of England style the present position is a compromise between these two positions. Currently the Church as an entity supports a few projects in England and South America giving them exposure in central services, area gatherings and support groups** but ultimately allowing the congregation complete freedom to decide whether such projects should be supported financially or not.

To operate this present system requires either some very careful book-keeping or a separate and distinct fund for earmarked gifts. St. Thomas' have chosen the latter as a way to demonstrate the difference between giving to the Church and to missionary work: the former is, in effect, given 'blind' to be allocated

* In this connection it is interesting to note that all the incumbents interviewed in the S1 and S2 sample became very animated when discussing missionary work. Where financial support was large they were quick to point out how good this was and their plans and hopes for the future. Where support was minimal they were concerned to express their sadness about this and their plans for the future to increase giving. In sum, support of missionary work was seen at a different level from expenditure on other seemingly valuable pursuits.

** This being the three interlinked pastoral structure of St. Thomas' Church.

to whatever is deemed appropriate by the leadership while the latter is, in effect, earmarked for whatever the giver wishes.

Thus this separate fund registers an important divide in terms of responsibility for expenditure which is an adaptation and development of the more national division between Church and missionary work which currently exists in ecclesiastical circles.

Finally in this Section we need to turn to the reasons which will, if unresolved, lead to the continuation of the separation of the Church School Fund. This potential separation of funds is clearly related to the handling of an important division which has consistently been part of St. Thomas' life from its outset in 1840 and remains, largely unresolved. The division fundamentally is between the Church and the community in which it is placed - the latter viewing the former as an 'intruder' whose presence needs to be certainly curtailed and preferably isolated.* The tangible cutting edge for this divide has, in the past, been the ownership and control of the School which stands adjacent to the Church. Church ownership and control has been seen as further unwanted and undesirable infiltration into a community which is resentful of such presence. Alternatively lack of Church ownership although approved by the Community has been seen by St. Thomas' as a failure of the Church to overcome the problems of relating to its environment. Thus the battle over the School has been a microcosm of a very basic relationship problem between Church and Community with the funding being separate or part of the Church being a marker on who had the 'upper hand' at various points of time.**

* There are subtle perceptual problems in this simple picture as will become apparent shortly. However, such a stark picture, although a gross simplification, will suffice for the moment so as to amplify some important points.

** This is, in fact, an oversimplification of a complex relationship as we shall see below but it does register the important position of the School in such a divide.

Before looking at the present situation and the debates surrounding this and their possible fund related outcomes it is helpful to reflect briefly on the reasons for this basic divide between Church and Community. The seeds of this divide were sown in the first 20 to 30 years of St. Thomas life and have grown ever since being transferred implicitly and explicitly from one generation to another.* The district of Crookes was originally a community of artisans with strong and loyal commitment to the Methodist Church. In the late 1830's the Community was focused on, and looked for sustenance from, the two centres which stood adjacent one another in Crookes: the School and the Wesleyan Chapel. It was into such a self-contained cohesive world St. Thomas' Church was 'planted' due to the enterprising endeavours of Thomas Sutton (Vicar of Sheffield) who wished to divide up his vast parish into more manageable independent units. Although a public meeting was held to consult with the Community Sutton's plans were well advanced and well supported by the wealthy Sheffield landowners who provided handsomely to allow Churches such as St. Thomas' to be built with some ease.

So the building of St. Thomas' Church registered to the Community of Crookes the infiltration of the upper classes into their artisan environment as did those who came to attend the Church during the period 1840 to 1890. The Church under its first few Vicars acquired great notoriety for the upper classes and it became the 'West end Church' of Sheffield. Or as the History of Crookes (1982) so poetically put it:

'On Sundays queues of carriages waited for the gentle-folk - most of whom would have lived outside Crookes itself' (p. 30)

* To an extent such transference is breaking down more recently due to a shifting and rapidly changing population in the district of Crookes. However, there are still many in the Community who have three generations of a family living within a few streets of each other making transference somewhat inevitable and simple.

With so much class warfare around this time St. Thomas' Church was thus seen as a private meeting house for the 'bosses' which needed to be tolerated, as in the work situation, but not welcomed.

Such activities were tolerable to the artisan people of Crookes providing they could continue to look to their School and Chapel for help, assistance and an expression of their interests. However, the Church, for seemingly wholesome reasons, in fact soon infiltrated such sacrosanct domains and in the process disturbed an uneasy truce and tolerance. For instance a new charity deed of 1861 ensured St. Thomas' Church involvement in the School and it was but a few years before such a truce was broken. Such tensions are nicely captured by the History of Crookes (1982):

'The Trustees refused to allow unsectarian and liberal candidates to hold public meetings within the Crookes schoolroom. This was felt by some people to be very wrong and the Trustees were accused of having brought in the 1861 Scheme in order to protect Church of England and conservative interests. Some believed that the school, by rights, belonged to the people of Crookes. The dispute led to a report being drawn up in 1892 into the endowments of the school' (p.18)

Over the years a truce between Church and Community has been maintained with the handling of the School being a focus for the state of relationships but has come to a new and different head with the closure of the School* and the re-establishment of Church control. With the buffer of 30 years or more of government control of the School the Community no longer sees it as an emotive issue in quite the way they used to. The Community do not look to their School and Chapel for support but rather to the State. However, the divide between St. Thomas' and the Community is as wide as ever. Realising this division and the struggles of the past, along with a desperate desire to serve the Community in a new way the disagreements have been internalised and

* Managed as a 'controlled' school and thus by the more 'secular' Education Authority.

are finding expression once again in how to handle the activities and funding of the School.

Not surprisingly there are two views in the internal debate currently in process - between those who adopt what they believe to be the view of the Community and those who take a more Church view - which in turn would result in the existence or non-existence respectively of a separate unit in terms of activity and finance. Both views are aware of the deep divide between Church and Community and the desire, and need, to narrow the breach, however, the difference is how to do it. The former view maintains that the divide is so deep that only subtle and extremely gentle infiltration is possible. The latter view maintains that the divide can and should be narrowed by a direct and clearly obvious initiative by the Church itself. Whoever wins this debate will be seen in the continuation or cessation of the separate Church School Fund - the former state will occur if the more pessimistic prognosis is accepted and the latter if the more optimistic gains support.

In conclusion then the division into separate funding and accounting units supplies, on occasions, some extremely important reflections of key organisational issues and problems.

6.1.5 A Reflective Summary

There have been two predominant themes running through much of the previous material in this Section and it is both necessary and advantageous to look at these critically as a way to summarise and challenge the ideas presented. The first of these concerns the attitudes of indifference and intolerance to accounting system developments and the reasons for it by the full time clerical work force who are present in parochial settings. The second of these themes concerns the dynamic one to one relationship between clergy attitudes and parochial ethos which makes these primary actors something of a microcosm of parish life. Clearly such themes do not capture all the richness of the previous arguments* but they do cover important and central points underlying both the general and specific (to St. Thomas' Church) arguments made. We will, in the following, look at each of these summarising the main points made and then critically reflecting on the validity of the argument. We will then summarise the other insights which do not neatly fit within such a thematic context.

On the first theme concerning clergy attitudes we have tried to show that firstly they are indifferent and intolerant to accounting system developments and secondly the reasons for this can be found in sacred and related institutional factors. On the first of these points we have tried, through reflecting on the interviews made along with prior experience, to justify the general view that clergy are indifferent and/or intolerant towards the idea of encouraging developments in accounting system design. The majority view such systems as 'optional extras' or 'necessary evils' but certainly not something which needs developing. On the second element involved in this

* such as the Church and State anxiety mirrored in the necessity for parochial annual accounts and the national and local historical arguments surrounding the fund accounting in St. Thomas'.

argument we have made the point that such attitudes are not casual views which in some way are expressions of simple personality traits but come out of the role which clergy are to act out in parochial settings. We highlighted two important factors involved in this role definition which have a direct bearing on the attitudes to accounting system developments: conveniently titled the 'sacred' and 'institutional' factors. On the 'sacred' factor we maintained that clergy are required by law, by training and by expectation to be involved with 'the cure of souls', rather than the more 'secular' body concerns, in a split Greek view of man. Such a view heightens the importance of the sacred as against the secular and reduces the significance of anything which is remotely connected with the latter. We maintained that, in the eyes of clergy, accounting systems are part of this secular world and thus may have to be tolerated but should not be encouraged. On the 'institutional' theme we showed that the macro support structures (diocese and centre), the internal democratisation of decision making in parishes and the minimal accountability/maximum concern for maintenance of present activities all compound to mould the more 'sacred' role of the clergy and their minimum concern with accounting systems developments to help them to perform their role.

The St. Thomas' Church example proved an interesting and important adaptation of this general clergy model. In this case the Vicar chose deliberately to break out of the somewhat apathetic role created by the institutional factors which could have moulded his behaviour. He chose to initiate change and development at the institutional, more 'secular', level particularly with regard to buildings and manpower (i.e. the normal concerns of the macro support structures or 'new patrons'). But such developments did not call, in his mind, for improvements in the actual nature of the accounting system even though these happened at the same time in the context of the appointment of a new treasurer.*

* The new Treasurer was clearly an important member of the leadership team but only partly because of his financial and accounting expertise. Of more significance was his spiritual awareness and insight into decision making and his ability to use these rather than some sophisticated accounting techniques.

The need for control of the new found freedom taken back from the 'new patrons' was in terms of the heightening of the sacred and secular divide and the development of what could be called a 'spiritual control system' involving the dynamics of the spirituality of giving, 'rightness' principles and trusted leadership.

The accounting system in St. Thomas has however taken on a greater, but somewhat reluctant, significance in the attitudes of the Vicar in recent years precisely because the 'spiritual control system' has not been as effective as in previous periods. With still a great deal of freedom in terms of potential decision making* and a growing disarray on the financial front the attitudes of the Vicar viz a viz accounting developments have had to be moulded somewhat. But such developments are not seen as a way to solve what, in effect, are perceived to be spiritual problems since such issues require spiritual as distinct from secular (i.e. accounting) solutions.

Although the above points have been couched in terms of clergy attitudes the above Sections** have talked about the culture, ethos and life of the Church as an entity as distinct from the dominant and primary actors. Where this has occurred it registers an important one to one relationship which has been argued to exist in parochial situations. This brings us to the second theme highlighted at the outset of this Section as underlying the contents of the previous discussion and it is to this we now turn.

At the start of Section 6.1.1 we highlighted three reasons why clergy are dominant in parochial situations which in turn indicates why such a one to one relationship seems to exist. Such dominance was seen to be created and

* Although somewhat curtailed by the internal structures surrounding this freedom - see Table 6.1.3

** Particularly 6.1.3 and 6.1.4 and to a lesser extent 6.1.2

reinforced by legal property rights, by the way activities are structured along with their nature and by the role expectations of themselves (created partly by their training) and by those who are part of, or closely related to, the parochial congregations. Clearly such dominance is not unbridled in quite the sense that anything a clergyman desires to see happen in a parochial situation can occur. The power relationship is much more subtle and complex than that. What a clergyman wishes to be dominant about is determined by his role which in turn is created by historical, institutional and congregational expectations. Thus clergy attitudes are moulded over time into some amalgum of what God wants for this particular parochial situation, what the institution requires, what history demands and what the present congregation can willingly tolerate. Thus, in large measure, what the Church is is what the clergy are even though the latter's attitudes may not be fully moulded in quite the manner described due to leads and lags in this dynamic cycle.

It is for this reason that we shifted, somewhat casually in the above discussion between clergy attitudes and parochial cultures, norms and ethos. By adopting the view expressed above it is possible to look interchangeably at the microcosm and the whole without fearing loss of detail because each reflects the other in a dynamic interconnected one to one relationship.

These two themes therefore highlight important aspects of the life of the Church at the parochial level both generally and specifically and have come from a careful analysis of the extant accounting systems. But such accounting systems also supply insights into three other important aspects of Church life which do not neatly fit into these themes and need to be briefly summarised from the discussion in the previous Sections. It is to these we now turn.

These three aspects are basically tensions in the institution of the Church at various levels of intensity and generality with their composite accounting mirror images. The first concerns the tension between the Church

and State and it's reflection in the legal necessity to produce annual accounts for each parish unit. The second concerns the tension and split between Church and Missionary work and how this is reflected, in St. Thomas' Church for instance, by an actual split in the funds and consequent accounting arrangements. The third concerns the tension which St. Thomas' Church particularly is experiencing between Church and Community as reflected in the growing possibility of the separation of the School Fund and consequent accounting.

A number of interesting interconnected points come out of the above and previous discussion. Basically the parochial unit is a paternalistic establishment with a defined and willingly reinforced father figure whose business is sacred rather than secular. Accounting systems are fundamentally secular activities and are therefore of little value. However, where there are particular points of tension and anxiety which cannot be solved either short term or long term by normal 'spiritual' methods then accounting systems are relied on to not necessarily ease or solve such concerns but as a way to, at least, keep within bounds the troubles encountered.

Based on this reasoning in the light of the growing financial crisis of parishes caused by declining giving and membership and the inability of the 'new patrons' to hold back the move secular managerial concerns a not unreasonable expectation is to see a reluctant development of accounting systems to handle such anxieties. Such developments are likely to be seen as an intrusion and therefore not allowed to fully take a part in facing these complex problems precisely because of the dominant sacred and secular divide which still remains unbridged.

Thus the absence or presence of accounting systems reflects or mirrors important insights into parochial life but how valid are such views? Such a question is clearly very difficult to answer particularly using the highly subjective reflective process of critical theory. All one can do is retrace the steps involved in arriving at this claimed 'consensus of theory' at the 'critical theorem' stage and judge the adequacy of the specific operation-

alisation of such processes.

Figure 6.0(1) attempts to portray in diagrammatic form the basic steps and processes which need to be satisfied to be confident of the validity of the resulting 'grounded consensus'. What this Figure shows is the important interrelationship between the specific process of arriving at the conclusions and the more general underlying validity claims of discourse which should also be in operation. As we indicated in Section 6.0 this is simply a summary of some of the ideas discussed in Section 3.4. The real issue in question is whether such steps and processes have been adequately applied in arriving at the conclusions put forward in this Section.

The answer to this would be in the affirmative but with some doubts. The researcher has critically reflected on possible explanations, constantly evaluated underlying commitments and attempted to resolve conflict on possible conclusions and arguments by radical theoretical discourse. The previous discussion may not have captured this process adequately very largely because rejected explanations and the processes involved in their rejection would have taken up too much space in an already over-full argument. The reader will have to take on trust the reality that the pathway to the present conclusions are littered with previous thoughts and convictions now long since rejected. Yet it would be wrong to deduce from this an overconfidence with the ideas forthcoming.

Two interlinked doubts and questions surround the validity of these thoughts in the context of the model portrayed in Figure 6.0(1). Firstly, as already indicated on a number of occasions, it has been impossible to have more than one researcher involved at the level of intimacy of knowledge required. Thus there has been little real opportunity to have a dialogue with others outside of the particular enterprises investigated who are equally knowledgeable about such enterprises. This must have an effect on the resulting conclusions which are nothing more than the admittedly critically analysed thoughts of one researcher. This brings us to the second doubt which is basically that the insights forthcoming are only as valid as this individual researcher's present perceptive powers.

Despite these doubts it is worth recalling that the ideas have limited standing anyway and need to be refined and developed at the 'enlightenment' stage of Critical Theory. Without such refinement and development the 'grounded consensus on conclusions' remains the ideas of an individual or group but has no standing in terms of primary actors (the researched) and no possibility to lead into the 'practical action' stage. Validity in Critical Theory is when researchers and researched have a 'consensus on enlightenment' following all the checks and balances which permits one to say that such consensus is 'grounded' or 'justified'. Even here such insights are only 'valid' to the discursive partners although such a consensus clearly has a higher standing in Critical Theory as compared with the 'consensus on theory'.

6.2 CRITICAL THEORETICAL CONCLUSIONS WITH REGARD TO DIOCESAN ACCOUNTING SYSTEMS

6.2.0 Introduction

Section 5.3 provided a comprehensive summary of statements about diocesan accounting systems with particular reference to the Diocese of Sheffield. Such statements were further synthesised into a series of questions listed in Table 5.3.5 which forms the important bridge or link to the following. Or in other words answers to these questions could legitimately be seen as theoretical explanations with regard to the accounting systems as described. Discovering and justifying such explanations forms the concern of this Section.

A summary of the researcher's present understanding of these explanations along with their links to the questions of Table 5.3.5 can be seen in Table 6.2.0. These explanations fall into two definable areas: a number of general explanations which are applicable to all dioceses and an explanation which specifically applies to the Diocese of Sheffield.

Each of these explanations require separate supporting arguments which forms the focus of attention of Sections 6.2.2 to 6.2.5. As before the conclusions come first to give the reader an appreciation of where the argument is going but in the end it is the argument which leads to the conclusion rather than the other way round.

Finally in Section 6.2.6 in the spirit of critique we will challenge these stated conclusions and their claimed status as a 'grounded consensus' as well as supplying some more customary conclusions.

6.2.1 Theoretical Explanation Coded C1

Conclusion

Diocesan accounting systems are there fundamentally to aid and ensure the marshalling of a growing income necessary for such units to perform the functions for which the diocese, as a financial entity, is in existence. Such functions have been largely pre-determined and unchanging from the original intentions for the creation of diocesan boards of finance, even though subtle changes have occurred with growing centralised involvement. Income generation, however, has been the constant anxiety of diocesan boards of finance with the accounting system being in existence primarily to help relieve such anxieties.

Argument

The above conclusion is based on three interlinked arguments. Firstly, that despite any appearances to the contrary the primary function of the accounting system is to help raise income mostly from parishes. Secondly that income generation is the only real anxiety surrounding the activities of diocesan boards of finance due to the historically determined expenditure patterns which are largely unchanging. Thirdly that diocesan boards of finance have, from the outset and increasingly in recent times, relied on the accounting system to reduce the anxieties involved in obtaining an ever increasing income demand.

We will in the following look at each of these arguments separately and then finally draw out the interlinkages in the context of the conclusion forthcoming.

Argument 1: The Income Emphasis of the Accounting System

The first argument concerns the reasons for claiming that the accounting system as a totality, in all diocesan boards of finance, is primarily concerned with income generation. There are at least two ways to argue this viewpoint: one at a more general impressionistic level and the other by looking at each of the four elements as discussed in Section 5.3. We will in the following adopt the latter of these alternatives but conclude with one or two comments with respect to the former approach.

We start therefore by looking at the budget element. As Section 5.3 indicates the budgeting process in all the dioceses looked at is an important complex annual act by these enterprises. Yet it would be wrong to see such a budgetary process as having some form of planning, control, co-ordination or motivation intentions in quite the way many textbooks present such a process. There is undoubtedly something of these espoused objectives in the formulation of committee expenditure but, as Section 5.3 demonstrates, this constitutes only a very small percentage of the total budgets of the dioceses in the sample. The remainder of the underlying activities contained in the budget would continue whether budgeted for or not. In fact, such is the perceived fixedness and inevitability of these activities that they are deemed untouchable and unquestionable and certainly not open to challenge through the budget system.*

Given that an elaborate budgeting process exists but is not satisfying more traditional objectives the real question is why is it in existence at all? More than a significant clue to an answer to this question can be seen in the basic design of 3 out of the 4 of the dioceses in the sample. In these three cases (Sheffield, Bradford and Carlisle) the primary concern of the budget process is to arrive at the total 'bottom line' figure. Thus the budget process is basically concerned with discovering the 'challenge' for the future in terms of income generation which can then be 'sold' in a communication process to all those who will be future contributors.

Thus the actual design registers the budget's intention but there are also other, more subtle, forces at work which registers the same overall thrust.

* In fact, it is interesting that in all the budget meetings attended by the researcher in only a small handful was the question raised concerning cuts in the major expenditure items in the budget. In all such cases the discussion got nowhere due to either 'impossibility' considerations or to questions concerning the legitimacy of raising the issue at all.

The very existence of the budget formulation process, with or without elaborate committee involvement, for activities which, in effect, would continue whether budgeted for or not could be seen as a type of legitimation exercise which forms part of the income generating communication package. All the dioceses in the sample have an elaborate budget formulation process* and all share, through varying ways, that great care has been taken in arriving at the final budget figures. Thus this process is there to attempt to communicate, as well as legitimate, the budget total to those who are being asked to contribute in the forthcoming year. In other words it has an income generating emphasis.

When looking at the budget review process three observations can be made which registers the apparent income generating concern of this element of the accounting system as well. The first, and possibly less important, observation concerns the immense rigour of the review over curates grants, diocesan administration and committee expenditure. These are the three areas where some control is possible as Section 5.3.2 and Table 5.3.2 indicates and is exercised to the full. On the surface this is nothing more than a necessary control system which, of course, it is but is also something more. To keep within budget on these items is part of the legitimation process to the supporting parishes - it registers a stringency and trustworthiness of the diocesan machinery. Thus this part of the review process has covertly an income generating emphasis. The second and more substantive observation concerns the greater emphasis given in the total review process to the income side of the equation. Comparatively greater time, and, in Sheffield, committee involvement, is given as to whether the income is on target viz a viz budget expectations. Such a review also leads to active 'gentlemanly' pressure on parishes who

* Even though such processes vary quite considerably (see Section 5.3.1)

are falling behind in their payment of 'quota' or, as some dioceses call it, 'share'. Thus the review process has a basic income generating concern in terms of its overall emphasis and even where expenditure items are given similar attention (as in the case of those listed above) a similar basic concern is covertly apparent. This brings us to our final observation concerning the budget review process and this concerns the absence of rigour over a large part of the budget expenditure in such a process. This observation reinforces the view expressed above that the budget is not a planning device - if it were then the review would have a much greater control emphasis over expenditure. Such an observation however, needs to be seen as a positive support for what the budget is not rather than for what it is claimed to be.

We turn now to the annual accounts element of diocesan accounting systems which is a little more complicated in terms of demonstrating an income generating emphasis. Two reflective observations can be made. Firstly concerning the observation that annual accounts are produced but largely ignored. They are produced because diocesan boards of finance are limited companies and are therefore obliged by Company Law to produce such statements. A possible reason for these being ignored, however, is because they supply no extra information to aid the income generating emphasis of the accounting system. In other words they have to be produced but stand out as something different from the remainder of the accounting system. The second observation which on the surface contradicts this point is that the actual act of producing, distributing and communicating the annual accounts is considered a vital exercise in itself. A possible reason for this is closely aligned to the legitimisation argument above which in turn links to the income generating emphasis of the total accounting system. It could be argued, given that the contents are virtually ignored, that it is the very act of producing the statements which constitutes the importance to those primarily involved in their production. The elaborate act of producing the accounts is a demonstration

of stringency, efficiency and care which could be perceived to be a way to legitimise the actions of the diocesan machinery. Thus such an argument leads to the view that even required accounting elements can still be covertly used to serve a dominant emphasis even though, given a relaxation in such legal requirements, such an element may well change from a design perspective.

Finally we turn to the recurring and non-recurring residual accounting information element of diocesan accounting systems. As Section 5.3.4 indicates the recurring residual information, concerned with the budget allocation, is extremely important in diocesan financial life whereas the non-recurring residual information used in once-off decisions is both partial in nature and little used anyway. Both of these observations reinforce the overall postulate that this accounting element, like the previous three discussed above, have a primary concern with income generation as will hopefully become apparent.

The importance given to the recurring residual accounting information as expressed through the budget allocation process to parishes clearly registers this postulated function. Of all accounting elements this is the one which is closest to being the most obvious expression of the dominant concern. Undoubtedly to arrive at a 'bottom line' figure in the budget is useless unless there is some formal mechanism to divide up such a total into some form of equitable elements which is, of course, what the quota system as discussed in 5.3.4 does. Thus this recurring residual information element (the quota or share system) has a natural overt income generation purpose.

The lack of importance of the non-recurring residual accounting information on the other hand, likewise registers such a purpose but in a somewhat more subtle way. The very fact that once off decisions such as new staff or new activities are made with minimal accounting information involvement suggests two things. Firstly that other benchmarks apart from those supplied through a financially oriented accounting system are being used to make such decisions.*

* As we shall see below such benchmarks can be traced back to historically determined functional responsibilities.

Secondly that the lack of use of accounting information in these considerations suggests that the function of such information has nothing to do with on-going decisions concerning activities current or future. This argument, however, in a similar manner to the points concerning the lack of budget review information gives more negative support to what this element of the accounting system is not rather than what it is.

In sum, there are a considerable number of individual pointers to suggest that the various elements of the accounting system are concerned primarily with the generation of income rather than with mechanisms for careful planning of activities and their expenditure equivalents. Diocesan accounting systems are in existence to help raise income they are not there to question, marshal or rationalise diocesan activities. This of course raises two questions: firstly why is income generation such a problem as compared with expenditure determination and secondly why has the accounting system been relied on to help resolve such a problem? The following looks at each of these questions in sequence.

Argument 2: The Income Dilemma and Expenditure Determination

We come now to the second strand of the argument with which this Section commenced which is also encapsulated in the first question of the two mentioned above. To answer this question we need to understand something about the origins of diocesan boards of finance.

The origins and nature of both diocesan boards of finance and the Central Board of Finance are the outworkings of a Report on Church Finance (RCF from hereafter) originally published in 1911* which forms the vital key for understanding these entities. We will, therefore, in the following concentrate on the essence of the RCF and in the process draw out the implications concerning

* Although the following quotes will be taken from the sixth impression of this report dated 1934.

why income generation has been a consistent anxiety and why expenditure patterns have been largely predetermined.

The RCF came out of a working party set up by the bishops and archbishops following their Lambeth Conference of 1909. The working party was a product of an actual and pending financial crisis, near bankruptcy, in the parochial system of the Church of England and as a consequence the terms of reference were intentionally broad and far reaching but also quite explicit:

- '1. To consider the position, administration and mutual relation of the various funds which are raised for Church purposes by voluntary subscription, whether Diocesan, Provincial or General and the most effectual means of using such funds to supplement the endowments of the Church.
2. Further, to consider the best means of raising and administering additional funds to supplement those that are now raised.
3. To present a Report thereon to the Archbishops of Canterbury and York.'

(RCF, 1934 p. XVII)

Such a brief was agreed in June 1909 and the final report was delivered in published form in September 1911 and as the preface to the 1934 edition indicates:

'The Report published in 1911 was received with avidity. Dioceses and parishes* contended for the honour of being able first to put its principles into effect. It would be difficult now to decide to whom the palm of success in this contest should be awarded. It should suffice for us to say that before the beginning of the year 1914 every diocese in the country had established a Diocesan Board of Finance. Most of them had become incorporated under the Companies Acts and every diocese without exception had established the method of apportionment to parishes'

(RCF, 1934 p. IX)

* As will become apparent parishes were not quite as keen as this seems to indicate which, to a certain extent, is born out by the remainder of the quote concerning what dioceses did.

Thus the significance of the RCF in both formulating diocesan boards of finance as well as determining on-going functions and implicitly anxieties was total.

The RCF has many detailed recommendations which we will summarise shortly, however, before doing this it is helpful to obtain some more general understanding of the Report's ethos in context. The following extended quote from the RCF captures many of these important insights:

The present position is the natural result of conditions which deserve study. Historically in England the diocese preceded the parish, but as Christianity gradually spread through the country owners of land gave endowments for residual clergy, and thus parishes were formed and the parochial system became strong. Endowments were never given to the Church as a body, nor even to the diocese. They were given to endow a bishopric, a parish, a monastery, or a capitular body. So long as the population was small and the endowments fairly adequate, the want of an organised financial system was not felt. The expenses of the parish churches were till recent times met from Church Rates. Each parish managed its own affairs and there was comparatively little corporate life. The Bishop visited his diocese from time to time, but the difficulty of communication between one part of a diocese and another made it impossible to establish the diocesan representation of clergy and laity which is now felt to be essential to Church life. The natural result was an exaggerated parochialism which could not see beyond the needs and rights of the parish and was wholly incapable of dealing with changed conditions. As the population grew and ancient endowments proved altogether insufficient, a multitude of unofficial societies, institutions, and funds gradually sprang up, designed to meet parochial needs for which the Church as a body had failed to make provision. The parish as such feels no responsibility beyond itself: but in all true Church life the unit is the diocese, and as a part of a wider body the parish must share the responsibilities of that body. Archdeaconries, rural deaneries, parishes, are but parts of one family, called the diocese, of which the Father-in-God is the Bishop; and just as the mutual responsibility of the family is recognised in the home, so the responsibility of the wider family, the diocese, for the spiritual and moral well-being of all its members and for its due share in the extension of the Kingdom of God beyond its own borders, must be recognised as essential to the well-being of the Church. No mere arbitrary association of men or agencies can meet the needs of the entire body. It is only as the body, acting corporately, realises responsibility for all its members that every part of the body is cared for. If the parish be the unit in Church life some parishes will prosper and some will starve. If on the other hand the diocese be the unit it will insist on every parish realising responsibility for the entire family, according to its means, and the strength of the stronger will be at the disposal of the weaker.

Such a quote contains implicitly and explicitly two contextual points of importance and three concluding thoughts all of which supply valuable insights into the intentions of the RCF as well as the resulting diocesan machinery.

The two contextual points are simply a reiteration of some of the issues already raised in Chapter 4. Firstly that in the early part of this century, and also to some extent before, the parohial system was under threat in terms of continuance due to the cessation of Church Rates as a source of income, population expansion and inadequate historical endowments to meet current needs but it was not up to parishes to solve these problems.* Secondly that despite the fact that dioceses came before parishes due partly** to the manorial system and consequent endowments there was a large measure of independence of the parochial units resulting in 'exaggerated parochialism' as the Report indicates.

The three conclusions are drawn partly from the context but also from deep seated beliefs which colour in some ways the contextual analysis.

The first conclusion is the unquestioning belief in *the need to maintain* the parochial system in terms of it's territorial coverage. We have already noted and commented upon (in Sections 6.1.1 and 6.1.2) this strong dominant belief in the need to maintain intact the Anglo-Saxon system despite the demise of the manorial base from which it emanated. We will not pursue the arguments already discussed on this issue except to note again it's unquestionable dominance in Church of England thinking and also that the reasons behind such a

* As already indicated in Section 6.1.1 and as will become apparent shortly in this Section, such a clear lack of responsibility by parishes concerning this issue is because of a historically and institutionally determined divide between sacred and secular. The parish has, from earliest times, been protected from the secular concerns about money, survival etc. to allow them to pursue more sacred goals. The new diocesan machinery was created to preserve such a split.

** But see below for more reasons behind this attitude.

view are closely aligned to those adopted in military warfare even though the 'battle' and 'enemy' are somewhat different in nature.

The second conclusion which expresses the practical intentions of the RCF is that such preservation and all other more 'secular' concerns should become the primary concern of a newly created diocesan machinery. This links directly to the points already discussed in Section 6.1.1 concerning the role of the diocesan machine as the 'new patrons' due to breakdown of the old patronage system and the consequent intrusion into parochial life of more secular anxieties. In sum the new diocesan machinery was intended to give new life to the original intentions of parochial patrons and in so doing hold back from parishes such secular concerns to allow them to pursue more spiritual and sacred objectives.*

The third conclusion follows from the above points and centres around some very real anxiety generating problems surrounding both the birth and continuance of the new diocesan machinery. Two interlocking factors are involved. Firstly the 'exaggerated parochialism' already discussed and secondly the mistrust created by historical problems** between parish and diocese and incumbent and bishop. As a result any planned dependency relationship between the parish and the newly created diocesan machinery - which was, as we will see, at the heart of the RCF's proposals - was inevitably going to be problematic and as a result anxiety generating.

We will return to many of these points when we conclude this second strand of the argument but before this it is important to appreciate something about the specific proposals contained in the RCF. These are basically twofold

* As will become apparent diocesan boards of finance never managed to do this entirely from the outset (viz the original income demands from parishes to allow them to perform such functions) and in recent times have become less and less able to do so.

** See Chapter 4 and the end of this current argument for more details about this.

concerning a definition of expenditure areas and issues surrounding income generation.

The definition of expenditure areas comes out of what is recognised as 'essential requirements to the very life of the Church' (RCF, 1934 p.9). Such essential requirements are concerned with the maintenance and care of the parochial system by training future clergyman, paying adequately present clergyman, supporting retired clergyman developing buildings and educating future generations. More specifically the RCF lists seven major areas which needed to be covered:

- 'I Training of Candidates for the Ministry
- II Maintenance of the Ministry, Clerical and Lay
- III Provision of Pensions for the Ordained and Lay Ministers of the Church
- IV Provision for Widows and Orphans of the Clergy and for Clergy in temporary necessity
- V Provision for the Erection and Repair of Church Buildings and for Building Loan Funds
- VI Provision for the Religious Education of the young
- VII Provision for the necessary Expenses of Organisation and Machinery, Central as well as Diocesan'

(RCF, 1934, p. 10)

Each of these seven areas were intended to have supporting and similarly named committees at both the diocesan and central level and to be financed through a complex redistribution mechanism based at the diocesan level.

We will look at the income generating issues shortly but first it is important to recall what the current expenditure situation looks like at the diocesan level and note some of the changes which have occurred over the years. Two changes are of particular importance in this connection.

Firstly in terms of a reduction of autonomy of the diocesan machinery. At the outset diocesan boards of finance simply collected money from parishes and expended it on the above seven categories through similarly named committees* relatively independently. However, over the years more has been handled by the central authorities even though, and this is important in the

* These committees were so important and entrenched that for instance the accounts in the Diocese of Sheffield were built around them until well into the 1940's.

light of the thrust of this present argument, the diocesan boards of finance are largely still responsible for securing the income necessary for such centralised actions. Training costs for instance are handled by the Central Advisory Council for the Church's Ministry but financed through the Central Board of Finance which in turn is financed by diocesan boards of finance as it always has been.* Maintenance costs are handled exclusively by the Church Commissioners now but the shortfall is required to be met, as with Central Board of Finance requirements, from dioceses rather than direct from parishes. Pension costs, on the other hand, have been removed both from diocesan control and finance. All costs are handled by the Pensions Board with the use of Church Commissioners' money. Possible money for new Church buildings including new parsonages is still largely a diocesan responsibility but income and capital requirements are partly met through Church Commissioners' money.** Religious education and administrative costs remain largely unchanged.

The second change concerns some alterations in the activities undertaken at the diocesan level which in one sense are an amplification of original

* Interestingly the RCF always intended that the Central Board should be protected in this way from the real source of giving. It was never intended that the Central Board should make income demands direct to parishes.

** These various changes between diocesan and central responsibilities but the dominance of the diocesan unit to act as the income generator are, in large measure, the cause of the difficulties seen in the annual accounts concerning cost and asset valuations (see Question 4.1 in Table 5.3.5). Such matters are particularly acute with regard to the Church Commissioners/diocesan relationship which makes particularly the movements on diocesan pastoral accounts and diocesan stipends account difficult to classify. Many if not most of the activities undertaken by the Church Commissioners in terms of these two accounts originally were diocesan responsibilities yet now whose responsibility they are is unclear. Since such issues have never been resolved, and are not clarified by the Church Commissioners, different dioceses adopt different interpretations which result in different handling of such issues in the annual accounts.

planned pursuits but in another sense a shift in intentions.* Over the years it was recognised that part of the necessary concern about 'religious education' contained other elements concerned with mission, unity, ecumenical, stewardship etc. activities all of which the dioceses believed needed to be covered by active committees, diocesan appointments and consequent costs. Such activities, like the religious education one from which they emanated, all have the same brief concerned with encouraging such functional developments at the parochial level. However it is interesting to note that such developments have not arisen out of the overarching concern with parochial survival and similar concerns but rather come from initiatives generated at the centre.** This slight shift in emphasis for the 'new patrons' goes somewhat beyond the secular support role for the parishes and moves into a form of intrusion into aspects of the spiritual activities of parishes.***

But, in general, even though there has been changes in the activities currently undertaken at the diocesan level these are to a considerable extent marginal in terms of original intentions. As a result expenditure areas are seemingly determined, unchanging and unproblematic which is of course what we claimed at the very outset of this argument.

We now turn to the other part of the argument concerning the claimed

* A point which becomes clearer when the memorandum of association of any diocesan board of finance is scrutinised. A typical example of a Memorandum of Association of, in this case, the Sheffield Diocesan Board of Finance is contained in Appendix 21. As can be seen the main RCF functions are clearly seen in the 'objects' (3B(i) to 3B(vii)) but with various other expansions and developments of such general pursuits also being permitted (see particularly 3B(viii) and 3B(ix)).

** In fact most diocesan committee structures in terms of such functional areas exactly mirror and have followed those who service the General Synod and are financed by the Central Board of Finance.

*** Such moves have, in fact, caused some quite difficult problems for diocesan boards when coupled with the mutual suspicion which exists between dioceses and parishes. To be involved with certain more secular concerns of parishes is one thing but to then challenge and intrude into the spiritual work is quite another. As a result many diocesan officers who have roles in this context (e.g. diocesan youth officers, diocesan missionaries) are treated with some considerable scepticism by parishes.

anxiety surrounding diocesan income generation. To do this we need to summarise what the RCF states on this matter and then draw together some of the unfinished points raised in the above discussion.

The RCF has three explicit points to make about the income generation problem. Firstly that the diocese is the central unit for funding the defined activities or as the Report puts it:

'It will be readily allowed that the system of Church finance here outlined must depend, in large measure, on the existence of a sound and efficient financial authority in each diocese'

(RCF, 1934 p. 36)

As we have already seen the RCF was unequivocal in it's view that diocesan and central activities should be financed through the diocesan level. The second explicit point that the RCF has to say about income generation is that the parish should be the first call to satisfy such diocesan income demands and thirdly that to do this a formal system of allocation was necessary. Or as the Report expresses these latter two points:

It is evident that diocesan revenue must always be in a large measure derived from the parishes which constitute the diocese, but it is inconsistent with any sound financial system to leave it entirely to the judgment of each parish to determine what share it should contribute to the diocesan treasury. It is probably the experience of every diocese that a considerable number of parishes fail to make any contribution to the diocesan funds, while in a still larger number of cases the amount sent in is wholly disproportionate to the means of the parish and to the diocesan requirements.

(RCF, 1934 p. 44)

This quote and these latter two explicit points raise two somewhat more implicit points concerning this income generation problem. Firstly that from the outset it was always clear that the new patrons, unlike the old, could not hold back from parishes all more secular concerns. The very fact that money had to be gathered from the parishes to pay to other parishes in fact changed the essential nature of the original patronage system and shifted some of these more secular concerns back into parochial situations. Secondly that the

RCF were under no illusion that parishes would not willingly support such a diocesan machinery even though it was supposedly for the good of the parish system individually and collectively. The RCF solution to such a motivational problem was a formal system to require parishes to make contributions. We will not go into this here* but simply note again that the RCF was well aware that the income generation problem was a very real and difficult issue which the planned diocesan machinery needed to face, worry about and hopefully solve.

Thus the RCF was well aware of the potential income generating anxiety they were creating by their suggestions and it is important to appreciate the reasons behind this and the factors which have heightened or lessened such an original situation over the years. We will explore such considerations in the context of three points - two of which have already been touched on in the above discussion.

Firstly concerning 'exaggerated parochialism' and implicit perceived irrelevance of the diocese. As already indicated at the time of writing the RCF the pre-eminence and quasi-independence of the parochial unit was well established along with a deep seated resentment of the 'diocese'. The corruption and wealth and unavailability of bishops which had led to the establishment of the Ecclesiastical Commissioners in 1836 and other reforms had, and still has, left a deep scar on parochial-diocesan relationship. This, coupled with the historical development of parishes tied and beholden to manorial lords has undoubtedly been major contributing factors to exaggerated parochialism and resentment of 'diocesan' interference.

The second point concerns the resistance and scepticism by parishes for

* But we will shortly since such a formal system is a form of an accounting system as we shall see when looking at the third strand of this interconnected argument below.

the activities undertaken by the diocesan machine. As we have already indicated both the original activities and the more recent amplifications have been initiated not by the parishes themselves but by the central Church authorities. There is a strong sense of patronage and paternalism in these activities rather than a natural awareness on the part of parishes to appreciate the necessity for such actions either in the past or currently.

Thirdly and finally is the ever expanding demands which the parish is being asked to contribute to the diocesan machine. We have already traced such demands in detail in Table 4.1 (18) but it is worth repeating some of the pertinent statistics from this summary. As this Table indicates in 1956 the quota constituted only 8% of parochial ordinary income. However, in 1980 (the last date when full statistics for the Church of England are available) the quota constituted 35.6% of ordinary income. Put another way the growth in quota from 1956 to 1980 was 2741.7% whereas the growth in ordinary income over the same period was 539.8%. In the years following 1980 all the indications are that quota requirements are increasing generally at a rate which is greater than the growth in ordinary income.* In sum, from a parochial viewpoint, the quota is taking a growing slice from diminishing resources and in so doing shifting such anxieties back into parishes and so undermining the original patronage intentions behind the formulation of diocesan boards of finance.

These three historical and current factors interplay in a dynamic fashion to create a great deal of anxiety at diocesan level concerning the generation

* Although more general statistics for the Church of England are unavailable the figures for quota increases in Sheffield for instance indicate what could be of common trend. Some of these are contained in Table 4.1 (19) which shows that only for the 1984 budget has the quota increase dropped below 20% (to 16.4%). However the indications are that ordinary income is not increasing at anything like even this 'low' level and as a consequence more and more of the ordinary income of parishes certainly in Sheffield in both absolute and proportional terms is being required to meet quota demands.

of income. The diocesan officers are well aware of their basic unpopularity despite constant instruction that their work is for the good of the parochial system. They are also aware that such activities are not naturally or generally* perceived to be relevant and necessary to the current incumbents and officers in the parochial system.** These problems would be enough to generate a certain level of anxiety without the added problem that the support of seemingly unpopular activities by an unpopular enterprise is costing more and more and absorbing a higher proportion of parochial income. In such a situation anxiety surrounding the income generation problem is inevitable.

In sum, and in conclusion, we have tried in the above to justify and amplify the view that diocesan expenditure is largely unproblematic but the income generation problem is both difficult and is anxiety ridden. Diocesan boards of finance and other committees were created to perform some clearly defined activities which have changed little over the years and have as their overarching concern the more secular preservation of the parochial system. From the outset it was always intended that such activities should be funded by the parochial units who are being served and even where certain of these original diocesan activities have been handled by central authorities the process of financing them has remained as originally intended. Yet due to 'exaggerated parochialism', diocesan resentment by parishes, a natural reluctance and indifference by parishes to the need for diocesan activities coupled with ever expanding demands on parochial income has created a very real income generation problem with a consequent high level of anxiety surrounding such a

* It would be wrong to give the impression that all incumbents are anti-diocese. The above should be seen as general attitudinal trends.

** Using the basic framework used in this analysis the underlying attitudes could be stated quite simply as follows: the old patrons never passed on to us (the parish) financial anxieties and never interfered in our spiritual work so why should the new patrons both pass on such concerns and intrude!

process. It is in fact this income generation problem and consequent levels of anxiety, which is the dominant concern at the diocesan level colouring and determining behaviour including any further possible marginal changes in defined activities.

Argument 3: The Anxiety Reducing Intentions of the Accounting System

Most individuals and organisations when faced with an anxiety generating problem look to ways to reduce such stress and diocesan boards of finance are no exception to this general rule. It is the intention of this Section to demonstrate that, from the outset, diocesan boards of finance have looked to formal, largely accounting, systems to act as anxiety reducing mechanisms.

What appears to have happened is that the seeds of this general approach were sown in the RCF uncritically applied with apparent success and remained unquestioned over the years as the best method to reduce the income generating anxiety and gather the money required. It is also possible to go further than this and note that where income demands have grown, particularly in recent years, and anxiety levels have increased the sophistication and position of the accounting system has expanded accordingly due to its largely unquestioned position as the anxiety reducing mechanism.

As a way to justify these general claims we will divide the following into two interlinked parts. Firstly in terms of the recommendations contained in the RCF and secondly in the context of the application and development of these ideas over the years in various diocesan boards of finance.

We turn first to what the RCF had to say about the relationship between formal, largely accounting, systems and the income generating concern. We have already seen that the RCF was well aware that the generation of income was going to be the problem for the suggested new diocesan boards of finance. They were also unequivocal on two other points: firstly that parishes must supply the income ('... diocesan revenue must always be in a large measure derived from the parishes...' (RCF, 1934 p. 44)) and secondly that what parishes contribute should not be left to chance ('... it is inconsistent with any sound financial

system to leave it entirely to the judgement of each parish to determine what share it should contribute to the diocesan treasury.' (RCF, 1934 p. 44))

This latter point links directly to the importance of a formal, largely accounting, system in this income generating process for the RCF saw such a formal system as a way to reduce the 'chance factors' in obtaining the money required. The major recommendations of the RCF in this connection were threefold:

- 'I - That a system of parochial assessment, levy contribution or apportionment should be adopted.
- II - That the amount of this apportionment or contribution (which may conveniently be called the Parochial Quota) should be from time to time fixed by the Diocesan Board of Finance under arrangements to be approved by the Diocesan Conference, and subject to appeal to the Diocesan Conference or to some other committee of appeal constituted by it and should be paid annually to the Diocesan Treasury.
- III - That the apportionment should be based upon
 - (a) the financial conditions of the parish, and
 - (b) the number of churchmen and churchwomen in each parish, to be estimated by the method deemed most desirable by the Diocesan Board of Finance'

(RCF, 1934 p. 45 and 46)

There are a number of points to draw out of these recommendations and the Committee's understanding of the problem. Firstly that the RCF saw the primary anxiety in terms of potential inadequacy of parochial contributions if left to voluntary acts of giving and thus geared their recommendations to this perceived problem. What they didn't realise, or possibly chose not to pursue, was that such an unwillingness stemmed from a deep seated resentment between parish and diocese (which they tentatively recognise - see above) making the income generating problem and consequent anxieties much more complex than they explicitly envisaged.* Secondly that the solution to the perceived problem

* See below for more details on this. The upshot as dioceses have discovered is the need for not only an apportionment system but also a subtle 'selling' through formal budgeting, accounts etc. as already indicated.

was to be totally locked into a suitable formal 'system' or 'model' which would ensure that parishes would pay and dioceses receive the income which the latter requires. Such an enterprise based formal system dealing with financial actions and expectations is, of course, an accounting system based on our working definition already discussed in Section 1.2. Thus a solution to the income problem as perceived by the RCF was to be supplied by a suitably designed accounting system. Thirdly that the design of such an accounting system was left largely to the discretion of each diocesan board of finance. The RCF did not specify a blueprint for an accounting system for each and every diocese, their only real concern was to register the point that a formal (accounting) apportionment system was necessary - it's actual design was left open and encouraged to be so.

We turn now to the second strand in our present argument: the application and development of these ideas. Although it is difficult to capture all the ramifications that have occurred from the RCF in the last seventy years or so in many ways this is probably not necessary. A look at the first ten to fifteen years following the publication of the Report supplies both an adequate impression of the impact of the RCF as well as giving an insight into the foundation design of diocesan boards of finance upon which future practices have been built.

The preface to the 1934 edition of the RCF attempts to summarise the developments of diocesan boards of finance in their first twenty or so years as follows:

'While all these arrangements were being carried on at the centre, the dioceses were themselves developing and perfecting their own organisation. There was an immense difference in capacity and in need between the thirty-eight dioceses as they existed in 1919 and the forty-three as they exist today. The several diocesan methods had not been devised after the same model, and had in the course of years become adapted in various ways to varying needs. Nearly every diocese therefore had to meet special difficulties peculiar to itself in constructing its Board of Finance and in adapting its relationship with the parishes. The process of standardisation was advanced by the passing through the Church Assembly in 1925 of the Diocesan Boards of Finance Measure which

defined their constitution and their functions. With its help the dioceses have gradually conformed to a general standard. The necessity for this had become urgent because Assembly Measures were from time to time imposing upon the Diocesan Boards of Finance certain duties, and it was essential that the authority bearing the name "Diocesan Board of Finance" should not only be easily identified, but also capable of performing the functions committed to it.

The following table giving the results of the diocesan efforts of the years 1920-1933 will indicate the magnitude of what has been accomplished:

	Moneys Received	Moneys Expended
	£	£
1920	425,194	483,721
1921	431,547	480,855
1922	481,778	463,141
1923	476,460	492,853
1924	502,577	513,699
1925	512,601	527,755
1926	531,885	547,163
1927	526,618	526,583
1928	556,216	538,859
1929	565,583	557,247
1930	602,518	577,463
1931	591,641	591,470
1932	553,261	563,109

(RCF, 1934 pp xi and xii)

There are three points which can be drawn out of this summarised picture in the context of understanding the impact of the RCF in the design of diocesan boards of finance and the position of accounting systems therein. Firstly that 'diocesan methods' of apportionment were paramount and were proving successful in gathering requisite income. The whole thrust of this picture indicates a claimed success story for the application of formal methods as a way to gather income and hence a confirmation of the original proposals of the RCF. Secondly that such diocesan methods were, of necessity, variable and designed over time on a trial and error basis. There is a clear picture of situation specific experimentation but it is interesting to note that such experimentation centred only around alternative formal methods or systems. In other words the

importance of the RCF's view about the position of the formal (accounting) system was never fundamentally challenged even though marginal changes in the design to meet specific circumstances were necessary. Thirdly and finally that increased pressure on diocesan boards of finance and consequent anxiety was encouraged to be reduced by formal means. As the Church Assembly grew as a governing body in the Church of England in the 1920's this, through the various measures passed, created more work for dioceses and consequent expanding income problems for the various boards of finance. Such pressures however were to be countered by further formalisation partly by strengthening the legal position and functions of diocesan boards of finance* and partly by encouraging the development of the formal methods for gathering income.

In sum, the initial years of diocesan boards of finance adopted, somewhat uncritically, the RCF proposals concerning the importance of accounting systems and simply refined such a model in the light of changing circumstances.

Such a precedent set in the early years of diocesan boards of finance has largely determined the practices of the intervening years. The overwhelming impression is that any change in circumstances leading to higher income demands, growing parochial unhappiness and growing anxiety can be resolved by a further development of the formal, largely accounting, system.

Although such a general claim is difficult to justify a few examples from the specific case of the Diocese of Sheffield might help towards this concern since they could be seen as not untypical of a more general reaction. We will look at a number of such examples from the Diocese of Sheffield and set these in the context of parochial quota demands which are listed in Table 6.2.1 from 1926 (the legal beginning of the Diocese of Sheffield) to the current 1984 budget.

* These were the major intentions behind the 1925 Diocesan Boards of Finance Measure.

Such quota demands can be seen in the light of the previous discussion as a type of barometer of anxiety: we can assume that the higher the quota demand both absolutely and relative to previous years the higher is the level of anxiety surrounding the income generation problem. Based on this assumption one can note a number of points of stress: between 1950 and 1951 where quota requirements moved into five figures, between 1960 and 1961 when quota doubled, between 1972 and 1973 when the three year cycle of stabilised quota was abandoned and between all years from 1976 onwards when large year by year increases have occurred.

At each of these points in time it is possible to note major shifts and changes in the formal (largely accounting) system as a way to reduce the anxiety created by these 'lurches' in the income profile. Two developments in the 1950/51 period in this connection were the appointment of the first full time lay diocesan secretary with a specific administrative and financial concern and the development of a more formal budgeting system on a two or three year cycle along with a development of the Committee of Management to handle such issues and the introduction of a more sophisticated reporting system. The 1960/61 income changes, created by using the quota system to gather ongoing income for a major capital appeal, did not involve accounting changes but rather a change in the full time diocesan secretary to add more vision and energy to the established formal system. The 1972/73 change from a three to a one year budgeting cycle was brought about because of major changes in the environment both generally (i.e. through inflation) and ecclesiastically (i.e. through the establishment of the Central Stipends Authority in 1972 and the orderly increase in incumbents' salaries). These changes, particularly the latter, are the major reasons for the escalating quota demands in recent years (see Table 6.2.1). Thus it is possible to see the period from 1973 onwards as a continuous block where income demands and consequent anxiety has been

constantly escalating.

What one finds is that the reaction to such increasing demands has been in terms of developments in the formal, largely accounting, systems as the following five instances illustrates. The first, in 1975, was the publication of a Needs and Resources Report which recommended far reaching changes in the structure of financial control (e.g. the abandonment of the Committee of Management) and the establishment of other committee structures. The second, in 1976, was the appointment of a new secretary to help manage the new system. The third, in 1977 and onwards, involved a constantly developing and changing budgeting process (see Section 5.3.1 for details on recent years). The fourth, from 1980 onwards, involved a shift in importance of the budget formulation process and the greater interest and involvement of the Bishops' Council in this process (see Section 5.3.1). The fifth, from 1983 onwards, involved a new quota apportionment scheme (see Appendix 13). In sum, such developments are directly or indirectly related to heightening and developing the formal, largely accounting, system as a way to cope with ever increasing income demands and consequent anxiety.

The quota in Sheffield as in other dioceses from 1985 onwards is likely to continue increasing at similar rates as in recent years and there clearly must be limits as to the capability of the accounting system to cope. Already the signs of strain are there although we will not pursue such issues here. The important point to note at this stage is that the adaptation and development of the formal, largely accounting, system is seen as the key to resolving both the income generation problem as well as the consequent anxiety. Such a fixation comes largely from the RCF's original proposals, the early successful application of these ideas and the continuous building upon such foundations.

Some Concluding Thoughts

Rather than undertake a more formal summary of the above points and their interlinkages the following will set many of these in the context of the underlying purpose for the existence of diocesan boards of finance. In sum,

such boards of finance are primarily in existence to perform the functions of parochial patronage. The original patronage system allowed a very real divide in parochial activities between the sacred and the secular with the parish being protected from the concerns of the latter and encouraged to pursue only the former.* As this system, reinforced by legal support via Church Rates, started to fail a number of voluntary organisations and then diocesan boards of finance were created to fulfil such original intentions. Thus diocesan boards of finance were created to become 'new patrons' and thus reinforce the divide between sacred and secular in parishes and handle the latter so that the former could be pursued in the parochial context.

However, diocesan boards of finance have never been able to fulfil such a brief for two reasons. Firstly because to fulfil the original intentions cost money which could only be gathered from those entities (the parishes) who were meant to be protected from such concerns. Secondly because of mounting central pressure, overtly and covertly, other diocesan boards have been created to pursue more spiritual roles in parochial contexts. These coupled with a basic historical tension between parishes and dioceses has created a high level of resentment between the 'new patrons' (diocesan boards of finance) and the 'patronised' (parishes) which is centred in and around the income generating problem of these diocesan boards of finance. Thus, in some senses, the higher the income demanded from parishes the higher is the failure of the diocesan machinery as new patrons in terms of their original brief to hold back such more secular concerns from parishes.

Such quasi-failure naturally creates some ambivalence about the purpose at a more general level of diocesan boards of finance but also, and not

* For more details on this and its implications on parochial life see Section 6.1.1

unrelated to this, high levels of anxiety surrounding the income generation problem which in turn is relieved by a constant call upon, and development of, formal, largely accounting, systems. Thus accounting systems are used in this context to relieve anxiety about the income generation problem but in the process prevents any real questions about diocesan failure as new patrons or more fundamentally and generally the patronage system.

As long as the accounting system continues to concentrate on income generation and works in terms of gathering the requisite income such questions will never be faced either at the diocesan or at the parish levels. At the diocesan level this is so because expenditure patterns are perceived to be determined and as long as requisite income is received will never be questioned. At the parish level the very presence of the quota charge still indicates, no matter what its size, the vestiges of patronage which means that the 'secular' concern is still not really their responsibility leaving the split between sacred and secular still largely intact.

These concluding thoughts lead somewhat naturally into our second general conclusion to which we now turn.

6.2.2 Theoretical Explanation Coded C2

Conclusion

Diocesan accounting systems came into existence to manage the 'residual' patronage problem of parishes which was created by the perceived need to continue and maintain the sacred and secular divide at the parochial level. These accounting systems, like diocesan boards of finance with which they are totally intertwined, are seen as more 'secular' activities and are separated off legally and otherwise from the more 'sacred' endeavours of other diocesan staff and activities which, in turn through such a division, reinforces again the continuance of the sacred and secular divide in parishes.

Argument

Two matters have become apparent from the discussion in Section 6.2.1 which need to be repeated and developed in the context of the above conclusion. Firstly that the development of the accounting system is directly related to, and part of, the development of diocesan boards of finance. Put another way the RCF created not only diocesan boards of finance but also the fundamental nature and existence of diocesan accounting systems as well. Before this time diocesan accounting systems were specifically aligned to the diocesan bishop's household which included his Cathedral 'chapter'. However, during the period from 1836 to the time of the RCF the diocesan accounting systems were virtually non-existent due to the confiscation and realignment of diocesan fortunes by the newly established Ecclesiastical Commissioners.* Secondly that diocesan boards of finance are separate legal entities in the diocesan super-structure. Although the RCF did not propound this view the Diocesan Boards of Finance Measure of 1925 ensured such an occurrence by insisting that all boards should be registered as limited companies and in accord therefore with Company Law. Such a process, of course, made such boards separate entities in the legal sense.

* See Section 4.2.3 for more information on these matters.

These two points register important insights into both the position of accounting systems as well as diocesan boards of finance. Firstly it shows the total interlocking nature of accounting systems and such boards: whatever the former are seen to be the latter are and vice versa. Secondly it shows that diocesan boards of finance (and their accounting systems) have, in effect, been separated off from other diocesan activities primarily in a legal sense but implicitly, by such a process, in other ways as well.

The question then shifts as to why such a separate entity was necessary given that the diocese is the oldest and most established functional unit in the Church of England. A simple explanation is that it was basically more convenient to handle certain diocesan issues through a separate body. However, such an argument can often be used to disguise more subtle and hidden reasons. The following takes this view and more specifically that such a separation registers and reinforces the divide between sacred and secular already seen at parish level and now re-enacted at diocesan level as well while in turn reinforcing the continuance of this split view in the parochial context.

To justify such a view there are a number of strands of thought which need to be brought together. Firstly we need to look again at the origins of dioceses and note the dominance of the sacred and secular divide from the outset and it's somewhat 'jumpy' continuance. Secondly we need to trace what could be called the 'dynamics' surrounding the application of the RCF in such a diocesan ethos. Thirdly we need to reflect on how such a structural model indirectly affects parochial attitudes on the sacred and secular divide given that diocesan acceptance of the 'residual patronage problem' has already directly reinforced the continuance of such a division.

Before looking at these three separate but interconnected points it is worth recalling again the nature of this sacred and secular divide. This divide comes from a fundamental assumption, as seen most obviously in Greek thought that man is an amalgum of a 'body' and 'soul'. In this model there is a basic division

and separateness of the two elements with a clear and unquestioned pre-eminence of the 'soul'. Such a model does not belittle the body as such but treats it as of secondary importance to the soul and to some extent 'improved' by getting the primary area of attention 'right'. Such a basic division is clearly prevalent in our society even though with greater secularisation and splits with the roots in the Church the 'soul' has been replaced by, in the main, the 'mind' and the pre-eminence given to this in all sorts of ways. However, in the Church the original interpretation has been maintained and not only maintained but heightened and all prevailing. In such a situation the sacred 'soul' activities are primary and the secular 'body' activities are undoubtedly secondary and should be avoided if at all possible.

With this in mind we can now turn to the three substantive points in this present argument starting with the first concerning the presence of this divide in diocesan life from the outset to the present time.

Much of the history surrounding dioceses and bishops has already been discussed at length in Section 4.2.1 and we will not repeat these contents here but rather draw from this material in support of the present argument. As indicated in Section 4.2.1 the primary function of both bishops and their dioceses were to care for the more spiritual concerns of the people. In the early days dioceses were coterminous with the Anglo-Saxon kingdoms and the more spiritual endeavours of the paternal king for his subjects were, in effect, delegated, with some control by the original patrons, to bishops. In return the respective kings provided financial and other tangible support so as to allow the work of their bishops to continue unhindered by such worries - in other words the seeds of a structured divide between sacred and secular was sown.

However, such patrons were both powerful and politically vulnerable which, in turn, made the position of the patronised bishops more volatile resulting in a perceived necessity for such parties to be involved more actively in the

secular endeavours of the ruling patrons. Although bishops were free to pursue their more spiritual endeavours while the Anglo-Saxon kingdoms were stable this changed with their overthrow and the shifting power struggle between primarily the Norman kings of all England and the Roman popes. In such a volatile situation and due to the close alignment of bishops to the dominant patrons the former were drawn in, somewhat naturally, to the more secular, political power struggles and away from their more sacred concerns. Some found such moves both disturbing and distracting from their perceived 'real' ministry but others were not only successful but highly attracted to such secular endeavours. As a result many bishops became more and more powerful and wealthy and in the process totally 'secularised' their ministry.

It was out of this state of perceived corruption the Ecclesiastical Commissioners were formed in 1836 primarily to realign the unequal fortunes of bishops and their Cathedral chapters but also to ensure a return to the more spiritual intentions of such personnel. The Ecclesiastical Commissioners confiscated and centralised all the financial wealth of bishops and reallocated some of the income generated on a more equitable basis while retaining central control of the resources. This move, in effect, removed all 'secular' temptations and concerns from bishops and their staff and registered once and for all the original spiritual intentions of their role. In other words the sacred and secular divide was re-established and reinforced through institutional means.

It is possible to go further and say that the re-enactment of this divide from 1836 onwards has, in fact, been strengthened largely because of the questionable practices of bishops discussed above. What seems to have happened is that once bishops were allowed to manage their secular support systems it seemingly failed. Such a failure has been counteracted not by more sensitive and balanced handling by the bishops' themselves of their secular support system but a total removal of it to some 'new patrons', a consequent heightening of the spiritual concerns of their role and therefore a complete reinforcement of

the sacred and secular divide.

This leads into the second strand of the present argument which centres around the application of the RCF's recommendations in such a spiritualised context. The period from the establishment of the Ecclesiastical Commissioners in 1836 to the publication of the RCF in 1911 constituted seventy five years of reinforcement of the sacred and secular divide in the minds of bishops and their staff: it was the Ecclesiastical Commissioners who managed salaries, expenses and estates and all other secular matters of bishops and their staff while such individuals pursued more spiritual and sacred objectives with regard to the dioceses and parishes under their pastoral jurisdiction. It was into such a spiritual setting the RCF was transplanting the secular parochial concern normally exercised by the old patrons (i.e. lords of the manor). To handle such secular concerns in an integrated way in a situation which, in effect, had had such issues removed seventy five years previously seemed an unlikely possibility.

It was thus not surprising to see the RCF recommending a separate entity (viz diocesan boards of finance) to handle such a residual (secular) patronage concern to prevent any possible 'pollution' of the more sacred endeavours of the bishop and his staff. Quite probably the writers of the RCF were unaware of these subtle dynamics at play in their recommendations. However, the intentions of the forthcoming pronouncements of 1925 in the Diocesan Boards of Finance Measure which created a separate legal division in the activities of diocesan boards of finance from other diocesan activities are clear. This Measure enacted by the Church Assembly, where all bishops have a say and vote, could quite legitimately be seen as a purposeful distancing of such a secular parochial concern from the other activities of diocesan dignatories and committees.

Such a distancing of the basic activities of the diocesan boards of finance from other diocesan ventures is clearly apparent yet the very separation creates many tensions when the divide needs to be breached and it is worth looking

briefly at these before moving to the third strand of our argument. The employment of separate often lay full-time diocesan secretaries and chairmen of boards of finance and the often non-attendance or partial involvement by incumbent bishops amongst other points, including some degree of scepticism about financial matters more generally, all reinforce the view that there is a basic distancing of such functional concerns from the other more spiritual endeavours of diocesan staff. Yet with the changing role of diocese to be more proactive in parochial affairs, created partly from pressure by the national boards and councils servicing the General Synod, an increasing number of cost related policy issues are necessary which involves working with the diocesan boards of finance to ensure adequate funding. But those initiating such spiritual advances are normally those who have more sacred responsibilities who have been encouraged not to be concerned with such secular concerns about adequate funding and the like. As a result tensions and problems abound surrounding this meeting of two world views: the finance people realising their secondary more secular position do not know how far to disagree with some more sacred plans*, whereas those initiating the new developments have never been really trained to handle the more secular financial concern and thus are invariably struggling with such matters and resent not only having to be concerned with them anyway but also the probing questions of the 'finance people'. Incremental change with some degree of 'falling between stools' with a clear bias towards spiritual arguments is the likely outcome.**

* Even though any new initiative in a highly anxious situation concerning income generation (see Section 6.2.1) will undoubtedly add to such strains.

** This does seem to be the situation based on the discussion already presented in Section 5.3.4. Here incrementalism in decision making, variable use of formal information but a predominance of other criteria concerning 'rightness' are clearly apparent.

Although this gives some insight into the problems which come from the institutional handling of diocesan finance we will not pursue such matters further here but, rather, return to our main theme and summarise the major thrust of this second strand of our argument in which such issues have been raised. Due to the predominance of the sacred and secular divide in diocesan thinking, the removal of the latter concern and the heightening of the former from 1836 onwards, the re-introduction of the RCF's perceived secular endeavours into diocesan life could only be handled, given such an ethos, in separation from other more spiritual activities. Thus diocesan boards of finance and their intertwined accounting systems are 'secular', and thus secondary, in the minds of the more established diocesan dignatories and need to be tolerated but not necessarily encouraged and could possibly be resented if finance interferes too much with policy. In other words the secular should not lead the sacred since this is a denial of the hierarchical relationship between the two.

This brings us to our third and final strand in this argument which centres around how the structural handling of such issues at the diocesan level affect parochial attitudes. There are two aspects of this argument both of which show that the actual way the diocese has handled it's finances and related accounting systems reinforces the continuation of, and attitudes about, the sacred and secular divide at the parochial level which we have already seen is dominant in such situations.

The first concerns a point we have already discussed briefly which centres around the very acceptance by the diocese of the residual patronage problem which in the eyes of parishes is a secular concern. The act by dioceses in accepting this concern registers to parishes that institutionally it should not be theirs. The dioceses picked up the patronage concern largely because the parishes were perceived to be unwilling, unable and unexpected to be involved with such issues. The parochial system could well have disintegrated in the early part of this century and undoubtedly such a situation could not have been

allowed to happen given the national moves to self regulation and separation from the State.* In such a situation centralised control rather than the unlikely hope of parishes sorting out their own problems was the obvious solution in the eyes of both the writers and the subsequent accepters of the RCF. But this very act in itself meant that the sacred and secular divide at the parochial level was maintained as it had been from the outset of parishes. Thus, even though the 'new' patrons were, and are, increasingly not as protective as the original patrons their continued existence, no matter how ineffective, registers and reinforces the sacred and secular divide at the parochial level and will probably not be breached until complete responsibility for such secular concerns are given back to parishes.

The second aspect of this argument centres around the way the dioceses have chosen to handle such a patronage concern and it's affect on parochial attitudes. As we have already discussed dioceses chose, thanks to encouragement through the RCF and various measures, to handle such a patronage concern by the creation of a separate legal entity: diocesan boards of finance. Such a separation was largely, following the above argument, because of the prevalence of the sacred and secular divide in diocesan thinking following the 1836 intervention into diocesan affairs and the potential 'pollution' effect of such a secular concern if it was not handled at a distance from other more spiritual activities. From a parochial perspective such a patronage concern has always been separate, since it is seen as secular, thus the continuation of this separateness at the diocesan level, in turn, registers and reinforces original attitudes about how to handle such issues. This is constantly

* As occurred with the Enabling Act of 1919. This may not have happened if the quasi-independence given to the Church before 1919 had actually led to the demise of the parochial system. The Church had to demonstrate to the State that it did have the capability to manage it's own affairs and the RCF could be seen as some form of demonstration of this claimed ability.

reinforced by the different diocesan personnel who can be contacted by parochial clergy: sacred and spiritual issues are handled by the bishop and his staff and secular/financial issues are handled by the diocesan secretary and his staff. Clearly such a picture is an oversimplification and overexaggeration of lines of demarcation but the essential differences in the role expectations of the various actors in the minds of parochial clergy is clear and aligned to this sacred and secular pattern. This is so not only because they view the world through such a split vision but also because that is largely how the bishop and his staff and the diocesan secretary and his staff view their own roles which in turn reinforces such aligned beliefs in the parochial clergy.

The other attitude which is reinforced by diocesan handling of this secular concern is related to the accounting system. As we have indicated, on more than one occasion in this argument, diocesan accounting systems are totally intertwined with diocesan boards of finance: attitudes about the latter apply to the former as well. We have already shown that in the eyes of parochial clergy the activities of diocesan boards of finance are categorised as secular. Based on this view and the previous one makes plain that accounting systems, as perceived by parochial clergy, are activities related to secular, as distinct from sacred, concerns. We have already picked up this attitude in Section 6.1 which in effect is reinforced by the perceived position of accounting systems in the diocesan super-structure as a secular support system for a secular endeavour.

In conclusion these three strands of this argument register and reinforce a single complex conclusion that accounting systems, like the diocesan boards of finance with which they are totally intertwined, are perceived to be secular activities in a structural arrangement which is built upon a hierarchical division between sacred and secular in both attitudes and activities. Such a realisation not only shows the dominance of such thinking at the diocesan level but also, in the structural process of expressing this through particularly

diocesan boards of finance (and their accounting systems), reinforces such attitudes at the parochial level as well where they are already well established.

6.2.3 Theoretical Explanation Coded C3

Conclusion

The actual designs of diocesan accounting systems are determined by the personal attitudes and abilities of incumbent diocesan secretaries in the context of a dominant objective to aid income generation but modified and adapted by firstly felt anxiety concerning the income generation problem and secondly, ecclesiastical and, possibly, historical factors.

Argument

There are two pertinent points which come out of the arguments in Section 6.2.1 and 6.2.2 which form the important starting point for the following. The first concerns the income generating emphasis of the accounting systems of diocesan boards of finance. Income generation, as we have seen, is a constant anxiety to diocesan boards of finance and the accounting systems have, from the outset, been involved in trying to reduce such anxiety. The second point coming from our previous discussion concerns the expected and actual variability in accounting systems design across various dioceses. It was recognised in the RCF that needs would be different and thus they were at pains not to standardise the accounting processes. Even the Diocesan Boards of Finance Measure of 1925, which was intended to standardise procedures to an extent, dealt only with constitutional and broad functional concerns purposefully avoiding any further direction on either accounting system design or other similar phenomena. Subsequent diocesan legislation has similarly avoided such issues.

These two points play a large part in what follows forming two underlying themes. Firstly whatever the actual design of the accounting system and the variances between them one common theme predominates: they all have been designed with the income generating anxiety reducing emphasis as paramount. Secondly that variety in specific design is to be expected making generalisations across dioceses with regard to such issues difficult at best and totally inappropriate at worst. In sum, specific accounting systems have a general income emphasis but are otherwise highly variable in design across dioceses.

Even though the implications of this calls for separate and distinct case studies of various diocesan accounting system designs it is possible nevertheless to make one further generalisation before embarking on such a diverse analysis. This claimed generalisation, which is the thrust of the above conclusion, centres around the powerful influence of the diocesan secretary on the design of any particular accounting system but mediated and moulded by the felt anxiety surrounding the income generation problem and other ecclesiastical and, possibly, historical factors.

We will, in the following, attempt to substantiate this conclusion by drawing insights from the four dioceses looked at in our sample (Sheffield, Bradford, Carlisle and Blackburn). Firstly we will discuss the secretary's power and influence generally and specifically with regard to accounting system design and then proceed to look at the two mediating and modifying factors involved in the formulation of the attitudes about accounting system design of this powerful actor.

Although it is difficult to demonstrate categorically that diocesan secretaries are powerful actors in explaining the design of, particularly, accounting systems there are at least three institutional arguments which can be put forward to reinforce such a conclusion.

Firstly through the overarching belief in the Church of England of the value of leadership and the relativity of democracy. The Church of England is an episcopal Church which, in managerial terms, means a belief in leadership or more specifically fatherly concern for the led. Such a belief sits somewhat uneasily with the greater democratisation through synods, committees and the like; however, these are normally seen as more consultative bodies rather than a shift away from one man leadership into democracy. In fact such is the belief in leadership that it can be seen throughout the Church of England - bishops through to clergy and archdeacons through to diocesan secretaries (who are, of course, our current interest) are encouraged to exercise leadership and legitimated in their actions. Clearly there is a tacit

hierarchy in the leaders (bishops over clergy, archdeacons over diocesan secretaries) yet there are many defences and constraints surrounding such relationships which, in the main, ensures the freedom of both superior and subordinate to lead in the way considered appropriate.

The second, and possibly stronger, argument which takes the above points further and reinforces the conclusion concerning the power of the diocesan secretaries centres around their areas of responsibility in the context of the sacred and secular divide. The diocesan secretaries are always secretaries to the boards of finance which, as already indicated, are separate entities in the legal and actual sense from other diocesan activities. We traced this separation to the sacred and secular divide in Section 6.2.2 with diocesan boards of finance dealing with the secular and the rest of the diocesan machinery dealing with the sacred even though the two world views are increasingly having to meet with the shifting and costly initiatives of the other boards and councils.* But even though these two worlds are having to meet there is still no breaching of the divide: money is secular and secondary, policy is sacred and primary. In such a situation diocesan secretaries are given freedom to act and encouraged to lead in their more secular concerns very largely because the more 'spiritual' leaders do not want to be bothered with such matters. However, because they are dealing with more secondary issues their power is curtailed to such matters and can be severely reprimanded by their superiors (mostly archdeacons)** if they extend their authority overtly to more spiritual and primary concerns.

* More of these issues and their effect on anxiety in the income generation problem will be discussed shortly.

** Out of all the bishops staff the archdeacons have most involvement with more 'secular' issues. However all are clergymen and are, therefore, ingrained with views about the sacred and secular divide and often, therefore, choose largely to minimise their involvement with board of finance business. However, they have the power and, on occasions, interest in intruding into diocesan secretaries' territory.

The third and final argument to support the view that diocesan secretaries are powerful in their own territorial area centres around some more internal arrangements concerning the management of boards of finance. Much of the apparent work of boards of finance are conducted through committees yet all the membership, including the chairmen, are lay or clerical individuals whose involvement with such work is largely restricted to the formal meetings. Each meeting, therefore, is highly dependent on diocesan secretaries for insights and guidance on many of the issues which need to be faced. Thus they are potentially powerful de facto in formulating financial policy even though de jure they are beholden to the chairmen and members of the committees and sub-committees of the boards of finance.

In sum, diocesan secretaries are powerful but their position to an extent is vulnerable. Even though they can and are encouraged to lead this is curtailed by being restricted to firstly more perceived 'secular' concerns and secondly by their ability to mould and direct chairmen and members of committees which form the management of boards of finance. But given these potential restrictions they still have considerable scope to lead and act with executive authority with regard to more 'secular' endeavours.

One of these endeavours is of course the design of accounting systems which, as already indicated, is categorised as a particular 'secular' concern. The actual design of the accounting system (i.e. the four elements discussed in Section 5.3 which includes, of course, the committee involvement although not necessarily the committee response) is a typical example of an area of concern which is left to the initiative of diocesan secretaries. They are, in effect, encouraged to take a lead on such design issues which therefore shifts our understanding concerning such matters to the processes which mediate these initiatives. As indicated at the outset of this argument we would maintain there are two mediating factors which mould the design initiatives of diocesan secretaries but before looking at these it is worth giving a little insight into some of the possible accounting design attitudes of the incumbent diocesan secretaries from our sample.

Although it is difficult to empirically support* the relationship between the specific attitudes of diocesan secretaries as individuals and particular accounting systems design a few comments based on these possible relationships from the sample dioceses may demonstrate a basis for an argument. In Sheffield for instance the accounting system is reasonably formal with considerable committee and deanery involvement which does seem to have a clear relationship to the Secretary's formal and accepted Chartered Secretary's training and his belief in maximum information and comment by as many individuals as possible. In Carlisle the accounting system is highly formalised both in nature and committee involvement which also can be related to the Secretary's formal Cost and Management Accounting training and his belief in 'due process' rather than full consultation. In Bradford the accounting system is centralised, highly informal with minimal committee involvement but with maximum casual communication which seems to be clearly related to the Secretary's somewhat relaxed view to his Chartered Secretary's training and his strong belief in benevolent paternalism and informal relationships rather than formal systems. In Blackburn the accounting system deals with a minimal amount of income and expenditure, and is dictatorially informal with little committee involvement which is clearly related to the Secretary's somewhat unorthodox view about his Chartered Secretary's training and his strong belief in delegated responsibility, unbridled leadership in such a context and accountability to the delegator. Although all of these instances are rather general categorisations they do show that the actual design of diocesan accounting systems are some reflection of the designers' (which by the logic of our argument are the diocesan secretaries) attitudes and abilities.

However, such simple relationships between personal characteristics and

* Not that this alone should ever be the only basis for a convincing argument in the process of working towards a grounded consensus in the Habermasian sense.

accounting system design should not be taken too far, there is another somewhat less personally related factor which mediates the designers' attitudinal intentions and subsequent design. This mediating factor centres around the felt anxiety concerning the income generating problem and its effect on accounting system design. In other words given the functional nature of the accounting system as an aid to income generation and given growing levels of actual or projected future anxiety surrounding this problem and a perceived possibility of the accounting system not to 'work' then modifications may be implemented no matter what personal attitudes the diocesan secretaries may have as to appropriate design.

There are basically two possibilities which, should they occur, are likely to increase the level of anxiety and in so doing lead to accounting systems design changes to relieve such anxiety no matter what the particular personal attitudes of diocesan secretaries may be. The first of these is when the total income need year by year moves in lurches rather than inflationary steps. At such times anxiety is high as to whether income can be raised and modifications in the accounting system are apparent. The incidents discussed at the end of Section 6.2.1 above using the Diocese of Sheffield case study constitutes a catalogue of reactions which are typical of this relationship. The second anxiety increasing possibility is with regard to the ongoing and constantly expanding 'non-patronage' expenditure items of diocesan boards of finance. As mentioned on a number of occasions above dioceses, largely through encouragement and initiatives from the boards and councils of the General Synod, have taken on more and more activities which are intended to intrude into the 'spiritual' world of parishes rather than continue simply with the 'residual patronage problem'. Such moves create anxiety concerning income generation very largely because of the unacceptability even of the original patronage brief by parishes and the struggles involved in this let alone trying to cover the costs of new innovations coming not from the parishes, but from

the somewhat elusive centre.*

Another mediating factor which somewhat bridles the attitudes of diocesan secretaries come from ecclesiastical factors. These ecclesiastical factors centre around particular General Synod measures and reports which make certain requirements of the accounting system.** For instance Section 1 (7) of the Repair of Benefice Buildings Measure 1972 requires the existence of a separate fund and set of accounts for the handling of parsonage repairs. Section 26 (1) and (2) of the Endowments and Glebe Measure 1976 requires the existence of a separate fund and set of accounts for the handling of glebe land. Likewise the respective diocesan interpretations of the handling of aided and controlled Church schools following the 1944 Education Act all required separate funds and accounting systems. In addition to more national requirements local synodical decisions such as the adoption in Sheffield of the Needs and Resources Report which also had accounting requirements ensures that certain practices occur no matter whether diocesan secretaries agree with such decisions or not.

Finally historical factors could play a marginal part in determining accounting systems design although there is virtually no general*** evidence to suggest that this is so. Intuitively in such an ancient and seemingly

* The stringency and care around the planning and control of the proportionally small committee expenditure, highlighted in Section 5.3 is a clear accounting response to this anxiety and has very little to do with the more personal attitudes and intentions of diocesan secretaries.

** See Section 6.2.4 for a full discussion on the reasons behind some of these ecclesiastical requirements.

*** But see Section 6.2.5 below for some more specific examples relevant to the Diocese of Sheffield.

historically determined institution there is an expectation that history must always somehow play a part in explaining present practices. However, in the case of accounting systems design this does not appear to be the situation. There are probably three reasons why this is so. Firstly because the activities of diocesan boards of finance which are, of course, the accounting system's domain of interest are 'new' interventions in Church of England terms and their relatively short lives makes the importance of history less than their more ancient counterparts. Secondly, and more specifically to accounting systems design, these were always intended to be flexible as envisaged in the original RCF recommendations. What appears to have happened is that such recommendations have been applied in dioceses and flexibility in design has occurred depending upon the 'special difficulties peculiar to itself in constructing it's Board of Finance and in adapting it's relationship with the parishes' (RCF, 1934 p. xi) which have changed over time. Thirdly because accounting systems are seen to be secular and secondary in the institution there is less attachment to precedents and thus less insistence on the significance of historically determined practices. In sum, history would appear to be an unlikely mediating factor in determining accounting systems design although it would be wrong not to raise this possibility with respect to specific dioceses given the importance of history which permeates the institution as a whole.

In conclusion although most actual accounting systems are situation specific to particular dioceses two points are common to all. Firstly that their total design is related to effectiveness in income generation and a reduction of the anxiety surrounding such a problem. Secondly that such a design is largely traceable to the attitudes and intentions of the diocesan secretaries who are powerful, in a constrained sense, with regard to such design issues. However, such personal attitudes are superceded, moulded and modified by increasing levels of felt anxiety concerning the income generation problem, by increasing ecclesiastical requirements and by the possibility of history.

6.2.4 Theoretical Explanation Coded C4

Conclusion

Divisions in the accounting system for separate funding units is a universal diocesan phenomena yet only part of these are compulsory as well as being motivated by more general reasons. There are three funds of this latter kind which are required by ecclesiastical and statute law to firstly, ensure that dioceses are accountable to the Church Commissioners for particular delegated tasks (the parsonages fund and glebe fund) and secondly, to register a basic separation from Church control of the education system in England (the schools fund(s)). All other fund divisions are more situation specific to the respective dioceses motivated by multiple and different meaningful reasons in the context in which such divisions occur.

Argument

As with parishes so now with dioceses separation into funding units is universal and does not happen by chance. Our view in Section 6.1.4 was that apart from the occasional simple convenience argument such funding divisions gave important insights into deep seated splits and tensions in the life of the respective parishes.

The difference between parishes and dioceses is that in the former case no funding divisions are compulsory even though they occur whereas in the latter case ecclesiastical and statute law requires some separate funding units. More specifically each and every diocese is required to keep separate accounts and funds for parsonages, glebe and for Church schools.

These required divisions are not accidental and cannot be explained by some simple convenience argument: they register important splits and tensions in the life of all and every dioceses which are reflected in and through such divisions. In fact such is the power of the divisions that only the glebe fund is closely related to diocesan boards of finance. The other two funds are handled by separate diocesan boards (the parsonages funds by parsonage boards and the school funds by education boards) which, in effect, gives the possibility of reasonable, but certainly not complete or legal, autonomy from

the normal managerial eye of diocesan boards of finance.*

Although there are three required fund divisions in effect two of these look to the same source for an explanation for their existence. The parsonages and glebe funds can be considered together since they jointly register certain problems with the relationship between the Church Commissioners and the dioceses. We turn therefore firstly to this more joint explanation in the context of some historical factors before moving our attention to the schools fund and a separate line of argument.

As indicated on a number of occasions (particularly Section 4.2.2) the Ecclesiastical Commissioners although appointed in 1836 to be a re-distribution mechanism for all organisational units in the Church of England did not give much attention to parochial problems until approximately 1951 when they had metamorphosed into the Church Commissioners. The Benefices (Stabilisation of Incomes) Measure of 1951 was the first tentative moves towards a centralisation and redistribution policy with regard to parochial endowments of glebe, fixed interest securities and trusts. Such moves were developed over the years by further measures** and expanded into other areas (e.g. parsonages).***

The Church Commissioners were late in becoming involved in such matters very largely because of the early effectiveness of the work of diocesan boards of finance (and hence of the recommendation of the RCF) but the growing inability of such mechanisms to solve the real anomalies. Diocesan boards of finance, as we have already indicated, were brought into existence to manage the residual

* Some dioceses have these separate boards beholden to boards of finance others, such as Sheffield (See Section 6.2.5), make them quasi-independent.

** Most notable being the Endowments and Glebe Measure of 1976.

*** Fundamental changes occurred in this area in 1965 and 1972 as will become apparent.

patronage problem which included the handling of historic endowments but their power was curtailed by prior benefice arrangements, an inability to legislate changes and a physical restriction to a defined geographical area. It was out of a failure of this mechanism, for good practical reasons, to solve the re-distribution problem of historic endowments, a growing pressure of the need for this to be solved and an awareness on the part of the newly formed Church Commissioners that their original brief could not be left to others that they acted in 1951.

Once the initiative was arrested from dioceses the expectation would have been to see a move towards total policy at the centre but this has not really occurred even though subsequent legislation by the Church Commissioners all move incrementally towards such a basic desire. What has occurred was neatly summarised in the Report on Historic Resources by the Church Commissioners (1983):

'Whereas the significance of the still substantial differences in the distribution of resources of capital and income was formerly at benefice level (e.g. variations in stipend levels and in the income from benefice endowments), it is now at diocesan level (in part as a result of the acceleration in the disparity in diocesan glebe income following the transfer of glebe ownership to dioceses under the Endowments and Glebe Measure)' (p. 51 & 52)

In other words redistribution has shifted from a parochial to a, now, diocesan problem. But this, in effect, is a continuing reminder of failure of the Church Commissioners to grapple with the parochial redistribution problem in comparison with their previous success with regard to diocesan fortunes. Such a reminder comes out in the legislation which they initiate and in the controls they exercise all of which register their basic desire (even guilty conscience?) to bring about a:

'... fairer distribution of the income derived from the historic endowments of the Church entrusted to their Care'

(Taken from Church Commissioners 'Report and Accounts', 1975, p. 4)

even though the constraints which they work under constantly appear to create an underachievement of such a desire.

Before moving to how such issues can be seen in the funding divisions it is worth briefly commenting on why a total pooling of historic endowments has been impossible to achieve to date. The reason quite simply is that the Church Commissioners believe in incremental change rather than dramatic revolution. Such incrementalism has been reinforced by the partially ill-informed attitudes* of the Churchmen who constitute the Board of Governors and the General Synod who together direct and restrict the activities of the Church Commissioners. Yet it is precisely these Churchmen, or rather a section of them from poorer dioceses, who are calling for change. To date they have received partial response from the Church Commissioners' in the form of their recent 1983 Report (which for the first time makes plain the anomalies in historic endowments across dioceses) along with an initial discussion in General Synod on such issues but not much else at the moment.

In sum, we have a complicated picture of the Church Commissioners. On the one hand they have always had a brief to be a redistribution mechanism for parishes as it was for dioceses. On the other hand they seem to be very slow to act with regard to such a brief and prefer a more conservative evolutionary advance. However, when they do finally act they act with great resolve with regard to whatever new area of authority is arrested in their slow incremental advance. In other words they are a truly conservative enterprise (of the older variety) acting incrementally and slowly but with great paternal resolve. It is from such a context the separate funding units for parsonages and glebe can be

* It was not, until 1983 with the publication of the 'historic resources' report that such individuals could actually get a full picture of what was happening.

understood.

Prior to 1965 parsonage repairs and improvements were the responsibility of incumbents but from this time onwards the Church Commissioners took over such responsibilities. However, the arrangements in the ensuing years, with the Commissioners handling such matters more or less directly, largely failed due to time and financial demands. As a way to resolve such issues the Repair of Benefice Buildings Measure of 1972 was passed which involved dioceses much more directly in the management of the repair and, to an extent, improvement of parsonages. Such a Measure gave the dioceses more authority to act independently which, to a paternal organisation such as the Church Commissioners, is difficult without certain safeguards. The safeguards were twofold. Firstly by requiring separate funding and accounting units with primary responsibility to the Church Commissioners. Secondly by delegating only the essential minimum to dioceses.*

The handling of glebe was slightly different from parsonages since, in effect, the Endowments and Glebe Measure of 1976 gave too much independence to dioceses in the eyes of the Church Commissioners. The effect of this Measure was to register all parochial glebe land into diocesan ownership to be managed for the benefit of the diocesan stipends' (capital and revenue) funds held by the Church Commissioners. Quite clearly the Church Commissioners would have preferred to take into central ownership such wealth, as they had done previously on other parochial endowments**, and then delegated out the

* The Church Commissioners still have a final say on replacement of parsonages and handle the finances for this (in parsonage building funds), and on improvements to parsonages (each being submitted for approval). It also handles all the finances for redundant parsonages (via pastoral accounts)

** Which explains, of course, the existence of the diocesan stipends fund accounts and pastoral accounts held exclusively by the Church Commissioners for respective dioceses' benefit but made up of confiscated parochial endowments.

management to dioceses of certain parts of the problem. Yet such a centralisation policy did not ensue, for seemingly good managerial and motivation reasons, leaving the Church Commissioners, as a strongly paternal organisation, somewhat perplexed. They, however, ensured in the Measure that a separate accounting and funding unit be maintained to be sent to the Church Commissioners and that all capital and revenue received and spent be handled through the diocesan stipends funds held by the Commissioners. In such a way they could keep a close watch on the actions of the individual dioceses and, even though with minimum legal authority, question and query any 'dubious' actions. They also supplied copious notes to each diocese on 'how to implement the Measure' to register their very active involvement in it's concern.

In sum, these funding and accounting divisions with regard to parsonages and glebe reflects an anxious attempt by a paternal organisation (which finds delegation difficult) to discover how well such delegated tasks are proceeding. Such actions, in the process, cause tensions and, to an extent, resentment by the dioceses who appear to them to have a very junior role to play in comparison with their paternal master - a point which is constantly reinforced by the existence of 'their' diocesan stipends funds and pastoral accounts but in the ownership and cumbersome control of the Church Commissioners.

The schools (education) fund, on the other hand, registers an important split, rather than necessary tension, in the troublesome relationship between Church and State in the area of education. To understand this we need to appreciate something of the history surrounding the education issue and it is to this we turn.

The education system in England has largely come from the early initiatives of the Church of England but has, over the years, been taken into State ownership and control. The early moves into systematic education of the young people of England came exclusively from the Church. At such times Church and State were largely one with the former being active in all sorts of

more social concerns from their more 'sacred' perspective, while the latter maintained a lower profile. However, towards the end of the nineteenth century and into the twentieth the State became more 'secular' and separate from the Church and saw their role involved with more social welfare endeavours which had always been the unquestioned province of the Church. Such moves were brought to fruition in the times of Lloyd-George with a complete reversal of the State and Church's role with regard to more social concerns with a clear demarcation between the former's more 'secular' and the latter's more 'sacred' areas of responsibility.*

The education system was caught in this new mood and Butler's Education Act of 1944 ensured the position of the State in it's control. This Act once and for all ensured that the Church would always have a secondary part to play in the education system - it was now to be the State's problem and under the direction and control of a new parliamentary Minister. Or as Section 1 (1) of the Act puts it:

'It shall be lawful for His majesty to appoint a Minister {hereinafter referred to as "the Minister" whose duty it shall be to promote the education of the people of England and Wales and the progressive development of institutions devoted to that purpose, and to secure the effective execution by local authorities, under his control and direction, of the national policy for providing a varied and comprehensive education service in every area.'

It was to be the Minister's responsibility to 'promote the education of the people' and not the Church with the latter being subservient to the former's wishes, attitudes and intentions.

Yet there were many Church schools still existing and therefore it was

* Such points clearly have an important bearing on the sacred and secular divide which we have already seen is dominating Church life. The move by the State into the more social endeavours reinforces such a basic divide in Church life. However, the move by the State was not surprising due to the somewhat 'sacred', unbalanced, interpretation of such more 'secular' concerns of education and the like.

necessary for the Act to handle these in some way but in a manner which still ensured largely State control. The way the Act handled this was for the governors of each Church school to decide whether they should be an 'aided' or 'controlled' school: the former having greater, but still restricted, management and responsibility and the latter less. However, in both cases the local education authority was to be actively involved making the autonomy of action, enjoyed previously, lost for ever.

The Act also required each diocese to set up a scheme in consultation with local education authorities to manage the residual management problem of Church schools in their geographical areas of responsibility and it is in this context we find the separate fund requirements. The residual problem was largely to do with the regular review and repair of aided schools, the collection of grants from the Department of Education and Science towards such costs (currently 85%), the collection of donations towards such costs from aided schools (currently approximately 7½%) and the use of resources of both aided and controlled schools no longer required by the local education authority. Without exception every local education authority required each diocese to handle such fund related activities separate from all other diocesan endeavours.

The fund and consequent accounting division is a simple demonstration that the Church should not be involved in the education system. It is involved very largely because of the respect the State has for the law surrounding property rights as well as freedom of choice. Yet such involvement needed to be carefully tempered from the State's viewpoint and, in effect, the funding division registers a bearable, more neutral, involvement by the Church in this area. The separate education fund thus becomes something of a buffer between Church and State and a neutralising force between the questions and challenges of the two parties with the latter being typecast as very much the more powerful young 'pretender' making his way and trying to be as independent as possible from his older relation.

In conclusion these respective funding and accounting divisions register

over-anxious paternal concern by the Church Commissioners and youthful
dissociation by the State. They register and reflect important tensions
and splits in the life of each and every diocese in the Church of England.

6.2.5 Theoretical Explanation Coded D1

Conclusion

The actual design of the accounting system in the Diocese of Sheffield is determined by the attitudes and abilities of the present Diocesan Secretary which are almost totally moulded by firstly, the felt anxiety concerning the income generation problem which has been increasing considerably over the years, for largely historical and geographical reasons, and secondly, by ecclesiastical and historical factors with their consequent relationship on accounting fund divisions.

Argument

Sections 6.2.1 to 6.2.4 discuss the important generalisations which apply to all dioceses but the above conclusion adds to these insights by some further insights about specifically the accounting systems of the Diocese of Sheffield. Although the previous conclusions highlighted a number of important general characteristics it was indicated frequently in the respective discussions that actual accounting systems across dioceses do vary and reflect not only the general characteristics already discussed but more situation specific factors as well. It is intended to explore these in the context of the Diocese of Sheffield starting with the importance of the Diocesan Secretary in continuation of the points made in Section 6.2.3.

Although the present Diocesan Secretary has played a large part in specifying the design of the present accounting system it would be wrong to assume that he has insisted on his own personal attitudes in this respect. The present Secretary (C.A. Beck) is the professional secretary par excellence always at pains to discriminate between the personal desire and the institutional requirement. Ever since his arrival in 1976 he has been at pains to demonstrate his servant role rather than some more charismatic leadership position and allowed the institutional demands to mediate his behaviour. This is in marked contrast with other diocesan secretaries (e.g. in Blackburn, particularly, and Bradford even from our small sample) where, because of their potentially powerful position (See Section 6.2.3), they often impose, however benevolently, their more personal wishes on the diocesan machinery including the design of accounting

systems. Thus the mediating factors play a much larger part in helping to understand the present design of the accounting system in Sheffield even though it is still the Secretary himself who has the power and responsibility to implement the design requirements coming from such mediating factors.

These mediating factors can be fundamentally divided into two broad areas. The first is related to the growing level of anxiety surrounding the income generation problem which has been occurring since the early 1970's created by various changes and shifts in responsibilities and actions instituted during Bishop Hunter's episcopacy as well as by tensions coming from the people and geography of the Diocese. The second concerns some ecclesiastical and historical factors which determine, particularly, the existence and functioning of separate funds and thus accounting systems in the total design. These two factors have been key mediating factors which have determined the behaviour of the Diocesan Secretary in both accepting and, where appropriate, changing the design of the accounting system. The following, therefore, looks at each of these factors in turn and in the process draws out the accounting implications.

Mediating Factor 1: Growing Levels of Anxiety

We turn first to the growing level of anxiety surrounding the income generation problem. It is difficult to catalogue detailed evidence to support the view that anxiety levels are increasing from both those who are attempting to gather resources (the Sheffield Diocesan Board of Finance) as well as those required to make the contributions (the parishes). But for those who are privy to interchanges of diocesan officers, diocesan/parochial discussions and parochial church council deliberations will be left in no doubt that anxiety levels are increasing in relation to this quota demand.

As a way to give some more tangible evidence of this growing problem we will use a record of assessments and receipts over the last ten years and draw certain conclusions from this picture. Table 6.2.5 traces such a profile showing clearly the growing inability of the parishes to pay and the Diocese

to receive the quota demanded. As can be seen from this Table the shortfall in absolute terms has increased from £3,848 in 1974 to £92,956* and in percentage relationship to assessments made from 4.87% to 12.17% respectively. Parishes quite clearly are struggling to pay their quota charge certainly on time and in growing magnitude to pay in full. Equally the Diocesan Board of Finance's accounting control system is beginning to show 'cracks' in it's design in terms of it's effectiveness in income generation.

Such a picture generates anxiety particularly for the Diocesan Board of Finance. As we have already discussed at length in Section 6.2.1 the income generating problem has always been the source of anxiety to each and every diocese. Where the accounting system fails to relieve such anxiety, or put another way ensures that the relevant income is received, then the latent anxiety naturally comes to the surface again.

This is clearly not the case for parishes since the interpretation is more of anger which in turn has a marked effect on an already anxious situation at the Diocesan level. The increasing quota demand from parishes is partly met with anguish and trauma but, for all the reasons discussed in Sections 6.2.1 and 6.2.2, is also approached with anger and aggression upon the 'new patrons' for their inability to hold back such 'secular' problems for which they are in existence primarily to handle. Such venom is necessarily handled by the Secretary, his staff and many Board of Finance members which, of course, has a heightening effect on the already anxious situation.

Such a situation is a more general, as distinct from specific, insight into the growing anxiety around diocesan boards of finance but there are two other more unique situation specific factors which aggravate such a general picture.

* At the end of March 1984 total outstanding quota to date given a substantial write off of 'bad debts' totalled £59,345.

These centre around firstly, the initial and growing dissatisfaction by parishes with the initiatives developed during Bishop Hunter's long episcopacy and secondly, related to the people and geography of the Diocese of Sheffield. Both, in effect, have fuelled the anger of parishes with regard to the Diocese which has, in turn, increased the anxiety surrounding the income generation problem. The following, therefore, will look at each of these in turn.

Leslie Starnard Hunter second Bishop of Sheffield from 1939 to 1962 was a rare and important individual in the history of the Diocese of Sheffield both generally and specifically with regard to the financial and accounting issues surrounding the Board of Finance. Bishop Hunter was, as Walton (1981) puts it, an 'excellent administrator' (p.63) who saw the Board of Finance's work important and central to the life of the Diocese. He, in effect, crossed the sacred and secular divide and took it upon himself to become deeply involved in the more secular endeavours of the Board of Finance and to further its activities. He was also a great believer in the 'diocese as the unit of Church life' (Walton, 1981, p.76) considering it vital that there should be an abundance of diocesan level activities for the good of the Church as a whole.

These two major planks upon which his ministry was based combined together to lead to substantial changes in the position of the Board of Finance, the activities involved under its authority and the consequent resources needed to cover such endeavours. We will look at each of these in turn.

Bishop Hunter's first real act was to 'overhaul the diocesan machinery' (Walton, 1981, p.67) and change the position of the Board of Finance. His major concern was with the proliferation of quasi-independent committees created by his somewhat more charismatic predecessor: Bishop Burrows. Thus, as Walton (1981) indicates, he and his advisors spent much of 1940 (a year after his arrival) working on:

'... a new constitution for the Diocesan Trust and Board of Finance' (p.67)

which was brought before the Diocesan Conference in November 1940 where it was approved. Its effect was:

'... to dissolve the independent committees and to create sub-committees of the Board of Finance, so that all proposals and needs would automatically come to the central authority. The membership of the Board was enlarged to accommodate the necessary breadth of representation...'
(Walton, 1981 p. 67)

This move raised the Board of Finance, with all its assumed secular and secondary concerns, to a new and unexpected position of power and influence. It also indicated that the Bishop was not fearful or despising of money along with an expectation that all his planned developments could and would probably have cost related aspects.

The developments initiated by Bishop Hunter and the various sub-committees of the Board of Finance were in fact in abundance. They first, and foremost, took the 'residual patronage problem' very seriously and ensured such matters were carefully and diligently covered. Allied to this concern, although somewhat separate from it, in 1944 he launched a major endeavour* to meet:

'... the non-recurring needs of the Diocese and parishes and our share of the central needs of the Church in the next ten years'.

(Walton, 1981, p.79)

Secondly all manner of new diocesan initiatives were brought into existence. For instance in 1944 the Industrial Mission was started, in 1946 Hollowford House for youth work was purchased, in late 1949 the first full time paid lay Secretary was appointed, in 1950 Whirlow Grange conference house was purchased, in 1957 the first Stewardship Advisor was appointed. Clearly this is not an exhaustive list of changes and developments which occurred during Bishop Hunter's episcopacy but they supply enough of a feel of the far reaching changes initiated during his period of office.

All these developments gave the Diocese, as an organisational unit, a certain

* Named the Church in Action Fund

power, authority and resolve which it never had before but in the process planted some seeds of resentment by the parishes. This was so for three reasons. Firstly because the 'new patrons', primarily the Diocesan Board of Finance (who were initiating all these developments), were seen to be going beyond their brief. Secondly because the bills for these questionable developments were being charged to parishes in increased quota demands.* Thirdly because the Board of Finance, blinded to an extent by their success, were unrepentant in their belief in the rightness of both their endeavours as well as the need for the parishes to pay for such activities.

Despite such resentments quota receipts did come in and the Board of Finance's actions were neither curtailed nor seriously questioned during Bishop Hunter's time. So, for instance, in 1952 as Walton (1981) indicates the Secretary of the Board of Finance could proudly

'... report that all quotas had been paid in full - the Diocese had got the idea at last' (p. 100/101)

Undoubtedly this was due to heavy selling by Diocesan Officers such as Archdeacon Stannard, as he indicates in the following insightful quote:

'The Diocesan Quota was a hated name, and it's purpose largely misunderstood. I spent a lot of time visiting ruridecanal chapters and conferences to explain the central working of the Diocese. We talked rather more of Diocesan 'contribution' than of 'Quota'. It suggested money 'given' rather than money 'demanded'. We did something to increase income and also break down the 'Us and Them' attitude'

(Quoted in Walton, 1981 p. 70)

Undoubtedly such practices have worked and are continuing to work to an extent but the resentments generated by Bishop Hunter's centralist policies have never been resolved.

In addition such centralist policies have not abated over the years. They were planned to lose ground during Bishop Taylor's short episcopacy

* As Table 6.2.1 indicates the quota during the last 14 years of Bishop Burrow's episcopacy went up by only 0.51% whereas it increased during Bishop Hunter's episcopacy by 450.88%

(1962-1971) as Walton (1981) perceptively indicates:

'Looking round his new domain, he soon formed the impression that the very brilliance and success of Bishop Hunter's methods had worked to the weakening of the parish's position and to some discouragement among those of his clergy who worked entirely in their parishes. All Hunter's innovations had called into being institutions, or illustrated ideals, which ignored the parish as the unit or even actually tended to weaken it. Bishop Taylor deliberately set himself to encourage the parish clergy and strengthen their position'. (p. 127)

However, Bishop Taylor's mission was probably premature or certainly uncompleted before his untimely retirement since it largely failed to *prevent a continuation* of the more centralist policies of Bishop Hunter. There was, in fact, such a lot of disquiet created by Bishop Taylor's intentions that his successor (Bishop Fallows) was appointed precisely to maintain 'peace' in this centralist - de-centralist debate but in the process maintained the status quo and consequently the centralist policy. However, Bishop Lunn (the present bishop appointed in 1979) has similar beliefs to Bishop Taylor and may, over time, reverse the, still dominant, centralist policy of Bishop Hunter.

However, there are structural reasons to suggest that such a reversal is going to be difficult to achieve. This is so for at least three reasons. Firstly because centralist policies have created a momentum of their own which is difficult to stop quickly. Secondly because there is still a strongly held belief in the need for centralist endeavours. Thirdly because there is some protection given, by the recommendation of the 1975 Needs and Resources Report, to those who are presently making centralist policies from the income generation problem and resentments from parishes and the consequent dampening effects of such anxieties. We will look briefly at each of these.

Firstly on the self perpetuating momentum of centralist policies. In typical Church of England style such policies have invariably involved full-time staff appointments and the purchase of buildings which are difficult to dispose of for emotional, legal and other reasons. Many of the contracts offered to full time Diocesan staff in the Hunter and post Hunter era were

unspecified and have only now recently on departure of sitting tenants been replaced (the invariable outcome of departures) by individuals on five year contractual agreements. Equally the work created by the open ended contractual staff and the more permanent buildings which house them (e.g. Whirlow Grange and Hollowford House etc.) all seem to take on an air of permanency about them which with the Church of England's dominant attitude of not cancelling anything until there is no hope as to it's revival makes continuation the most likely outcome. What changes have been wrought (e.g. in Hollowford House and in the Industrial Mission) have been completed painfully and slowly.

The second factor which makes reversal difficult is because there is still a dominant belief in the value of centralist policies. Even Bishop Lunn who, as indicated above, sees matters in a similar way to Bishop Taylor still, by his actions, is not totally convinced. Even though he has initiated a reduction in central activities (e.g. in Industrial Mission) he has also expanded such work by new Diocesan appointments (e.g. a new Lay Advisor) and initiatives (e.g. Bishops' Messengers, a Diocesan Eucharist). In addition many of his advisors would subscribe to Bishop Hunter's underlying philosophy which undoubtedly comes out in the initiatives they put forward and encourage.

The third and final reason why reversal of centralist thinking is going to be difficult is a more subtle argument which comes out of the recommendations of the 1975 Needs and Resources Report (NRR hereafter). This far reaching Report was:

'... to undertake a thorough review of diocesan needs and resources, so that priorities may be more clearly defined'

(Resolution of Sheffield Diocesan Synod, November 4th 1972)

One of it's main recommendations was with regard to committee structures and relationships which created a major change in the position of the Board of Finance.

What the NRR in effect did was to create a new executive for the Board of Finance which was partially divorced from the income generation problem. The

NRR made the Diocesan Synod, the Board of Finance and the Parsonages Board one and the same body all serviced by the Bishop's Council and Standing Committee as the executive. This, in the process, downgraded the Board of Finance from Bishop Hunter's lofty position for it, and made the former executive Committee of Management (renamed the Finance Committee) an income generating service body of the new executive Bishop's Council.

Apart from creating some conflict via this move* it also removed policy decisions away from financing problems and in the process protected on-going centralist policies from the growing level of resentment concerning the budget and quota from parishes.** The previous close relationship between initiatives and financing when the Board of Finance was central has been lost by this structural move. In effect initiatives were tempered much more intuitively by the financing anxiety and possibility even though there was still an overarching tendency towards centralist policy advances. Now such centralist thinking lives on and new initiatives continue to be put forward but without the constraining financing problem always at the forefront. Policy is decided by the Bishop's Council, financing these decisions is not their worry but the Finance Committees'.

* Which the NRR recognises but considered easily solvable:

'That leaves the relationship between the Bishop's Council and the Finance Committee to be defined. There is the possibility of conflict here, but we do not believe that this need arise provided it is realised that the Bishop's Council is the policy making body and in the end has the decisive voice'

(NRR, 1975 p.79)

Clearly the writers of the NRR were confident of the ease with which history can be reversed! Subsequent events particularly recently, have shown that maybe such a simplistic view was questionable.

** This may be partly resolved in 1984 when, for the first time, both Bishop's Council and Finance Committee members will take the draft 1985 budget out for comment to deaneries in Spring and early Summer.

Thus the Diocese of Sheffield has long held the belief, which is now difficult to change, in the need for diocesan activities, and was probably at such a position long before the more recent moves by the Central Board of Finance to encourage such developments, but, in the process, created earlier and growing resentment for the parishes and consequently greater anxiety in the income generation problem for the Board of Finance. The 'new patrons' are seen by parishes as not only not fulfilling their patronage responsibilities (since quota still continues to increase) but also, ever since the time of Bishop Hunter, as both intrusive into parochial 'spiritual domains' as well as 'empire building' all on their funds. Resentment by parishes and anxiety concerning income generation by the Diocesan Board of Finance is the inevitable result.

Such tensions and difficulties clearly exaggerate the already anxious situation for all diocesan boards of finance and is one of the two mediating factors which moulds the present Secretary's attitudes about the appropriate design of the accounting system. Thus anxiety is higher in this Diocesan Board of Finance as compared with other diocesan boards of finance where general concern is growing* because of the long standing and apparently unending centralist advances. This anxiety and the resolution of it through modification in the accounting system design** determine almost entirely the design attitudes of the present Diocesan Secretary who, as indicated above, chose

* See Section 6.2.3 for more details on this

** which as Section 6.2.1 has already indicated is the universal diocesan reaction.

to not allow his more personal preferences to interfere.

Apart from these long standing centralist policies and their effect on heightening anxiety concerning the income generation problem there is another similarly local factor which has the same effect. This concerns the people and geography of the Diocese of Sheffield which together creates a certain level of resentment against the Diocese no matter what it does. The Diocese was never really a unit as such as Walton (1981) so perceptively indicates:

' The Diocese was an awkward shape, and an awkward mixture - a long thin diocese with three self-sufficient areas of entirely different character. (But what homogeneous unit could one hope to carve anywhere from the West Riding's infinite and glorious variety?)

In the south there was Sheffield, nestling into the south-western curve of the county boundary - shale and millstone grit country, with its whole inward-looking interest focussed on metal working. At the north-east end, the Deanery of Snaith, the Marshland, looking towards the North Sea, with Goole's small docks and canal-borne traffic surrounded by wide empty marshes and acres of rich flat farmland. Between these two worlds, remote from both as they were from each other, The Coalfield, dark, dominant, and entrenched in its own horrific experiences.

Or so it seems to us now. In fact, the dominance of The Coalfield was only then coming into being. The whole area was being altered in nature and colour, churned into new patterns by whirling winds of change, as new populations poured into the region between Rotherham and Doncaster and the black smoke pillars of the armaments industry towered over Sheffield'. (p.6)

Sheffield as a city and as the heart of the Diocese is at the southern tip of this geographical area (see Figure 6.2.5) and has only been the central focus for those who live around the city who Walton (1981) describes as:

'... stubbornly old-fashioned in thought and practice; and it was the only place in which those new types of workers who attended no place of worship existed in alarming numbers' (p.2)

To attempt to bring centralist thinking to such a disinterested, disparate and diverse set of people who make up the Diocese of Sheffield was and is undoubtedly fraught with problems.

Quite clearly the very design of the Diocese of Sheffield mitigates

against centralist thinking which makes it all the more odd to have such philosophy dominating for so long. The geography and demography of the Diocese would suggest that centralist thinking would be improbable and more likely impossible to achieve. Yet such was the influence and continuing influence of Bishop Hunter's view that such endeavours have been consistently attempted even though there has been a constant battle and questioning over the need for, and validity of, such activities.

These factors undoubtedly affect the income generation problem and the anxiety surrounding this which, in turn, affects the accounting system design. Because of these mitigating factors resentments against the quota, which are seen not as simply 'empire building' but as Sheffield 'empire building', are increased immeasurably. Increased resentments bring increased anxiety to the Board of Finance and to its Secretary which, in turn, filters through him to changes in the design of the accounting system which has always been the first call to reduce such anxiety.*

Mediating Factor 2: Ecclesiastical and Historical Factors

This second mediating factor in the determination of the Secretary's behaviour concerning accounting system design centres around the ecclesiastical and historical factors which create specific requirements concerning the division of certain activities into separate funding and accounting units.

We have already seen in Section 6.2.4 that ecclesiastical factors require that at least three separate funds should exist (for parsonages, glebe and schools) although in Sheffield, due again to the NRR, such divisions and separations are more marked and noticeable than in other dioceses. As already discussed the NRR downgraded the Board of Finance and elevated former sub-committees of the Board (e.g. for Education and Parsonages) to a similar

* See Section 6.2.1

status to the Finance Committee* beholden not to this latter executive committee but to the Bishop's Council. The handling of glebe, on the other hand, following its introduction in 1978 was seen to be legitimate Finance Committee business resulting in a separate sub-committee of this former executive body. What this move, in effect, did was to make the Parsonages Committee and the Education Committee, if not de jure but certainly de facto, independent from the Board of Finance and its executive which for all practical purposes, in terms of day to day management, is the Finance Committee.

Such a structural arrangement undoubtedly brings problems both internally and externally. Internally such a move leaves the Secretary of the Board of Finance, who works mainly for the Finance Committee, somewhat unsure about his responsibility for either the funds or the accounting system of the Education and Parsonages Committee. In practice such uncertainty is resolved by allowing the full time officers of these Committees a large amount of independence to pursue their own fund allocation and design their own supporting accounting system. Such an arrangement also causes problems externally particularly with the rather difficult relationships with the Church Commissioners. We have already discussed some of these difficulties in Section 6.2.4 and they are not aided by the Diocesan Secretary and the Parsonages Secretary having to contact them from their somewhat independent positions.

Apart from these three funds there are a number of other funding divisions whose existence can be traced to more local phenomena. Such funding divisions can be divided into two groups; those traceable to the NRR (General Fund and Augmentation Fund) and those whose roots lie back in Bishop Hunter's episcopacy (Church in Action Fund, Whirlow Grange and Industrial Mission). They are

* See Figure 5.3.1 (1) for an updated and most recent version of the original NRR recommendations with regard to committee structures.

grouped in this way not only because of their common historical roots but because such roots supply valuable general explanations for the respective groupings as such. We will look at each of these in turn.

The NRR grouping (General and Augmentation Fund) is primarily traceable to aid communication with the parishes and in the process motivate involvement to meet quota demands. The rationale behind this is put succinctly by the NRR as follows:

'The parishes have responded magnificently to the charges on parsonages houses. We believe that this response illustrates what we take to be a very important point and one to which we have referred already in our discussions of Stipends - too much of the appeal for increased funds has been in too general terms. To be exhorted to give more is at the best to be bored and at the worst to be antagonised. It is entirely different when the need is clearly described and exactly quantified and when the chance is given to identify oneself with that need'

(NRR, 1975, p.55)

In other words the writers of the NRR believed that by functionally segregating the demand into 'stipends' and 'general' this would allow people to not only identify the need but also to be identified with it and consequently motivated to give. Such an accounting innovation which could potentially motivate giving and so relieve income generating anxiety was, not surprisingly, accepted unapposed and has not seriously been questioned since it's original implementation very largely because it has not been shown to be ineffective in helping to relieve this anxious problem.

The second group of funds trace directly back to Bishop Hunter's episcopacy and some of his more unspoken assumptions. We have already noted Bishop Hunter's strongly held centralist approach to Diocesan activities, however, the division into separate funds registers a further interesting insight into his thinking on such a policy. Bishop Hunter was clearly interested in the idea of quasi-independent projects with their own separate funds and sub-committees* but why

* Even though all were to be totally beholden to the Board of Finance

he took this view is not altogether obvious. However, a not unreasonable explanation seems to have three interlinked strands to it: firstly to register separation from the more traditional patronage concern; secondly to allow greater communication to parishes concerning activities undertaken; and thirdly to demonstrate the potential temporariness of the project and the possibility of early closure and cancellation if needed. These three together demonstrate something of Bishop Hunter's own possible tentativeness and anxiety in taking the Diocese into the new and untested areas of centralist endeavours which thus become reflected through and in the fund divisions of this group.

The continuation of these fund divisions following this logic would suggest a continuation of this tentativeness with the validity of these activities, even an embarrassment with their existence, but an unwillingness to cancel all direct involvement.* All these funds have remained separate despite a continuing expansion of other 'committee' work which have not been separated off in a similar manner on their creation. Even the Church in Action Fund has not been fused into the general funds following the completion of it's work with it's substantial capital balance remaining. These on-going divisions, despite every opportunity to accept them as part of on-going Diocesan activities**, suggests a continuation of an uncertainty as to their legitimacy in this context and a certain distancing from more main stream patronage work.

* Although this has occurred with Hollowford House and has happened to an extent with the Industrial Mission which from 1984 onwards has become an ecumenical rather than Church of England project.

** Even the Church in Action Fund which in 1976 was handed over to the Board of Finance to manage ensured it's continued existence as a separate trust fund rather than amalgamate the remaining funds into the general Board's assets.

Thus historically determined reasons, which have not changed, ensure the continuance of these separate fund divisions of this group and the Secretary appears to be unwilling to change such arrangements.

Some Concluding Thoughts

In conclusion the present design of the accounting system in the Diocese of Sheffield, and its recent changes, discussed at length in Section 5.3 are implementations of the present Diocesan Secretary mediated by the demands of felt anxiety concerning the income generation problem and various ecclesiastical and historical factors. Although Section 6.2.3 argues the case for a considerable amount of freedom for personal attitudes of diocesan secretaries generally in design issues, Sheffield's Secretary has chosen not to implant his wishes on such design but rather let the mediating factors discussed in that Section to predominate.

The overarching mediating factor which has dominated our discussion concerning design issues throughout the previous sections has been anxiety concerning income generation and the use of accounting systems to relieve this and not surprisingly this is the dominant mediating factor involved in understanding Sheffield's design. As Section 6.2.3 indicates personal attitudes undoubtedly become moulded when anxiety levels increase and thus even if Sheffield's Secretary had not chosen to ignore his personal preferences these would have been taken over any way by the growing levels of anxiety concerning the income generation problem. Such anxiety problems, which have been increasing across all dioceses recently due to mounting quota demands, are added to in Sheffield due to firstly, the strongly centralist policies of this Diocese emanating from Bishop Hunter's episcopacy and its resentment by the parochial paymasters and secondly, because of the demography and geography of the Diocese which makes centralist thinking incompatible.

The second mediating factor concerns some ecclesiastical and historical factors which require the existence of splits and divides in the funding and accounting system. These refer to: firstly the compulsory ecclesiastical

requirements aggravated by the structural arrangements of the NRR, secondly the more local ecclesiastical requirements of the NRR to aid communication and thirdly the attempt to distance the main activities of the Board of Finance from certain initiatives of Bishop Hunter's episcopacy.

6.2.6 A Reflective Summary

The previous five arguments and conclusions can be broadly summarised under three interconnected headings. We have looked firstly at the overarching function of diocesan accounting systems (Section 6.2.1) secondly at their perceived position (Section 6.2.2) and thirdly at the various factors and explanations behind their general and specific design (Sections 6.2.3, 6.2.4 and 6.2.5). The following therefore briefly summarises the main points which were made under each of these broad headings before making a few pertinent general comments.

In terms of overarching function the main conclusion forthcoming from Section 6.2.1 was that diocesan accounting systems are in existence to help relieve income generating anxiety. Diocesan accounting systems came into being with diocesan boards of finance, which, in turn, were brought into existence to undertake the residual patronage problem of parishes. Due to the breakdown of the old patronage system which protected most parishes from financial and material concerns the RCF created some 'new' patrons (diocesan boards of finance) to handle such issues. Thus the task was given but the financial resources to perform such acts had to be obtained from the parishes who were, and are, supposedly meant to be protected from such concerns. Such a situation was envisaged from the outset to be conflict ridden and anxiety generating from the new diocesan boards of finance viewpoint. But from the outset, and still currently, the accounting system is seen, and designed to be, a vehicle for allowing income to be generated and so to relieve any anxieties surrounding such a problem. Thus accounting system changes occur when and if the previous design fails to generate the requisite income and keep down the emergent anxiety surrounding such problems.

On the matter of perceived position of accounting systems we concluded in Section 6.2.2 that they are seen as 'secular' activities in a diocesan, like parochial, world which has a clear demarcation between the sacred and secular. Accounting systems and diocesan boards of finance, with which they are totally

intertwined, are separated off legally and otherwise from other diocesan activities to manage a residual patronage problem of parishes which was, and still is, the primary concern. However, this is seen as a 'secular' problem of diocesan officials who are being asked to take over such a concern. Yet following the creation of the Ecclesiastical Commissioners in 1836 and the removal from such officials of more perceived secular endeavours a return to encompass the parish's secular problem was unthinkable. Dioceses managed such a dilemma by separation and distancing into a new legal body to keep such matters away from the more important spiritual pursuits of bishops and their staff. Thus accounting systems are seen by both parishes and dioceses as secular and secondary activities in a world which has a split view concerning sacred and secular considering the former as of primary importance.

Finally on the matter of design issues there were a number of general points forthcoming. The primary thrust of the general arguments (Sections 6.2.3 and 6.2.4) highlighted the importance of the diocesan secretaries in detailed design issues but the high level of importance of two mediating factors in moulding their behaviour with regard to such matters. The first of these mediating factors concerned the felt anxiety with regard to the income generating problem due to its overarching importance in functionally determining design (see above). Such a problem was noted to be clearly more acute in recent years due to vast increases in quota demand and in a growing shift of diocesan activities into more intrusive spiritual activities with regard to parishes. The second mediating factor concerned certain ecclesiastical and statutory requirements which ensured the existence of separate funding and accounting units. We found that the separate accounting for glebe and parsonages was to relieve an over anxious paternal concern by the Church Commissioners. The separate accounting for schools was also seen as a way to relieve possible tensions for the State by continued Church interference into the education system recently arrested from such involvement.

Finally in Section 6.2.5 we looked at the specific design issues surrounding the accounting system in the Diocese of Sheffield and found the continued importance of the same two mediating factors but in a somewhat heightened form. The present Diocesan Secretary has chosen partly by intention and partly because of the importance of the mediating factors not to impose his personal will on design issues. However, taking aside whether he chose to make his will felt or not, an argument was put forward to suggest that because of high levels of anxiety surrounding the income generation problem, apparent in this Diocese, that, in fact, this played a much more important part in mediating design. Such growth in anxiety was traced to the perceived past and continuing 'empire building' centralist advances over the last forty years and the demographic and geographic problems involved in convincing the parishes of the worth of these endeavours. In addition local ecclesiastical and historical factors mediate the design by specifying the existence of certain separate accounting and funding units as a way to communicate more effectively with parishes and so aid income generation and relieve anxiety and as a way to relieve tensions, caused by, to an extent, embarrassment, concerning certain past but on-going activities.

In sum, accounting systems, in dioceses as in parishes, are in existence to relieve tensions, strains and anxieties with regard to particular secular issues and problems. As we indicated in Section 6.1.5 although parochial accounting systems are generally underdeveloped even non-existence their presence occurs when particular tensions, and strains occur and are used to relieve the anxieties generated by these. Similar relationships can be discerned at the diocesan level as well except that perceived anxiety is higher as well as there being a more acute awareness of the accounting system's perceived position as a way to relieve such tensions but only in respect of more secular endeavours. Unlike parishes, which are totally spiritual entities, who are encouraged to relieve any problems by spiritual means and only resort to secular (i.e. accounting) methods when all else fails, dioceses

are more a defined, but clearly legally demarcated, spiritual and secular joint entity. Accounting systems are seen as legitimate devices for relieving more secular anxieties and thus have a greater prominence and presence in certain parts of dioceses, specifically diocesan boards of finance, than in parishes where they are seen more as unhealthy intrusions and failures of more spiritual controls.

We end where we ended Section 6.1 with a verbatim repeat of some of the comments made concerning questions about the validity of the views expressed in this Section. Clearly such a question is very difficult to answer particularly using the highly subjective reflective process of Critical Theory. All one can do is retrace the steps involved in arriving at this claimed 'consensus of theory' at the 'critical theorem' stage and judge the adequacy of the specific operationalisation of such processes.

Figure 6.0(1) attempts to portray in diagrammatic form the basic steps and processes which need to be satisfied to be confident of the validity of the resulting 'grounded consensus'. What this Figure shows is the important interrelationship between the specific processes of arriving at the conclusions and the more general underlying validity claims of discourse which should also be in operation. As we indicated in Section 6.0 this is simply a summary of some of the ideas discussed in Section 3.4. The real issue in question is whether such steps and processes have been adequately applied in arriving at the conclusions put forward in this Section.

The answer to this would be in the affirmative but with some doubts. The researcher has critically reflected on possible explanations, constantly evaluated underlying commitments and attempted to resolve conflict on possible conclusions and arguments by radical theoretical discourse. The previous discussion may not have captured this process adequately very largely because rejected explanations and the processes involved in their rejection would have taken up too much space in an already over-full argument. The reader will have to take on trust the reality that the pathway to the present

conclusions are littered with previous thoughts and convictions now long since rejected. Yet it would be wrong to deduce from this an overconfidence with the ideas forthcoming.

Two interlinked doubts and questions surround the validity of these thoughts in the context of the model portrayed in Figure 6.0(1). Firstly, as already indicated on a number of occasions, it has been impossible to have more than one researcher involved at the level of intimacy of knowledge required. Thus there has been little real opportunity to have a dialogue with others outside of the particular enterprises investigated who are equally knowledgeable about such enterprises. This must have an effect on the resulting conclusions which are nothing more than the admittedly critically analysed thoughts of one researcher. This brings us to the second doubt which is basically that the insights forthcoming are only as valid as this individual researcher's present perceptive powers.

Despite these doubts it is worth recalling that the ideas have limited standing anyway and need to be refined and developed at the 'enlightenment' stage of Critical Theory. Without such refinement and development the 'grounded consensus on conclusions' remains the ideas of an individual or group but has no standing in terms of primary actors (the researched) and no possibility to lead into the 'practical action' stage. Validity in Critical Theory is when researchers and researched have a 'consensus on enlightenment' following all the checks and balances which permits one to say that such consensus is 'grounded' or 'justified'. Even there such insights are only 'valid' to the discursive partners although such a consensus clearly has a higher standing in Critical Theory as compared with the 'consensus on theory'.

6.3 CRITICAL THEORETICAL CONCLUSIONS WITH REGARD TO CENTRAL ACCOUNTING SYSTEMS

6.3.0 Introduction

Section 5.4 provided a comprehensive summary of statements about central accounting systems with particular reference to the funds held and administered by the Central Board of Finance. Such statements were further synthesised into a series of questions listed in Table 5.4.6 which forms the important bridge or link to the following. Or, in other words, answers to these questions could legitimately be seen as theoretical explanations with regard to the accounting systems as described. Discovering and justifying such explanations forms the concern of this Section.

A summary of the researcher's present understanding of these explanations along with their links to the questions of Table 5.4.6 can be seen in Table 6.3.0. As can be seen from this Table questions 6.1 and 6.2 (from Table 5.4.6) have not been answered by these conclusions. These questions, concerned with the Church Commissioners' accounting system, remain unanswered largely due to lack of access into this institution. As Section 5.1 has already indicated access to the real institutional life of even the Central Board of Finance was limited yet accessibility was even more restricted with regard to the Church Commissioners making any insights of an explanatory nature dubious at best. However, it would be wrong not to attempt some conjectures about such matters and this is attempted, with some hesitation, in the final part of this current argument.

As Table 6.3.0 indicates there are three postulated conclusions which supply theoretical explanations for the existence and nature of the Central Board of Finance's accounting system. The detailed supporting arguments which lead to such conclusions are the contents of Sections 6.3.1 to 6.3.3. As in Section 6.1 and 6.2 the conclusions come first in these Sections to give the reader an appreciation of where the argument is going but, in the end, it is the argument which leads to the conclusions rather than the other way round.

Finally in Section 6.3.4 in the spirit of critique we will question and

challenge these stated conclusions and their claimed status as a 'grounded consensus' as well as supplying some more customary conclusions. This Section will also touch on some reflective thoughts concerning the accounting system of the Church Commissioners.

6.3.1 Theoretical Explanation Coded E1

Conclusion

Even though the original parochial patronage intentions of the Report on Church Finance for the Central Board of Finance and it's intertwined accounting system never fully materialised they, together, have evolved into a new but not totally divorced role from their 1914 origins. More specifically the Central Board of Finance and it's allied accounting system have evolved into a financial benefactor of primarily centralist activities, which have permitted them to survive and grow reasonably unabated, and a selective encourager of some of these endeavours (particularly training of future ordinands) while being prevented from having more direct involvement with any of this work due primarily to the sacred and secular divide and the position of the Central Board of Finance and it's accounting system therein. In sum, the Central Board of Finance and it's accounting system constitutes a secular patronage figure primarily for centralist activities but also for the important parochial concern of manpower replacement.

Argument

As a start to justifying the above rather complex conclusion it is worth recalling briefly some of the anomalies concerning the accounting system as presented in Section 5.4 and in a number of the linking questions (1 to 5) in Table 5.4.6. Two anomalies can be highlighted from this discussion. Firstly that the accounting system is and isn't dominantly concerned about income generation. It clearly takes note of this possible problem but does not determine it's entire design, unlike dioceses, around such matters. Secondly that the accounting system is and isn't dominantly concerned with the formulation of strategy. It undoubtedly is involved with strategy formulation to the extent that variable control is exercised over various budgets for boards and councils (viz the Advisory Council for the Church's Ministry training budget versus Council for Care of Churches). On the other hand it is not actively involved in the real work or formulation of the plans for these boards and councils.

These anomalies suggest that some other, less obvious, considerations determines design issues and the following argument, which leads to the above conclusion, is addressed to this discovery. For ease of exposition the following is divided into two parts. The first presents a reflective history surrounding the Central Board of Finance (CBF hereafter), it's accounting system and the various

boards and councils. This is a necessary background for the second part which addresses itself directly to an exploration of the underlying factors which determine and are mirrored in both the CBF as an entity and its accounting system design. Finally the two parts are brought more forcefully together in a concluding reflective summary.

Before looking at each of these parts it is important to make two preparatory points as a prelude to what follows.

Firstly with respect to the close interrelationship between the CBF and its accounting system. The CBF, like diocesan boards of finance, are separate legal entities whose very being and essence is concerned with finance. The supportive accounting systems, which naturally became involved with such endeavours were, and are, thus dealing with the very essence of these organisations. It is in this sense possible, as with diocesan boards of finance, to shift somewhat interchangeably between the organisation and its accounting system.* Put another way what happens to the CBF happens to the accounting system and vice versa. Thus in the following, particularly in the first part of this argument, we will shift somewhat interchangeably between the CBF and its accounting system. This is not accidental and does not lead to information loss.

The second preparatory point concerns the observation that the sacred and secular divide discussed at length in Sections 6.1 and 6.2 being so prevalent in parishes and dioceses also appears to be present in the structural arrangement of the General Synod's boards and councils. As Sections 6.1 and 6.2 indicates the sacred and secular divide coming from Greek roots sees man as made up of a soul and body with the former being of primary and paramount concern. We saw in our discussions that such a split view of man has been institutionalised in the

* This could, and should in this researchers opinion, be seen as a general relationship but it is particularly apt and more obvious when the organisation's essential function, as in the case of the CBF and diocesan boards of finance, is concerned with finance.

Church of England by the attempted removal of the secular 'body' concerns from parishes through the patronage system and the lodging of these in new patrons (primarily, but not exclusively, diocesan boards of finance) following the demise of the original patronage system. Dioceses, for instance, handled such a new role by separating and distancing it from other more sacred diocesan activities creating separate legal entities (diocesan boards of finance) concerned with these secular matters. The existence of the CBF legally separate from the other boards and councils suggests that in a similar manner the former is a more 'secular' concern which needs to be separated from the more 'sacred' concerns of the latter.

We will return to these preparatory points again and develop them further as the following argument unfolds.

A Reflective Historical Profile of the CBF

The creation of the CBF was, like diocesan boards of finance, the outcome from a Report on Church Finance (RCF hereafter) published in 1911. As discussed at length in Section 6.2 the RCF was written in the context of a growing financial crisis in the Church of England and the seemingly inevitable demise of the parochial system, very largely because of the breakdown of the patronage system which previously had taken care of such practical matters. The RCF, in effect, created a new set of patrons to look after the:

'essential requirements to the very life of the Church'

(RCF, 1934 Edition, p.9)

Such 'essential requirements' were connected with the supply of adequate money for training future clergymen, for paying current clergymen, supporting retired clergymen, developing buildings and helping to ensure the education of future generations. These 'requirements' were always met through the old patronage system and the only apparent solution, according to the RCF, was to create a similar structure with diocesan boards of finance and a CBF being primary vehicles for this to occur.

The CBF was therefore an important element in the new patronage system which

the RCF created. More specifically they envisaged the CBF to be concerned with eight major functions which are apparent from the following extended quote:

'We now come to what, in our opinion, is a matter of the highest importance in development of our scheme, namely, the establishment of a Central Board of Finance. This we regard as absolutely essential to the sound organisation of Church finance as a whole.

Such a board will, in many respects, hold the same relation to the Church of the two Provinces with their component diocese that the Diocesan Finance Boards will hold to the respective dioceses and their parishes, and should be empowered to assess dioceses in order to provide such income as may be necessary for the maintenance of central organisation.

Among other functions which a Central Board of Finance should be expected to fulfil will be:-

- (1) To superintend the effectual carrying out of the details of the financial scheme elaborated in this Report, if such scheme be generally accepted; to act as a standing committee of finance for this purpose; and to carry forward the work which we have recommended.
- (2) To promote, in co-operation with the several Diocesan Boards of Finance, as far as possible, a uniform and homogeneous working of diocesan finance throughout the two Provinces.
- (3) To be a consultative and advisory body to which all such Diocesan Finance Boards and Central Councils may look for advice and guidance in developing and making effective their financial organisation.
- (4) To serve as the financial executive body of the Church of England, to give effect to such resolutions and decisions of a financial and administrative character as may from time to time be referred to it by the Convocations of Canterbury and York, the Houses of Laymen, or the Representative Church Council.
- (5) To be the Official Body for receiving and administering bequests, legacies, and other gifts given from time to time for the benefit of the Church.
- (6) To be the Official Body authorised to apportion and collect the contribution or Quota payable by each diocese, in order to provide for the expenses of central organisation, such as (i) of the Central Board of Missions; (ii) of specially appointed Committees; and (iii) of the Central Board of Finance itself, and to take the necessary steps to raise the amount.

(7) To act as the trustees of the Central Building Loan Fund for aiding in church building, and for any like purposes which may be determined by authority.

(8) To act as the Central Council of Maintenance.

It is essential that a Body holding so important a position, and to be entrusted with such large financial responsibilities, should be incorporated or placed on a permanent legal basis.'

(RCF, 1934 p. 53 and 54)

Only one of these functions (No.4) gave any hint of what was to become the major preoccupation of the CBF, and even here such a heavy involvement was never envisaged, the remaining seven were primarily directed to the original patronage intentions.

Yet right from the outset the CBF was struggling to find a role in respect to many of these areas. Firstly it only came into being after diocesan boards were firmly established:

'... before the beginning of the year 1914 every diocese in the country had established a Diocesan Board of Finance. Most of them had become incorporated under the Companies Acts, and every diocese without exception had established the method of apportionment for parishes. In that same year, 1914, the preparations for the establishment of the Central Board of Finance were completed...'

(RCF, Preface 1934, p. ix)

Secondly it's birth needed to be 'sold' rather than spontaneously accepted as vital requiring a separate conference between the Archbishop's advisors (the original writers of the RCF) and the dioceses to:

'confer ... as to the establishment of a Central Board'

(RCF Preface 1934, p. ix)

The resolution of this conference was to establish such a Central Board to fulfil the functions as listed above:

'... as they become practicable'

(Conference Resolution of April 2nd, 1913)

Quite clearly the lofty intentions and vital necessity for the creation of the CBF were doubted even on it's initial creation. Thirdly it found itself very

much a 'second string' to the successful endeavours of diocesan boards of finance. Maintenance of the salaries of clergy in post was always dealt with at diocesan level until 1951 when the Church Commissioners became involved in this area. Training costs was largely handled by dioceses up until 1952 when the CBF finally acquired real responsibility for this area. Pensions were partly handled by the CBF but also by the dioceses and anyway were always overseen by the Church Commissioners in this area finally having all responsibility removed in 1955. The encouragement of Church building was largely left to dioceses. Education issues were handled largely by a separate National Society.* In sum, the CBF was struggling to find a real meaningful role for itself in those early years of it's existence.

It was not therefore surprising to see the CBF encouraging the development of certain aspects of it's allotted functions which the dioceses could not do - primarily functions 4 and 5 from the above list with a use of 6 to provide necessary funding. Thus in 1915, and with greater impetus following the end of the First World War, the CBF launched a vast appeal for funds (since called the Central Church Fund) to be

'... the only general fund in existence which is available to meet any needs of the Church of England, at home or abroad, which are outside the scope of the Church Commissioners and the Church Societies'

Also the Enabling Act of 1919 which arrested Church government back from the State and ensured the development of a central governing body (originally called the National Assembly) is not unrelated to the CBF as an entity looking for a role. Clearly the moves towards separation, as indicated in Section 4.2.3, were in motion long before the creation of the CBF but to have such a body with power to gather resources from dioceses (function 6) and the rudiments of a Central Church Fund in being must have had more than a passing effect on both the timing and surety of survival of this move away from State control.

Whether this was the situation or not is to an extent unclear but what is certain was the CBF's ready acceptance of the importance of the National Assembly and it's attachment to it:

* Although the CBF did become involved with some aspects of this through the capital cost provision for Church Colleges of Education - see Section 6.3.3.

'The constitution of the Board framed in June 1914 was altered by licence of the Board of Trade after special resolutions passed on August 31, confirmed on September 15, 1921 and ratified by the Board of Trade, so as to secure to the National Assembly the control of central expenditure.

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The duties of the Board are:-

To carry out the instructions of the National Assembly
 To raise and administer the Central Church Fund
 To hold property
 To present an annual report and budget to the National Assembly
 To administer the votes voted by the National Assembly
 To co-ordinate the work of existing central organisations raising and administering central funds.'

(Church of England Yearbook, 1922, p. 98)

The CBF therefore, after a somewhat traumatic start, finally had a real role to perform.

The CBF having lost one role was not lightly going to lose another and thus it was not surprising to note a very jealous possession of the position secured. For over fifty years (to 1976) the CBF took it's role as financial executive very seriously indeed minimising involvement by 'outside' bodies such as the dioceses or the other central boards and councils. The budget, which has always formed the heart of the CBF's work, was jealously guarded by them from seeming interference. The Budget Sub-Committee met once a year to consider the thoughts and suggestions of the Secretariat on the budget for the forthcoming year and the forecasts for the following two years. The agreed budget passed then to the Finance Committee, the full Board and then through to the Church Assembly, up to 1970, and the General Synod thereafter.

Two not totally unrelated factors changed such a jealously guarded process and also opened the CBF to increased consultation and involvement on their financial deliberations. Firstly in 1969 and more directly in 1970 the pay-masters of the CBF - diocesan boards of finance - for the first time seriously challenged the budget and forecast for the forthcoming years. For over fifty years dioceses had largely paid amounts requested of them without seriously

questioning the actions or the activities of the central system and it's financial demands. However, in the decade from 1960 to 1970 they had seen a growth in 'other' non training costs from 38.3% of the total to 57.7% (See Table 6.3.1) as compared with a decline in the decade 1950 to 1960 from 82.1% to 38.3%. This to dioceses along with expanding the training initiatives to capital improvements on colleges all gave the impression of empire building which needed questioning. As a result dioceses exerted pressure on the CBF and the Church Assembly which, in the summer session of 1970, passed the following motions:

- '1. That the CBF be requested in consultation with the dioceses to determine the amount of money likely to be available to finance the central budget in each of the years 1971, 1972 and 1973.
2. That the Standing Committee be instructed to advise the General Synod to order the structure of it's own boards and councils and of the grants to other bodies within the amounts of money available'.

In other words the CBF was required to be more active in consultation with dioceses (the paymasters) and to expand the linkages with the spending boards and councils who were now required to determine activities according to the availability of finance.

The consultation with dioceses started immediately and have continued but the second related move to increased involvement by the boards and councils in financial planning did not finally occur until 1976 following the appointment and initiative of a new CBF Secretary. The accounting system discussed at length in Section 5.4 with it's greater, but still limited, involvement by boards and councils in the budget formulation process and the new Joint Budget Committee somewhat distanced from the CBF was primarily the outworking of this new initiative as put forward by a new CBF Secretary (J.W.D. McIntyre) appointed in 1975. Such a move quite probably may not have occurred had this new appointment not been made and was certainly not greeted with great enthusiasm either by the CBF or the boards and councils.

There appears to be two, not unrelated, reasons why such consultative

moves were late in being brought into existence and why they were not accepted with great enthusiasm. Firstly, from the CBF's viewpoint, such a move was seen as a reduction of its responsibility - the original traumas of the 1914 to 1921 era, where the CBF's role was in turmoil, appeared to be occurring yet again - the finance problem, budgeting and the like was the CBF's discovered role and was not going to be willingly shared. Secondly from the boards' and councils' viewpoint there was reluctance to get involved with having to interpret and relate spiritual and sacred activities from a perceived secular (monetary) perspective. The CBF had for over sixty years protected boards and councils from such 'secondary' matters and there was clearly a reluctance to become involved with such issues. Added to which was the danger that closer involvement with the CBF could allow such a 'secular' body to be more challenging of 'sacred' activities which appeared inappropriate.

Put another way this reluctance from both the CBF's viewpoint (apart from the new Secretary that is!) and the boards and councils can be seen as resistance to the bridging of the sacred and secular divide. Previously boards and councils were pursuing spiritual and sacred concerns and the secular support systems for such activities were handled exclusively by the CBF. Due to the prevalence of this split thinking permeating the life of the Church of England such a situation was entirely acceptable. The new Secretary's moves were deliberately trying to bridge such a split view which because of its dominance was at best going to be greeted with resistance and at worst going to be rejected out of hand.

The actual outcome of the change in relationships between the CBF and other boards and councils and the consequent accounting system design as an expression of this indicates that even though the sacred and secular divide has been broached it has not been entirely bridged in any integrated fashion. For instance the CBF still keeps almost total control over the financial problem. The formulation of the boards and council's budgets, the budget review processes and the handling of the acquisition of resources all point to a continuing strong

CBF presence in these activities.* The boards and councils, on the other hand, conduct the ritual consultation with the Joint Budget Committee with a mixture of annoyance at having to be bothered with such matters and occasional resentment if this 'secular' Committee (and the CBF which is seen as its guiding light)** should seriously challenge any of the more 'sacred' initiatives being put forward.

Before moving to the second part of this argument there is one further historical element in this complex jigsaw which needs to be understood. This centres around the CBF's involvement in the costs of training future ordinands.

Prior to 1952 the CBF's role was primarily concerned with protecting the work of the Central Advisory Council for Training for the Ministry (CACTM hereafter) who, in turn, were largely disassociated from the costs of maintenance of either students or colleges. CACTM's role was primarily as an advisory council to the bishops:

'... dealing with many matters concerning Ordination, on which the decision must rest with the bishops'

(Minute 20 Church Assembly, 1924)

This included the vocation and selection of potential ordinands and the nature of their training but not the costs involved in pursuing such strategies. Such matters were left to dioceses and private sources to supply necessary funds for candidates and for theological colleges to charge requisite fees for the maintenance of their respective establishments. The CBF's role was simply

* This is considerably aided by the fact that a large proportion of the budgets are largely fixed staff costs as Table 5.4.1 (2) indicates.

** Because of this the following continues to talk about the CBF's accounting system rather than the Joint Budget Committee's or the General Synod's: De facto it is still the CBF who maintains control of such 'secular' financial matters.

to supply the necessary finance for CACTM as a central entity to exist and pursue their advisory work to the bishops.

Three factors in the early post-War years (1949 - 1951 particularly) brought to the forefront the probable need for change in these arrangements. Firstly there was growing anxiety that the parochial system was under serious threat due to the absence of an adequate inflow of new clergymen. From 1942 to 1951 average ordinations were only 290 per year but with the Second World War and the losses involved in this made such an average replacement totally inadequate to maintain the present establishment. CACTM's report to the November 1951 session of the Church Assembly indicated that from 1952 onwards there was a need for not less than 600 ordinations a year to cover previous shortfalls and future retirements. Such a challenge was accepted without serious question as it was of course again in 1977 following similar danger signs and a call, this time from the Archbishop of Canterbury, to increase the numbers of ordinands. Secondly there was a growing awareness that the government retraining grants following the War were exhausted and the local education authorities who took over such responsibilities were both more discriminating and less generous in their grants. In sum, even if future ordinands were or were not increased outside funds were reducing leaving the financial responsibility very much in Church of England hands. Thirdly there was a doubt, but not a total conviction, that the dioceses could manage to shoulder such a burden.

These various factors gave rise to much greater central involvement in the financial problem concerned with training. The first move in this direction came with the Report of the Ordination Funds Commission (CA 1038) presented to the Church Assembly at the 1952 Summer Session. This Report and the resolution passed, in effect, created a separate Central Fund for Ordination Candidates (CFOC hereafter) to act as an equalisation fund when dioceses could not cover the requisite costs involved. This approach still gave priority to the dioceses as the units to gather the requisite resources but permitted the CBF to levy some of this into the centre to ensure that a back up fund was always available

to meet shortfalls. The Report concludes by noting that the CBF was consulted on these intentions and that the writers were:

'... happy to be able to say that we are informed that the Board has no objections to urge our proposals' (p.11)

The CBF, however, were not happy with the repercussions from this new system and were much more active in ensuring a second, and total, centralisation move for handling the financing of training. CFOC's 1954 accounts indicated a deficit of over £60,000 and the indications were that with the expected 1955 deficit this could be over £140,000. Radical change was needed and pursued as the following indicates:

'In March 1955 after the examination of the Central Fund for Ordination Candidates 1954 it became apparent to the Central Board of Finance that, in order to avoid future financial difficulties, the system must again be radically amended. Accordingly the Board submitted a Report (CAF 253) to the Assembly at the Summer Session 1955 in which it recommended inter alia that after 31st December 1955 monies collected by the dioceses for the CFOC should be remitted in full to the CBF who would pay all grants from the fund in such manner as the dioceses severally might desire; further that the previous practice of setting aside at the outset the whole sum required by a candidate for his course of training should be discontinued and that instead, the CFOC should be operated on an annual cash basis'

(Church of England Year Book 1956, p. 268)

The CBF were therefore at last actively and exclusively involved in the financing of training through CFOC and from 1st January 1956 to the present time have levied dioceses for the Church's share of the cost of training future ordinands.

This new centralist concern with the financial costs of training was somewhat naturally extended to the costs of capital improvements of theological colleges. There had already been two reports* from commissions to look at the resource problems of theological colleges but it was not until a further

* The Warrington Report and Turner Report commissioned in 1954 and 1955 respectively.

group was commissioned in 1958 to look at both these reports together that real action ensued. The report of this further Commission led to a recommendation for major capital improvements on all theological colleges to be financed by a capital loan from the Church Commissioners which was to be repaid with interest through CBF money. Such a financing arrangement was the seemingly obvious way to handle such needs and the CBF which had already been involved with a similar arrangement with regard to Church Colleges of Education accepted such a new challenge with little complaint.

As a result of these moves, as Table 6.3.1 indicates, the total costs of training and allied matters has from 1953 onwards absorbed, on average, over 50% of the total budget requirements of the CBF.

We now leave this reflective and selective historical survey and draw out the implications of this for helping us to understand the underlying factors which determine and are mirrored in both the CBF as an entity and its accounting system design.

Underlying Factors in Understanding the CBF and its Accounting System

The above has looked at some important historical factors concerning the CBF while giving somewhat cursory attention to its real role. The following is addressed to looking at this by a closer investigation into the underlying reasons for the accounting system design which, as already indicated, is at the very heart of this entity.

Perhaps we could start this process by highlighting a few important characteristics of the accounting system as presented in Section 5.4 and summarised in questions 1, 2.1, 3.1, 3.2, 4.2, 4.3, 5.1 and 5.2 from Table 5.4.6. We will discuss these briefly under the four elements of the accounting system discussed in Section 5.4. The budget is made up of a large amount of predetermined items calculated by the CBF* and largely settled in

* Although de jure this is the Joint Budget Committee's responsibility which includes some CBF participation we are in the following taking the de facto position which makes the CBF the dominant authority.

total at the early stages in the budget formulation process following discussions with dioceses over the forecasted total. Despite such a situation the budget formulation process is long and complex involving quasi-consultations with other central boards and councils. The budget review process is less formal and almost exclusively handled by the CBF with little control or freedom given to boards and councils in terms of virement. The exception to this is in the case of training costs. This is left exclusively to the Advisory Council for the Church's Ministry to allocate and control with suitable reserve protection if overspending should ensue. The annual accounts although produced are treated with partial indifference even though closer inspection would indicate an underlying phenomena of high cash reserves and a design which somewhat disguises this total picture. With regard to the residual element of the accounting system it was noted that the CBF only encourage innovations by boards and councils at the budget formulation process but does not require excessive information support to justify such changes. However, the allocation of the budget to dioceses is highly formalised from an information perspective and exclusively handled by the CBF. What the accounting system overall is not involved in is formulating and directing the activities of those who have authority to spend the money so ably gathered through part of it's very design.

What these characteristics seem to suggest is that the accounting system is a type of financial benefactor or protector of those activities over which it's control and direction is limited and a selective encourager, given this limitation, of some of these endeavours. We will take each of these summary thoughts in turn and try to justify why these appear to be the general underlying factors using the above and other characteristics to support such assertions.

A number of the characteristics of the CBF's accounting system all seem to point to the dominance of this financial benefactor or protector role of this system and concurrently the entity which it serves. This dominant role can be seen through three different but compatible perspectives on the accounting

system. Firstly by it's important design concern with ensuring that finance is available for whatever is planned: The initial soundings of diocesan support for the planned budget, the elaborate act of consultation with boards and councils and the final communication to dioceses having done 'due process'; the intended trust building intentions behind providing annual accounts (even though partially ignored); the cautious handling of reserve provisions and maintenance of high cash reserves and the sophisticated and powerful budget allocation system. All are geared towards ensuring that finance is available. Secondly by it's design concern with removing as many financial worries as possible from the minds and activities of boards and councils: The involvement of only the CBF in income generation, the very marginal involvement by boards and councils in interpreting their plans into financial terms at the budget formulation stage, the absence of independence given to boards and councils in spending and reviewing budget allocations, the use of reserve accounts to counter any unexpected changes in financial plans*. All suggest a certain distancing of financial worries from those who have spending authority. Thirdly by it's design concerns more with financial feasibility rather than the nature and type of planned activities of boards and councils: the dominant concern with agreeing budget totals with the dioceses and the need to keep within these in total following the detailed consultations with boards and councils, the concern with meeting Votes and avoiding supplementary Votes; the use of the reserve fund for training costs which ensures constantly achieving budget; the overall absence of anything except financial costing of the plans of boards and councils. All suggest a greater concern with financial

* A classic example of this was with respect to the 1983 budget where various adjustments to reserve accounts were suggested when diocese were concerned and detailed budgets were increasing rather than some curtailment activities.

feasibility as distinct from using finances either to order or evaluate or define planned activities.

In sum, the accounting system appears to be a caring and careful provider of limited but defined finance for activities which it is prevented from seriously challenging or determining except in terms that the available 'cake' is not seriously exceeded.

However, the CBF and its accounting system is not totally unbiased as to which activities are undertaken and is involved, in an admittedly limited way, in selective encouragement of certain of the endeavours undertaken. This is most obvious in the accounting system design with regard to training costs but two other accounting characteristics registers this involvement more generally. The following discusses these briefly before looking at the more substantive example of this phenomena. The first of these concerns the fact that no new initiatives can be undertaken by boards and councils without first raising them at the budget formulation stage which, in effect, involves the CBF in the deliberations concerning these plans. Secondly, and related to this, is the handling of virement by boards and councils. Technically virement is possible with regard to agreed budget allocations, not that this is exercised very often due to close CBF review and control,* provided it does not involve 'any permanent new commitment or major change' or 'to increase the total staff establishment'. Both of these accounting arrangements ensure that new initiatives of boards and councils are not pursued autonomously but are required to be brought before CBF scrutiny even if any modifying action does not ensue.

What is a more obvious and overt bias in the accounting system is the handling of training costs. These are calculated annually by the Advisory Council for Church's Ministry (ACCM), not seriously questioned at the budget formulation

* A point already discussed in Section 5.4.2

stage, separated off in terms of diocesan communication, given back to ACCM to expend and control and protected by their own separate reserve fund arrangement. In sum, these costs are treated differently and more favourably than any other cost area and in the process the CBF is expressing a supportive preference for this activity.

To summarise, therefore, the accounting system as a design is not exclusively concerned with income generation but it is not indifferent to such issues; it is not primarily concerned with rationalising and directing activities although it is not indifferent to this problem either. It's design is intended to be a financial benefactor as well as a limited selective encourager of primarily centralist activities and endeavours.

The following reflective summary takes this argument one step further and in the process draws together more forcefully both the above analysis and the historical survey.

A Reflective Summary

What is clear from the first part of this argument is that the CBF had a somewhat traumatic beginning yet over time it discovered itself and it's role. The original intentions of the CBF to be a part of the new parochial patronage system as envisaged by the RCF never materialised even though the CBF was brought into existence under the auspice of these intentions. Yet in 1921 following the Enabling Act of 1919 and the creation of a National Assembly it discovered a seemingly new and defined role as the financial executive of this new body. This role was, to an extent, extended when in 1952, and more especially in 1956, the CBF accepted with some avidity the financial problem concerned with training of ordinands.

The second part of the argument took a closer investigation into the role of the CBF by looking at it's accounting system which we have noted is an intimate expression of it's very being. What became clear is that the CBF and it's accounting system is primarily a type of financial benefactor - a provider of defined resources for activities which it is not actively involved

in determining. In addition, and in slight contradiction to this latter point, it is also a selective encourager of particular activities, with its limited defined authority, with the cost of training future ordinands being treated with both deference and preference.

These two parts can be brought together since these respective insights can be seen as yet a further expression of the patronage endeavour and a continuation of the sacred and secular divide. The centre like the dioceses and parishes has a split and hierarchical view of life divided into sacred (the primary concern) and the secular (the secondary concern) which is reflected institutionally in separate and distinct organisational units. It is out of such a divided view the patronage solution in the Church of England has arisen. Although secular (bodily) support systems are secondary and to an extent irrelevant to the primary and sacred endeavours somebody, or some institutional unit, should take care of such matters, which is of course how the original patronage system arose. Originally in dioceses the Anglo-Saxon kings were the patrons supplying all the necessary resources for bishops to perform their sacred activities. In parishes the lords of the manor performed such functions. With the demise of the old patrons and the inability of the institution to resolve the sacred and secular divide new patrons came into being: for dioceses the Ecclesiastical Commissioners performed the task and for parishes diocesan boards of finance and the CBF were intended to take over this role.

Thus the CBF was created as a secular institution to perform a patronage task for sacred endeavours and despite early traumas as to its focus maintained, and maintains, such a role: The CBF like a mother figure who had lost its first talented and sacred 'child' (the parish system) found a new adopted 'child' of similar ability in the National Assembly and its related boards and councils. It thus could transfer its albeit limited, secular ability to cherish, protect, upbuild and occasionally chastise from the former 'child' to the new one. It was also clearly aware that the mother figures for the original 'child' (the diocesan boards of finance and the Church

Commissioners) were largely doing a capable job which undoubtedly needed to be emulated on the new 'child' (the National Assembly and its boards and councils).

However, the new 'child' was more vulnerable and fragile than the former which meant that emulation was not enough. The work of the General Synod (and its predecessor) was, and is, new and innovative and in much greater need of support, encouragement and protection. Thus the patronage figure, namely the CBF and its accounting system, for this weak sibling needed to be, and currently still does need to be, much more actively involved in supporting, protecting and encouraging such vulnerable endeavours.

Such a general picture can also be extended to indicate why the CBF accepted with such avidity the costs of ordination training as well as the somewhat overzealous support for the capital costs of theological and other colleges as discussed in Section 6.3.3 below. These were part of the original secular support for the parochial system - which was, of course, the first but lost 'child'. Thus the return of these to CBF control could be seen as something similar to the return of part of the 'prodigal son'* upon which lavish attention was and is given.

In sum, the CBF and its intertwined accounting system constitutes a highly protective 'secular' patronage system for primarily the 'sacred' central activities but also the important parochial concern of manpower replacement in the parish system. It goes beyond normal patronage endeavours due to the vulnerability of the areas being protected but it is not permitted, because of the sacred and secular divide and its position therein, to intrude, in large measure, into the nature and conduct of these activities.

* With all the overtones which comes from a picture concerning the weakness and despair of the prodigal son on his return as compared with his previous buoyancy.

6.3.2 Theoretical Explanation Coded E2

Conclusion

The benefactor/protector role of the accounting system can be seen most clearly in the budget cost centre divisions which permeates it's design. Such divisions reflects and/or leads, but certainly colludes with, the way the General Synod, as the voice of the Church of England, handles a potentially overwhelming agenda of problems and relationships with regard to the Church itself, the State and other religious organisations by allowing emergent issues with regard to these areas of concern to be handled by separate and segregated functional units (i.e. boards and councils). Thus the permanent boards and councils and their budget cost centre expression in the accounting system are, together, a mechanism for reducing the enormity of the issues facing the General Synod and as a way of reducing the level of anxiety which would ensue if exposed to all emergent issues together let alone those not as yet perceived.

Argument

This Section is primarily concerned with discovering why all the General Synod's work is conducted through separate and distinct boards and councils, which is reflected in, and reinforced through, the design of the accounting system. Section 5.4 has already shown how this segregation of activities is dominant in the CBF's accounting and financial handling of the General Synod's business which as Table 6.3.2(1) indicates constitutes a high proportion of total budget costs. As this Table indicates 45.7% of the 1984 expenditure (41.1% in 1983), constituting Votes 2 and 3, is separated into distinct functional units. In addition it is possible to show that the remaining Votes are all allied and related to these separate boards and councils: Vote 1 is the important area of concern of the Advisory Council for the Church's Ministry, Vote 4 is a mixture of the General Synod and Committees, Board of Education and Board of Mission and Unity Concern and Votes 5 and 6 are the domain of interest of the Board of Mission and Unity. In other words the whole budget is dominated by separate and clearly defined functional units and responsibilities.

We need, therefore, to explore why this is such a dominant characteristic of both the accounting system and more generally the Synodical work it reflects. To undertake this exploration which leads to the above conclusion we will divide the following argument into two parts. The first part will provide a brief

discussion and historical analysis of the work of the five Central Services Departments (Vote 2) and the seven Advisory Committees, Permanent Councils and Commissions in the context of a reminder (from Section 4.2.3) of the emergence and work of the General Synod and its predecessor (the National Church Assembly). The second part draws out the implications from the more factual analysis of the first part and presents an argument which leads to the above conclusion.

Part 1: A Contextual and Historical Analysis of the General Synod's Boards and Councils

Before looking briefly at an historical and contextual analysis of the twelve boards and councils we need to recall some of the points already made in Section 4.2.3 concerning the emergence and intentions of the General Synod. As Section 4.2.3 indicated there has been a constant desire, particularly from William the Conqueror's time, to see, speak and enact for the Church of England as a unified institution despite its immense and encouraged diversity through its dioceses and parishes. Such a basic desire has largely gone unchallenged for over nine hundred years even though the 'helmsmen' and the respective intentions of these actors has changed quite considerably even though there was some continuity in these matters for just under six hundred years (from 1066 to the beheading of Charles I in 1649). During this time the Church of England, as an entity, was fought over by the kings and queens of England and Roman popes as a means to supply necessary wealth and to reflect the malevolent or benevolent wishes of the respective dominant power.

However, since Oliver Cromwell's interesting intervention into both Church and State affairs, the need to see the Church of England as an entity has continued but the helmsmen and their intentions have changed. Cromwell's intervention gave the State machinery (particularly parliament) a new found level of importance: parliamentary laws were still enacted in the name of the kings and queens of England but were not beholden in quite the way as before to the various whims and fancies of such royalty. Thus, for a while, the Church became

the arm of the government of the time to reflect it's wishes: seemingly sacred and secular were one even though there was a strong bias in favour of the former. However, with a growing secularisation of the State and it's increasing rejection of the need to work through the Church to realise it's intentions the Church of England, although still in government control, became something of secondary importance. It was out of this perceived quasi-redundancy that the Enabling Act of 1919 was allowed to be passed. Government authorities were open to be released from the management concerns of what appeared to be a partially irrelevant institution, whereas Church of England authorities, who had been pushing for such a move over a number of years, willingly took over such responsibilities as a way to demonstrate that it could manage it's own affairs and that these affairs were of importance to societal endeavours.

Thus the Church of England took over it's own affairs as a way to demonstrate some more national considerations which inevitably required a continuation of centralist control and a unified voice from a highly diverse institution. Thus the National Assembly which became the institutional expression of the Church of England's move to self government was born to speak for the Church of England as a whole in a Society which, for the first time in over ten centuries, had ceased to see the Church as central to it's endeavours. Quite clearly the National Assembly had a potentially difficult and disturbing agenda to face which appears to have been handled by the Assembly (and it's metamorphosed General Synod) by a process of incrementalism and the creation of separate boards and councils to handle such incrementally emergent issues.

We will return to these issues again in the second part of this argument but before looking at this we need some further reflective background information surrounding these respective boards and councils. The following will look at each of the five Central Services Departments and the seven Advisory Committees, Permanent Councils and Commissions in the order in which they appear in Table 6.3.2.(1)

The General Synod and Committees department in fact consists of eleven, largely permanent, separate and distinct commissions and committees. There is the Legislative Commission which interacts with the government ensuring 'Measures' are parliamentary approved. The Standing Orders Commission deals with the Standing Orders which govern the conduct and practice of Synodical activity. The Ecclesiastical Fees Commission handles, in consultation with the Church Commissions, the fixing of fees for weddings, funerals and the like for all parishes. The Liturgical Commission, set up in 1954, and the Doctrine Commission, created somewhat later, are permanent commissions to consider and advise upon liturgical and doctrinal dilemmas of the bishops and archbishops in their oversight of the Church. The Dioceses Commission was created in 1978, following the Dioceses Measure, to consider proposals for diocesan reorganisation and to suggest changes even if not proposed. The Cathedral Statutes Commission was founded following the Cathedrals Measure of 1976 by encouragement from Cathedral Chapters to be a permanent commission to consider constitutional changes in Cathedrals allowed by that Measure. The Cathedral Advisory Commission was set up in 1949 to help give advice on plans and problems affecting the fabric, furnishings, fittings and precincts of Cathedrals. The Legal Advisory Commission dates back to two committees (a Legal Committee and a Legal Board) set up in 1918 and 1924 respectively and amalgamated in 1946. It is in existence to give legal advice on any proposed or actual action of the General Synod or any of its boards and councils. The Legal Aid Committee was set up in 1963 following the Ecclesiastical Jurisdiction Measure to help meet any legal costs or damages with regard to any of the Church's servants and those affected by them. Finally the Crown Appointments Commission established in 1977 is concerned with formalising the process of filling episcopal vacancies by providing clear advice to the Prime Minister before she supplies her suggestions to the Queen for final appointment.

The Church Information Office dates back to 1923 and is primarily concerned

with being a liaison service between the Church of England and the media. As long ago as 1923 the CBF had a Press and Publications Board and over the years this became more independent. However the 1956 Report of the Committee on Central Funds (RCCF hereafter) (CA 1181) recommended that such a separate central board should be abandoned giving media handling to the Standing Committee and the publications side back to the CBF. For various reasons these recommendations were not accepted except for the publications side which was finally passed over to the CBF as a separate section in 1979. Now the Church Information Office is exclusively concerned with being the main channel of communication between the Church of England as an entity and the media.

The Central Board of Finance is, as discussed at length in Section 6.3.1, the only board which handles financial matters for all central activities. This became it's primary function in 1921 following some uncertainty as to it's role during the prior seven years of it's existence.

The CBF - Stewardship and Statistics Department is an amalgum of two separate and seemingly distinct activities separated off from main CBF work in 1955 and 1957 respectively. The CBF had largely been responsible for maintaining and gathering pertinent statistics about the Church of England as a whole but it was not until the early 1950's that it became clear that a more systematic gathering of such information was necessary. However, this work was in some ways seen as more distant from central CBF work and as a result a separate department under CBF authority was created in 1955. Equally in the early 1950's it became clear that there was a need for some central co-ordinating and stimulating body for the growing awareness of the need to raise giving levels and as a body to encourage the similar responses of dioceses, in terms of stewardship officers and endeavours. Such stewardship work was clearly financial and thus of CBF concern yet the CBF considered such work, to an extent, distinct from it's central concerns and as a result, in 1957, created a separate and distinct department but still under overall CBF authority.

The CBF - Publishing Department became finally part of the CBF again in 1979 and was handled by them in a similar way to the work on stewardship and statistics. As already indicated the CBF was involved with publication work with it's Press and Publications Board from 1923. This work along with the media work was passed to the new Church Information Office in 1950 and despite the RCCF's recommendations remained with the Office until 1979 when it was finally returned to the CBF. The job of informing both the Church and the outside world through publications originally (in 1923) was seen by the CBF as something separate from it's main function(s) and thus it was not surprising, on it's return in 1979, to see it similarly separated off into a distinct Department.

The Advisory Council for the Church's Ministry (ACCM) whose function is primarily:

'... to promote the most effective forms of accredited Ministry, ordained and lay, in the Mission of the Church, and to make appropriate recommendations for this purpose to the Bishops and to the General Synod'

(ACCM Item 2a) of the constitution from GS 470)

dates back, in the main, to a Central Council created in 1913 although over the years various separate bodies have emerged even though now amalgamated in this one unit. The primary body was the Central Advisory Council for Training for the Ministry (CACTM) created in 1913 by the bishops to assist them in the selection and design of the training requirements for future ordinands. Such a Council was primarily a male preserve and was seen to be illequipped to deal with the growing number of women coming forward for work in the Church. As a result two new bodies were created to handle such matters: a Central Council for Women's Church Work in 1930 and a Council for the Order of Deaconesses in 1934. In addition the Central Readers Board, created in 1905, which predates all the above, dealing with the selection and training of lay Readers (of services) was also running in parallel to the above three boards. In 1966 the primary Council changed it's title to the present one and altered it's constitution marginally and in 1972 all women's

work (and the two Councils) were added and in 1979 the Readers Board was amalgamated leading to further constitutional changes. Despite such changes, and the additions of these other Councils, ACCM remains largely the same as the original and primary CACTM both in nature and constitution except for its extension into lay and women selection and training.

The Board of Education's functions are

- 'a) to advise the General Synod and the dioceses on all matters relating to education
- b) to take action in the field of education in the name of the Church of England and the General Synod on such occasions as is required.'

(Board of Education items 2a) and 2b) of the Constitution from GS 470)

and has been performing such functions from its inception in 1947 although its development neither starts nor stops at this point in time. From 1810 there has always been, and still is, a National Society for the promotion of religious education with financial resources to encourage such developments. However, it was the Hadow Commission in 1929 which saw the need for an additional central council to manage the education problem more directly and more broadly. However, it was not until The Selborne Commission reporting in 1945 made similar suggestions, following the somewhat disturbing, to the Church of England, Butler Education Act of 1944, that any move towards a central council was made. The Central Council of Education was created in 1947 modified but not largely altered by the important RCCF of 1956 and has remained largely unaltered since such times.

The Board for Mission and Unity's primary function is as a link and communication channel between the Church of England as an entity and other Churches and religious organisations and has only existed in its present form from 1972 although areas of its current work were handled by a number of separate central bodies whose existence predates this time. There are four such separate enterprises which together now form the Board for Mission and

Unity: the Central Board of Missions started in 1908* relating to missionary societies; the Church of England Advisory Council on Commonwealth and Empire Settlement started in 1925 providing an information service for settlement in the Commonwealth; the Church of England Council on Foreign Relations started in 1933 as an information gathering source on other Churches abroad; and finally the Council for Ecumenical Co-operation started in 1949 to represent the Church of England on ecumenical issues primarily through the organisations of the World Council of Churches and the British Council of Churches. The 1956 Report on the Committee of Central Funds (RCCF) recommended all these separate councils should be combined into a new Council for Church Relations yet this was rejected by the Church Assembly due to the perceived variety of activities and remained unconvinced until 1972 when finally they were joined together.

The Board for Social Responsibility's primary function is:

'... to promote and co-ordinate the thought and action of the Church in matters affecting man's life in Society'

(Board for Social Responsibility item 2 of the Constitution from GS 470)

and came into existence as a separate body to perform such a function in early 1958 although other separate units were undertaking such actions long before this date. A Social and Industrial Committee was first formed in 1923 following a challenge by the Bishop of London to look at the 'church's relation to social work and industrial questions'. This Committee became more firmly established over time becoming a Commission in 1924 and a Council in 1951.

* Changed into the Missionary Council in 1921 and the Overseas Council in 1950.

The other central body which was combined with the above to form the new Board was a Moral Welfare Council created in 1950 for:

'... the co-ordination of thought and action in relation to sex, marriage and the family in the Christian life'

(RCCF, 1956 p.33)

The Council, in fact, dates back rather tenuously to the Archbishops' Advisory Board for Preventative and Rescue Work set up in 1917 to

'... co-ordinate the work being done in the dioceses and to provide a means for studying problems and of raising the standard of training of workers'

(RCCF, 1956 p. 33 and 34)

The RCCF recommended that the Moral Welfare Council and the Social and Industrial Council be combined into a new Board for Social Responsibility and this was agreed to by the Church Assembly and became a separate entity in early 1958.

The Council for the Care of Churches, set up in 1921, although primarily intended to be a co-ordinating body for the separate Diocesan Advisory Committees* has, without losing this concern, moved into a more nationalistic role with regard to buildings. The flavour of this subtle change in function is well captured in the RCCF where they point out:

'The Diocesan Committee system has now been functioning for over 30 years and is sufficiently well established to need far less direction from the centre than was originally the case. This is not to say that the function of the Central Council has come to an end. There are many things, such as the study of the latest techniques of repair and restoration, the enlisting of expert aid, and the development of standard practice which it would be difficult, if not impossible, for 43 separate diocesan committees to do for themselves. Furthermore, it must be remembered that the parish churches of England are amongst its greatest national treasures which succeeding generations of Church people have a duty to preserve for posterity. The existence of a strong central council is essential to demonstrate to secular opinion that the church is fully alive to this responsibility'

(RCCF, 1956 p. 49 and 50)

* Committees formulated in all dioceses from 1913 onwards following the original Report on Church Finance's (1911) recommendations to act as a sounding board and potential preventer of any proposed changes in any parish church buildings.

In other words this Council has moved from a co-ordinating role to one of handling somewhat residual national problems concerning more general insights and as a demonstration of national care of Church buildings to 'secular opinion'.

The Council for the Deaf is functionally responsible for:

'... ensuring that adequate provision is made throughout the Provinces of Canterbury and York for spiritual ministrations to the Deaf and Dumb'

(RCCF, 1956 p.53)

and was set up by the Convocations in 1922. This Council, originally a Committee, was created with the clear expectation that *it's existence would be dependent* upon voluntary, as distinct from Assembly contributions. In 1933, however, the finances were in a precarious situation and rather than abandon the work the Assembly made the Committee into a permanent Council to be financed by Assembly funds without, in any way, changing the constitutional activities.

The Hospital Chaplaincies Council came into being in 1952 as a result of the coming into force of the 1946 National Health Service Act. It's primary function is to:

'... consider and advise upon questions relating to spiritual ministrations to patients and staff in mental and medical institutions and to act as a liaison between the Church and the Ministry of Health in such matters.'

(RCCF, 1956 p.52)

This then concludes our brief contextual and historical analysis of the boards and councils of the Church. Tables 6.3.2(2) and 6.3.2(3) is an attempt to summarise some of the pertinent detail discussed above concerning these boards and councils and supplies an important summary link to the following which draws from this more factual analysis an argument which leads to the above stated conclusion.

Part 2 An Exploration of the Reasons for the Existence of the General Synod's Boards and Councils

For convenience we will divide the following into two parts which, as will become apparent, combine into but one common argument. The first part will explore more deeply and critically the points made above concerning the creation of and the intentions for, the General Synod (and it's predecessor) as well as some further discussion on the way it manages it's business particularly through delegation to boards and councils. The second part will explore through a closer examination of the timing of creation and nature of these permanent boards and councils some further insights into how the General Synod, (and it's predecessor) manage their business which, in turn, explains the reasons for the existence of these separate bodies in the first place.

We turn firstly to the issues surrounding the General Synod (and it's predecessor) more generally starting with a reminder of some of the points already made. Three points are apparent from the above brief historical analysis. Firstly that for over nine hundred years the Church of England has been managed as an entity despite it's immense diversity. Secondly that despite such a long managerial lifetime the Church of England has only recently (from 1920) actually managed it's own affairs. Thirdly that with growing 'secularisation' in both society and government the Church of England has increasingly, but reluctantly, been reducing in influence in such areas. Putting this third point another way such moves have been treated with some enthusiasm by the State machine which is seen to be 'coming of age' from religious involvement but with great sadness by Church authorities who were not convinced of their redundant position, but, equally, desiring to be distanced from the more 'secular' advances being made.

In sum, the National Assembly was born with two important points to prove. Firstly that it could manage the Church of England as an entity by itself despite it's inexperience, in this area. Secondly to demonstrate that it did

have a part to play and points to make concerning societal direction and activities as a spiritual moulder of the growing number of secular advances.

Both areas of concern could well have appeared overwhelming if handled in any systematic fashion in 1920 when the first National Assembly met. The First World War had just finished leaving immense social problems which needed immediate attention. The government of the time which was largely a-religious had to act on all manner of issues and had no real time for dialogue with the Church of England whose 'spiritual' thoughts seemed irrelevant to the pressing problems facing them. Equally the Church of England as an entity was in a far from healthy state. It's finances were only starting to get sorted out following the recommendations of the Report on Church Finance of 1911. However, there was other more spiritual matters which needed attention and had been left unchanged due to the necessity of requiring parliamentary legislation but the difficulty in obtaining this in the years leading up to the Enabling Act of 1919. As Smith (1922) so perceptively put it there was:

'... increasing practical difficulty during the latter decades of the nineteenth century, of getting any ecclesiastical Bills passed through Parliament, owing partly to wilful obstruction and partly to the pressure of civil business. Out of 217 such Bills introduced into the House of Commons between 1888 and 1913, 183 were dropped, one was negatived and only 33 were passed' (p.11)

Thus the backlog of seemingly important work was immense.

With such a potentially immense work load for the new Assembly to face and the likely disturbance and anxiety which would have ensued if all issues had been faced together it was not surprising to see a certain incrementalism in the activities undertaken. Early evidence that this is how the Assembly managed it's workload can be seen by an analysis of the first budgets of the Assembly. Table 6.3.2(4) presents such information for 1921, the first year of the new Assembly, and for 1923. Two points can be made from this information both of which seem to suggest a certain incrementalism in the early thinking of the new Assembly. Firstly the budgets appear to be addressed to only some of the issues facing the internal management of the Church and it's external relations with little real clarity as to overarching direction and attention. In other words attention, in the early years, was addressed to the most obvious, as and when they became obvious, rather than fitting into some more coherent model of concern. Secondly these budgets register an important early segregation of activities into separate budget elements which in turn reflects the way the Assembly dealt with the somewhat random emergent issues as they arose.

This early incrementalist thinking with it's attention to undefined emergent issues through primarily separate budget entities and often separate boards and councils set the precedent for the future as well. This can be evidenced by looking at the dates of creation and natures of the respective permanent boards and councils. As Tables 6.3.2(2) and 6.3.2(3) indicates these boards and councils have been created at various points in time with varying concerns and appear to have little pattern in their occurrence. The RCCF writing in 1956 put the matter succinctly as follows:

'The present position is, therefore, that the Assembly has a large number of more or less autonomous boards and councils, many of which are descended from bodies previously entirely independent and which have been adopted or created by the Assembly from time to time without any attempt at comprehensive planning. The number and functions of these bodies have been determined largely by the accidents of history; their growth has been fortuitous; and the manner in which the Church Assembly's limited resources are divided between them does not reflect a conscious and considered judgement of their relative importance for the life of the Church.' p.14

The RCCF undoubtedly did a great deal to streamline the system but they could not, nor did they wish to, either stop the somewhat random emergence of issues to be faced - in fact their recommendations were primarily concerned with creating flexibility to cope with random and changing concerns - or the vital and important position of permanent boards and councils to handle such issues.

Before turning more directly to the functions of the boards and councils and their relation and insight into these seemingly random emergent issues it is worth briefly looking at some of the overall dynamics in this process. Figure 6.3.2(1) presents a simple model of this process. Much of this figure is self explanatory but there are two important points which need to be highlighted. Firstly the permanent boards and councils are a form of filtration process for many of the emergent issues as and when they arise. From a not altogether unrelated perspective this can be seen as a process for defending the General Synod from being overwhelmed with either too many issues or with certain types of issues. Secondly the dominant practice of the Synod is to create a new board or council if some issue which has filtered through to it's attention is seen as something not covered by existing bodies and is perceived to be permanent enough to warrant such actions. As we have already indicated this has been the constant response of the General Synod and it's predecessor with very little clear thinking as to how this 'new' body related to those presently in existence.

With this important background information on the General Synod's/

National Assembly's actions and intentions, and the general position of boards and councils therein, we can now look more specifically at the functions of these respective bodies to gain some insight into what is being handled by this filtration/defensive mechanism.

Figure 6.3.2(2) is an attempt at trying to model these functional concerns. What this Figure indicates is that the functional tasks and relationships of the various boards and councils listed in Tables 6.3.2(2) and Table 6.3.2(3) can be variously grouped into six major areas of concern. Specifically these areas of concern centre around issues and relationships: directly with regard to the States' activities, in the boundary between the Church of England and the State; in the Church of England as an organisation but in the context of the two boundaries between it and the State, and with other religious organisations; in the Church of England as an entity; and finally in the boundary between the Church of England and other religious organisations.

As already indicated these areas of concern are not looked at in any systematic manner. An issue may 'erupt' in any one of these areas and if it is seen as something of a permanent 'eruption' then a separate and distinct board or council is established to 'manage' the on-going disturbance so as to minimise excessive intrusion of such matters in the future.

An interesting and relevant illustration of this more general insight can be seen by looking at the boards and councils dealing with issues and relationships with the State (i.e. the top row in Figure 6.3.2(2)). Two observations are in order with regard to this illustration. Firstly both sets of developments have occurred immediately after each of the two World Wars. This is not surprising since it was at both of these times that the respective government's implemented massive long term social programmes. The emergence of such initiatives quite clearly became issues for the Church of England to face which in turn created some justifiable anxiety for the 'voice of the Church' (the Church Assembly) as to what should be it's response in the light of all

the aroused tensions from it's original brief.* Such anxieties, however, were handled in the way they had always been by a process of splitting up the need, deciding on it's permanence and, where appropriate, creating a separate and distinct board and council to handle such issues in the future and, thus, prevent any potential for the matter to overwhelm again. This brings us to our second observation which is to note the very piecemeal actions of the Church Assembly as seen through the types of boards and councils created at these two post-war periods. Neither the concern for industry (BSR1), the deaf (CD) or commonwealth settlement (BMU2) nor the concern for education (BE), the family (BSR2) or hospitals (HCC) can be seen as some exhaustive mirror of the advances which the respective governments enacted, as long term developments, following the First and Second World Wars. Quite clearly there was a careful, and not altogether coherent, selection process as to which developments warranted new, separate, permanent boards and councils. But one thing is certain: all the created boards and councils had highly specific tasks to perform and were very clearly separated from one another.

Some Concluding Thoughts

In sum the division of the work of the General Synod (and it's predecessor) into separate boards and councils and the accounting system expression and reinforcement of this through responsibility centres provides an important insight into the way this national 'voice of the Church' manages it's world.

The National Church Assembly was born with a dual mission to perform: firstly to manage the Church of England as an entity despite it's diversity and problems and secondly to influence the growing perceived secularisation of

* Which, as already indicated, was to prove to the State that despite the Church's unaltering spiritual concerns it had a part to play in all the perceived secular advances of governments.

society and its governing bodies. However, such an agenda was never handled as some unified mission due to the overwhelming complexity of the issues and the inevitable anxiety which a global look at such matters would have created. Rather issues, with regard to such an agenda, were allowed to emerge in a somewhat random manner, but in certain clearly discernable 'areas of concern', and handled by a further process of reductionism by creating separate and distinct boards and councils to deal with both the specific and all future similar issues if such matters were likely to have a degree of permanence.

Thus the segregation into separate boards and councils and the accounting reflection and reinforcement of this through responsibility centres constitutes a type of defence mechanism from the potential anxiety which could ensue if the whole agenda either in it's unperceived totality or in it's presently perceived totality were to be seen as a whole.

6.3.3 Theoretical Explanation Coded E3

Conclusion

The reasons for the existence of the CBF's five separate funds, in addition to the main General Synod Fund, can be traced to three distinct but still related explanatory factors. The first, centres around the complex State/Church relationships concerning education. More specifically the Church Colleges of Education Capital Fund and the Church Schools Fund are in existence to demonstrate to the State the continuing, if residual, involvement of the Church in the education system. The second, centres around the time invariant secular priority support by the CBF and others for the ordained ministry. More specifically the Training for the Ministry Fund and the Theological Colleges and Training Houses Fund are in existence to demonstrate to the Church that there is a prior, unending and unshakeable 'secular' support system for meeting the costs of the training of future ordinands. The third, centres around the perceived vulnerability of the CBF and the need to protect it's financial involvement as a benefactor of centralist activities through the existence of a separate source of income to be drawn on 'in emergency'. The Central Church Fund fulfils this purpose for the CBF. From another, not unrelated, viewpoint the separate funds are in existence to fundamentally resolve any potential anxieties concerning: firstly, the Church's continuing involvement in education; secondly, the Church's continuing commitment to the ordained ministry and, thirdly, the CBF's continuing ability to support all centralist work.

Argument

This Section is primarily concerned with exploring the reasons behind why the CBF's accounting system has five separate fund units in addition to the central, and seemingly most important, General Synod Fund. As Table 5.4.0 indicates, as well as Section 5.4 more generally, the CBF's accounting system is divided into six primary funds: the General Synod Fund, Training for the Ministry Fund, Church Colleges of Education Capital Fund, Theological Colleges and Training Houses Fund, Church Schools Fund and the Central Church Fund. The discussion in Section 6.3.1 above applies more generally to all these funds whereas the insights in Section 6.3.2 are primarily applicable to the General Synod Fund. Neither of these previous Sections, however, explore either directly or in passing the reasons for the existence of the remaining five separate fund units which can legitimately be seen as secondary to the more primary and dominant General Synod Fund.

We will structure the following, which leads to the above conclusion, in much the same way as Sections 6.3.1 and 6.3.2: the first part will undertake a selective historical analysis concerning the five separate funds and the second part will draw from this material some underlying explanatory insights.

Part 1: A Selective Historical Analysis

The following will discuss the historical and contextual roots of the five subsidiary funds in the sequence in which they appear in Table 5.4.0, and in the main CBF accounts, namely: Training for the Ministry Fund, Church Colleges of Education Capital Fund, Theological Colleges and Training House Fund, Church Schools Fund and the Central Church Fund.

The Training for the Ministry Fund is made up of different types of earmarked funds all of which are concerned with supplying additional resources to cover ordination training costs even though the specific nature and the time of creation of the separate elements vary quite considerably. For instance, the Theological Colleges Reserve Fund, which is one of these elements, has been in existence over a number of years as a type of overdraft facility for the colleges. The finance for this is provided by regular, but varying, allocations from the main training budget of the General Synod. On the other hand another element is a Train-a-Priest Fund started in 1955 for the collection and distribution of an annual appeal, initiated by the Church Times, to provide allowances for dependents of ordinands. The remaining elements in this Fund are similarly diverse but all collectively have been set up to satisfy specific perceived needs in the general area of costs of ordination training which were seemingly not satisfied by other funding arrangements.

The Church Colleges of Education Capital Fund came into existence in the 1920's as a source of income to meet the capital costs of Church Teacher Training Colleges (i.e. Colleges of Education). It has gone through five major stages from these early origins to the present. The first stage (called Scheme I) between 1925 and 1930 was to demonstrate the Church's commitment

to the call of the Fisher Education Act of 1918 for a rapid expansion in teacher training by supplying suitable capital (£370,000) for the capital costs of three Church colleges. This was financed through an issue of debentures which were to be repaid by an annual allocation of the Church Assembly budget. The second stage (called Scheme II) between 1930 and 1944 was a continuation of the first but extended to all the remaining Church colleges. The cost of this move was £355,000 financed partly by loans from the Church Commissioners, which became possible thanks to the Ecclesiastical Commissioners (Powers) Measure, 1931, and partly through other CBF money. The third stage (called, along with the fourth and fifth stages, Scheme III) between 1945 and 1958 was in response to the April 1944 Report of the McNair Committee on 'The Supply, Recruitment and Training of Teachers and Youth Leaders' which set up a 50% government grant scheme to meet capital repair and new building initiatives by the Church. The response of the Assembly was to accept such a challenge and set about looking at various priority areas for attention with regard to the various Church colleges of education. The result was a total Church expenditure plan of £1,200,000 (being 50% of total costs) financed by Church Commissioners' loans, gifts and grants. The fourth stage between 1959 and 1963 came in response to the Government's intention to expand teacher training by 12,000 places by 1962 and the need for the Church to demonstrate its continuing presence in this area by supplying and improving colleges to meet some of these planned additions. The cost of this move was £1,250,000 which constituted only 25% of the cost thanks to an expansion of the government grant from 50% to 75%. It was financed largely by loans from the Church Commissioners. The fifth and final stage from 1963 onwards came in response to an awareness of the need for yet further expansion in the Church colleges of education but the view of the Assembly that the costs needed to be met not out of the central budget but by the colleges themselves. As a result the colleges themselves managed to raise some £1,800,000 to meet such demands.

Throughout these five stages, including the last, the Church Colleges of Education Capital Fund has remained open and active with regard to all the actions undertaken. Even now with negligible central involvement in the present capital costs of the colleges and all loans repaid it remains open with some half a million pounds worth of cash reserves from grants repaid by colleges ceasing to be Church colleges with little clarity as to the future intentions for such a fund.

The Theological Colleges and Training Houses Fund came into existence in 1964 to administer a £600,000 loan from the Church Commissioners to help meet the capital repair costs of theological colleges (for men) and training houses (for women). The need for substantial capital repairs to theological colleges and training houses and the necessity for central involvement in this need was originally highlighted in 1955 (in the Turner Report) and in 1954 (in the Warrington Report) with regard to these respective institutions. However, it was not until 1958 with the Second Report on the Standing Committee on Central Funds (CA 1232) that anything was done. Even here all that was agreed was the need for a further Commission to combine the proposals of both of the original Reports and to suggest some further general strategies. This Commission reported in 1959* and their overarching conclusion was a call for a new separate Council for the Ordained and Lay Ministry with a financial body called Theological Colleges and Training Houses Committee. Such a suggestion was rejected by the Assembly on the grounds that the existing Central Advisory Council for Training for the Ministry could manage such matters. However, the discussion on the Report did create the following resolution which was moved and carried:

'That the Assembly accepts in principle the responsibility for meeting such capital needs of the theological colleges and training houses for women as may be approved by the Assembly in the future'

(Minutes of the Church Assembly, 5th February 1959)

* Theological Colleges and Training Houses Commission Report (CA 1279)

This general commitment led to further detailed reports in the early 1960s* culminating in the Church Commissioners' (Loans for Theological Colleges and Training Houses) Measures, 1964 which gave authority to the Church Commissioners to forward loans for capital repairs on these colleges.

The £600,000 loans taken out under this Measure have been repaid and the capital repairs (costing £704,338) have been completed but the fund remains open. The actual grants paid are shown as a form of quasi-asset with a small net cash balance together constituting the so called 'Accumulated Funds'

The Church Schools Fund came into existence in 1958 and has, and currently is, administering grants and loans of one million pounds to secondary and primary 'aided' schools. Such a fund came into existence primarily to ease a growing financial crisis for the Church in maintaining their aided schools. The 1944 Education Act required the Church:

'... to prove it's credit to be good when it applied for aided status for it's schools'

(Mayfield, 1958, p. 170)

This was managed in the early years by an ingenious scheme** which allowed schools without adequate resources to demonstrate creditworthiness with the help of diocesan education committee promises. However, this scheme was under very real pressure, in the early 1950's, as to it's ability to cope with growing financial demands. As a result it became apparent that if aided status was to be maintained and the 50%*** repair costs were to be covered then there was a need for a central back-up fund to be available to support the diocesan and Church schools' resources. The expected shortfall was seen to be one million

* The Capital Needs of Theological Colleges and Training Houses for Women Report (CA 1419) and the CBF's Capital Needs of Theological Colleges and Training Houses for Women and the Church Training Colleges (CAF 305)

** Commonly known as the 'Barchester Scheme'

*** The Ministry of Education met the other 50% of the costs. However in 1959 the government proportion was increased to 75% thanks to some careful but sensitive negotiations by the Board of Education.

pounds and since the CBF chose not to use its Central Church Fund for this purpose they managed to convince the Church Assembly in 1955 that the money should be sought from the Church Commissioners. Since the Commissioners money was (and is) tied legally to pursuits which do not include grants to Church schools a constitutional change was necessary. The constitutional change was enacted through the Church Schools (Assistance by Church Commissioners) Measure 1958.

Thus the Church Schools Fund was created in 1958 to administer a total of one million pounds payable in unequal amounts by the Church Commissioners over a period not exceeding twenty five years for secondary and primary aided Church schools. The one million pounds was, in fact, received in unequal proportions over twenty years and was distributed largely as grants to secondary schools and as loans to primary schools. Its present role, from 1979, has been as a revolving loan fund for schools as and when money is available from previous loan repayments.

The Central Church Fund is, as already discussed in Section 6.2.1, a separate fund set up by the CBF between 1915 and 1918 to be:

'... the only general fund in existence which is available to meet any needs of the Church of England, at home or abroad, which are outside the scope of the Church Commissioners and the Church Societies'

As Section 6.2.1 indicates it was created in a time of great uncertainty for the CBF and its continued existence should, quite rightly, be set in such a context. It primarily has three major functions at present. Firstly it collects and administers the income for earmarked funds in the name of either the separate boards and councils or other specific causes (e.g. Poor Clergy Fund).* Secondly it collects and administers the income from an accumulated

* At the end of 1982 this earmarked capital totalled £291,505 with a market value of £644,092.

fund* which is not earmarked for any particular functional concern. Thirdly it acts as an investment manager for the reserves of the other CBF funds.

The Central Church Fund's primary function is the second of these and it is important to make two further points concerning this. We will explore these through the ten year summary of activities undertaken in this area as presented in Table 6.3.3. The first point to note is that the grant payments, which forms the substantial activity of this part of the Fund, are, in the main, paid to the funds administered by the CBF. As Table 6.3.3 indicates 60.1% of the 1972 to 1982 income was paid to such causes or put another way 84.3% of all grants paid went to such sources. The second point to note is that there is a strong clear tendency towards capital accumulation. As Table 6.3.3 indicates only 71.3% of the 1972 to 1982 income was paid out in grants, the balance, less a small percentage on administrative costs, had led to an increase in capital, in historic cost terms, during the eleven year period of £629,991 - a growth of 57.1% on the 1972 accumulated funds.

Although such observations undoubtedly call for comment we will leave such points to the second more reflective part of this current argument to which we now turn.

Part 2: A Reflective Analysis

There are at least three ways one could classify these funds. Firstly in terms of financial arrangement: three of the above funds have been financed primarily through grants or loans from the Church Commissioners whereas the remaining two have alternative financial arrangements. Secondly in terms of capital or revenue concerns: three of the above funds are concerned with capital repairs whereas the remaining two are concerned with more on-going

* At the end of 1982 this unallocated capital totalled £1,732,753 with a market value of £3,663,963.

revenue considerations. Thirdly in terms of functional concern: two of the above funds are concerned with the 'secular' education system, two with the more 'sacred' theological education system and the remaining one with the 'needs of the Church at home and abroad'.

Quite clearly the choice of an 'appropriate' classification system can only be determined by a criterion of purpose. Our purpose is to attempt to understand why the CBF needed to create five separate funds which supplies a lead as to which of the above three classification systems would appear, at the outset, to be a more 'fruitful' source for providing such an explanation. The financing arrangement classification does not appear to be a suitable candidate because although one could build an argument for the existence of the separate funds on the basis of the complex and difficult relations between the Church Commissioners and the CBF* this does not help with regard to the funds not financed through the Commissioners' money. Equally the capital/revenue classification does not provide a rich enough basis for understanding because of its lack of uniformity - if all the funds were capital funds then it may well be an important discriminator but this is not the case. The functional classification, however, does seem to supply a suitable channel into discovering an explanation since fund divisions have a function to the primary actors which is quite probably related to such a classification schema.

We will, therefore, trace our desired explanation through this functional classification which sees two funds being concerned with 'secular' education matters, two with 'sacred' theological education issues and one with the 'needs of the Church'. We will look at each of these three groups in turn

* In fact unlike the Church Commissioners' requirements of dioceses to prepare separate accounting and funding units for glebe and parsonages no such conditions were made with regard to the various loans and grants enacted in the three Measures which ensured such transfers to the CBF.

drawing out the respective explanations for the existence of the separate funds in each.

The first grouping, concerned with the secular education system, contains the Church Colleges of Education Fund dealing with capital costs for teacher training colleges and the Church Schools Fund handling capital assistance for Church aided schools. Both are concerned with a central response to the Church's involvement in the education system of England.

We have already discussed, in Sections 6.2.4 and 6.3.2, the relationship of the Church of England to the national education system but it is worth repeating one or two of these points since such insights are clearly significant in helping to understand why these two separate funds came into being, and continue to exist despite marginal current involvement in their respective areas of concern. The Church of England was the founder father of the whole national education system both with regard to schools as well as the training of teachers. Yet in the last part of the 19th century and the beginning of the 20th such supremacy was being challenged by an increasingly independent, powerful, 'secularised' State. The delicate relationship between Church and State with regard to education came to a head in 1944, through the Education Act and the McNair Committee. The Education Act forced the Church into deciding whether it's schools were to be controlled or aided with even the latter's autonomy being seriously curtailed. Likewise the McNair Committee forced the Church into deciding whether it wished to continue to support the concept of Church colleges of education by being able to supply 50% of all costs to bring such colleges up to approved specifications.

Thus the 'gauntlet' was thrown down so to speak: if the Church was to continue to be involved in the education system it had to meet certain requirements set down by the powerful State apparatus. The Church took up the challenge:

'... in the interests of the Church'

(Appendix to 'The Church Colleges of Higher Education -
The Financial Involvement of the General Synod' (GS417)
p.20)

and thus had to ensure they could meet the financial implications involved.

Thus finance became a demonstration of involvement. This gave a new impetus to the Church Colleges of Education Capital Fund which had been in existence since 1925. It also gave a level of urgency to ensuring that aided schools could meet their requisite demands. However, as already indicated, in the mid to late 1950s it became clear that this was under serious threat which is why the Church Schools Fund came into existence. Thus these funds became something of a demonstrable catalyst of Church of England involvement in the education system: their presence indicated involvement their absence indicated otherwise.

Thus the continuing presence of these funds, even though the present actions by them are marginal, indicates to both Church and State (primarily the latter) that the Church has been, is and will be involved in the education system of England.

The second grouping concerned with the sacred theological education system contains the Training for the Ministry Fund and the Theological Colleges and Training Houses Fund dealing with ongoing financial support of ordinands and the colleges which train them.

As we have indicated on more than one occasion there is an unshakeable belief, which dominates all levels and all attitudes in the Church of England, that it's future success or failure is totally dependent on ensuring the continuing presence of full time clergymen suitably trained and cared for by the Church itself. The whole basis for this dominant belief traces back to the Anglo-Saxon origins and has never been seriously challenged or questioned as to whether it is the best and most effective model.

The whole issue concerning the training of future ordinands is the very cutting edge of this dominant belief making it very much a 'super' sacred activity divorced from all other sacred activities as well as from the financial implications of operating such a system. Thus the sacred and secular divide with regard to this activity is not only clearly apparent but also in

a somewhat heightened form.

This can be seen in the apparent 'superiority' of the Advisory Council of the Church's Ministry (ACCM) (and its predecessor) over the activities of other boards and councils as well as in the handling of the financial (secular) support system for their training work. Evidence for the former can be seen in terms of the actions of ACCM, a good example of which is the total and adamant rejection of the organisational suggestion of the Report on Central Church Funds (1956). The response* of CACTM (the original ACCM) made a strong and persuasive case that its role was as an advisory council to the Bishops not to the Assembly:

'We cannot ignore the fact that the CACTM was set up to advise the Bishops and that this advice is mainly concerned with the task of selecting and preparing men for "ordination" not simply to a function, but to an "order" within the total life of the Body of Christ'

(CA. 1200, 1957, p. 19)

Such a lofty concern way above all other centralist endeavours should not, according to CACTM, be treated in the same organisational manner as other boards and councils which was, of course, what the RCCF was recommending. Evidence for the latter can be seen in the different and more favourable handling by the CBF of the Training Vote and the existence of the two separate funds one of which originally handled this budget item.

Thus the existence of the two separate funds is a way to demonstrate to the Church that training of future clergymen is the priority for the Church's resources and is so important and so primary it should rightly be separated off from other secular support systems.

The third grouping which contains only the Central Church Fund has a totally different function to perform than the above fund divisions.

* In CA 1200

The Central Church Fund which was started in 1915 by the CBF originally had, and still has constitutionally, a very broad and important function to perform even though, in recent years, such a function de facto has changed. The original function 'to meet any needs of the Church of England at home or abroad' still stands but the evidence certainly from the early 1970's and, to an extent, before this suggests that such 'needs' have been restricted somewhat to primarily those of the CBF. The evidence presented in Table 6.3.3, and the capital accumulation prior to 1972, all seems to suggest that this Fund is primarily the CBF's to be drawn on by the CBF as and when they need any additional resources.

The logic of this suggests that it's continued separate existence is to both somewhat disguise the real wealth of the CBF as well as to supply a 'savings bank' to relieve any anxieties of being unable to meet unexpected obligations. The disguise is quite clearly important since the CBF is totally beholden for it's finance on the goodwill of dioceses - if they really knew the total cash resources available to the CBF this may possibly affect diocesan contributions. The 'savings bank' concept is also important because of this financing arrangement. The dioceses have once turned on the CBF and they could well do it again and anyway there are many items which might arise outside the budget which for political, practical and other reasons need to be covered through non-diocesan sources. Apart from both these points the CBF has an important protective role to perform which, in turn, needs to be protected.

Some Concluding Thoughts

In conclusion, this three part functional classification does, as anticipated, provide valuable explanatory insights into the reasons for the existence of the five separate funds. The Church Colleges of Education Capital Fund and the Church Schools Fund are in existence, even though now not operational, as a demonstration of the Church's past, present and future involvement with the State in the education system of England. The Training

for the Ministry Fund and The Theological Colleges and Training Houses Fund are in existence, even though the latter is not presently operational, as a demonstration of the priority given to meeting the costs of training and the distinctiveness of this support. The Central Church Fund, on the other hand, is in existence to be an overtly distanced emergency fund for the CBF so that it's supportive activities will not be disturbed by possible resource shortages.

Put another, but not altogether unconnected, way these separate funds, many of which are largely inoperative at present, are in existence primarily to resolve any potential anxieties concerning: firstly the Church's continuing involvement in education; secondly the Church's continuing commitment to the ordained ministry; and thirdly the CBF's continuing ability to support all centralist work. In other words if anyone (whether it be the State or the Church or whoever) has any doubts as to the Church's resolve in these areas they need look no further than these funds to demonstrate commitment.

6.3.4 A Reflective Summary

As a start to providing some summary thoughts on the position of the CBF's accounting system it is important to appreciate something about the more general context which is apparent in the above discussions and gives meaning to such a system. The central machinery, which the accounting system serves, came into being following the Enabling Act of 1919 with two points to prove: firstly that it could manage the Church of England as an entity despite negligible experience in this area; secondly to demonstrate that the Church of England had a part to play in moulding society and it's endeavours despite the 'secularised' State's increasing rejection of the Church's relevance in such areas.

From the outset such an agenda was always difficult and even the normal way the Church of England deals with it's problematic affairs was insufficient. Such a 'normal way', which has been discussed at length throughout this Chapter, was, and is, through the sacred and secular divide and the patronage system which is it's organisational expression. The patronage system with it's secondary and secular support system to allow the primary sacred activities to continue somewhat undisturbed dominates Church of England thinking at all levels including the centre. Thus the unhesitating adoption of the CBF as a separate legal entity to be the financial executive of the Assembly suggests that the 'normal way' had been adopted for handling the complexities of the central agenda, even though as we have seen such processes were not sufficient.

What is clear is that these processes failed to adequately cope with a potentially overwhelming agenda thus requiring further shifts and developments in the protective mechanisms. In parishes and dioceses the normal patronage arrangements despite immense and growing pressures on it's effectiveness have allowed the spiritual and sacred activities to seemingly progress with little thought for alternative support systems. Yet right from the outset such processes were always perceived to be inadequate for handling the agenda at the centre. At least three refinements based on the above discussions were needed: firstly

a secular support system which went beyond normal patronage protection; secondly a structure which allowed parts of the agenda to be faced and prevented exposure to all; thirdly a number of props to indicate to the central organisation as well as to others, past and present involvement in particular areas of endeavour.

In many ways the second and third of these are simply an outworking of the first since all are related to a heightening and refinement of the secular patronage support system. In sum, the 'sacred', but overwhelming, agenda for the centre was 'managed' by an extremely active and capable secular support system which interacted with the former work in an albeit limited*, but dynamic, way. Thus the CBF which was, and is, the secular support system for centralist activities became a financial benefactor, a selective encourager, a colluder with mechanisms to prevent full exposure to the complete agenda and a provider of fund related props to demonstrate action and activity with regard to particular areas of endeavour.

In all this as Sections 6.3.1 to 6.3.3 indicates the accounting system, which forms the heart of the CBF, has been intimately involved. We will, therefore, in the following summarise the various points coming from these Sections concerning the accounting system set very much in the context of the above more general insights.

As Section 6.3.1 indicates the overall impression concerning the CBF's accounting system is that it's primary functional concern is protection and encouragement of centralist activities. The constant concern of the accounting system has been to ensure that enough money is available to meet total needs and to ensure that overspending is minimised but not to direct, rationalise or lead on which activities should be undertaken. These underlying purposes

* Because of the sacred and secular divide and the hierarchical rules surrounding this any perceived secular support system must inevitably be limited in it's influence and action over sacred activities.

were achieved with a reasonably simple accounting system for just under fifty years thanks to some very willing paymasters in the dioceses. Up to 1970 particularly the budget and budget review elements in the accounting system were purposefully simple since they did not need to be anything else to ensure that adequate money was available to meet largely uncurtailed demands of the central organisations. However, pressure from the dioceses which begun in 1969 and 1970 required movements and changes in the accounting system to counter such pressure so that the original protective purpose could still be achieved. Specifically greater consultation became necessary concerning the size and distribution of the financial 'cake' along with a tightening up of mechanisms to ensure that total actual over budget expenditure was not seriously exceeded all of which led to changes in the budget and budget review processes of the CBF to reflect such matters. However, these modifications were means to reduce felt pressure and the anxieties surrounding these rather than in any way changing the fundamental purpose of being a protector of central activities.

The other conclusion coming from Section 6.3.1 was that the CBF through it's accounting system is a not totally unbiased protector of central activities giving limited, but still powerful, preference and support to particular areas of concern over others. The most obvious example of this is connected with the costs of ordination training which, as Section 6.3.1 demonstrates, as does Section 5.4, are treated with great preference in the budget and budget review processes and are carefully protected as to overspending by use of separate and large reserve fund arrangements. Such biased protection clearly traces back to some early traumas surrounding the role of the CBF and the somewhat overzealous acceptance of the care of such matters on their return to CBF attention in 1956. However, the CBF's preferential support is not unrelated to the superior position of the ordained ministry in the thinking and attitudes of the Church of England. The selection, training and provision of clergymen in the 17,000 or so parishes is the 'superior' sacred issue in Church of England thinking which requires a 'superior' secular support system to provide the resources necessary for such

a concern. Thus the CBF's preferential action could be seen in this light being the 'superior' accounting and finance expression of this all pervading ethos.

The discussion in Section 6.3.2 took the argument a little further by showing how the central plank of the accounting system, namely the total division into separate budget centres, provides it's protective role to the 'sacred' activities covered through such divisions. More specifically the dominant budget centre divisions reflects and/or leads (but certainly colludes with) the way the General Synod (and it's predecessor) manages to handle the complexities of a potentially overwhelming agenda. This is done through a process of incrementalism, splitting and segregation which is reinforced and developed through separate budget cost centres: relevant issues emerge somewhat randomly and if considered to warrant permanent attention a separate board or council is created to handle such issues in the future with the accounting system creating a separate budget cost centre to assure continuance. Such a joint process by the sacred initiators (the General Synod) and it's secular supporters (the CBF and it's accounting system) ensures that the agenda for the central establishment is handled in a manageable way: only issues as they emerge are addressed and these in turn are managed through defined, distinct and separate 'parcels'.

The discussion in Section 6.3.3 took the argument a further stage by showing that the division into certain separate funds is yet a further demonstration of this protective role. We attempted to show in this Section that the reason for the existence of the Church Colleges of Education Capital Fund, the Schools Fund, the Training for the Ministry Fund and The Theological Colleges and Training Houses Fund is primarily to do with a demonstration of the active concern of the Church in the education system of England and in training of future clergymen. In many ways these funds could be fused into the main General Synod Fund but their continuing presence, despite at least two of them being no longer active, suggests that they are being used as a 'prop' for the General Synod to demonstrate to any doubters that the Church of England has been

and continues to be involved in these respective areas. The fund divisions supplies this supportive structure and becomes the CBF's secular expression of this perceived need.

The presence and continuance of the Central Church Fund, on the other hand, is a 'prop' not for the General Synod as such but rather for the CBF. The CBF is undoubtedly a very willing and necessarily over zealous servant and support of it's sacred 'child' and yet it too is vulnerable and susceptible to a number of pressures in the fulfillment of such a role. The Central Church Fund is primarily in existence to relieve such pressures by providing a type of reserve fund which can be drawn on when shortfalls are envisaged or new initiatives need to be funded. As Table 6.3.3 indicates physical drawing on this Fund has only seriously been occurring from 1974 onwards which undoubtedly is connected with the growing pressure by the dioceses on the CBF as to funding requests. However, the capital accumulations both before and after this date reinforces the view that the Central Church Fund has always been fundamentally the CBF's emergency reserve fund which only in recent years has had to be seriously drawn upon.

In sum, the CBF and it's intertwined accounting system are collectively and fundamentally a type of secular defence system for the sacred endeavours of the General Synod and it's boards and councils. As a defensive and protective system, which accepts it's somewhat secondary status in the sacred and secular divide, it is in being primarily to relieve certain of the anxieties concerning on-going central activities. Quite clearly a classified secular system can, of necessity, only relieve certain of the potential anxieties for the perceived sacred endeavours. Thus, as we have seen, the CBF and it's intertwined accounting system: relieves any financial worries by ensuring finance is available with a minimum of boards' and councils' involvement in this problem; ensures that there is a quasi-legal division of activities into separate boards and councils thus relieving any anxieties concerned with being overwhelmed by all issues together; ensures that props are available through separate fund divisions

to add strength, where needed, to the voice of the Church of England to demonstrate involvement in particular areas of concern. Put another way the CBF and its accounting system are a superior and sensitive patronage system for patronised activities which are vulnerable, fragile and potentially anxiety ridden.

We turn now, as promised, to the Church Commissioners' accounting system and its comparison with that of the CBF. Although it is tempting, at this stage, to undertake a complex comparative analysis between the accounting systems of the CBF and the Church Commissioners this will be avoided for at least two reasons. Firstly because the essence of Critical Theory makes comparative analysis of organisations with different histories and contexts of little meaning. Secondly because this researcher has had limited access to both the accounting system and its context for the Church Commissioners which makes any depth explanation or comparison of somewhat dubious validity anyway.

However, there is one point which does seem appropriate to make which could be seen more as an agenda for future research rather than a comparative observation at this stage. The point quite simply is that despite vastly different budget totals for the General Synod and the Church Commissioners* the accounting system of the former appears to be more central and more complex in design as compared with the latter which does not seem to be unrelated to the uncertainties and tensions surrounding these two institutions. The Church Commissioners' handle a less complex, less variable and less overwhelming agenda than the General Synod. In addition the Church Commissioners are financed through a defined portfolio of investments whereas the General Synod is reliant on an increasingly fragile goodwill relationship with dioceses and hence with parishes. In such a situation it is not too fanciful to hypothesise that there is a relationship between the complexity of the institutional

* In 1982 the total budget for the Church Commissioners was £71,331,000 as compared with £4,561,700 for the CBF.

activities, anxieties surrounding such uncertainties and the design of the accounting system. However, there is quite clearly a lot more work needing to be done before such a relationship can, in any way, be substantiated.

We end where we ended both Sections 6.1 and 6.2 with a verbatim repeat of some of the comments made concerning questions about the validity of the views expressed in this Section. Clearly such a question is very difficult to answer particularly using the highly subjective reflective process of Critical Theory. All one can do is retrace the steps involved in arriving at this claimed 'consensus of theory' at the 'critical theorem' stage and judge the adequacy of the specific operationalisation of such processes.

Figure 6.0(1) attempts to portray in diagrammatic form the basic steps and processes which need to be satisfied to be confident of the validity of the resulting 'grounded consensus'. What this Figure shows is the important interrelationship between the specific processes of arriving at the conclusions and the more general underlying validity claims of discourse which should also be in operation. As we indicated in Section 6.0 this is simply a summary of some of the ideas discussed in Section 3.4.

The real issue in question is whether such steps and processes have been adequately applied in arriving at the conclusions put forward in this Section.

The answer to this would be in the affirmative but with some doubts. The researcher has critically reflected on possible explanations, constantly evaluated underlying commitments and attempted to resolve conflict on possible conclusions and arguments by radical theoretical discourse. The previous discussion may not have captured this process adequately very largely because rejected explanations and the processes involved in their rejection would have taken up too much space in an already over-full argument. The reader will have to take on trust the reality that the pathway to the present conclusions are littered with previous thoughts and convictions now long since rejected. Yet it would be wrong to deduce from this an overconfidence with the ideas forthcoming.

Three doubts and questions surround the validity of these thoughts in the context of the model portrayed in Figure 6.0(1). Firstly, as already indicated on a number of occasions, it has been impossible to have more than one researcher involved at the level of intimacy of knowledge required. Thus there has been little real opportunity to have a dialogue with others outside of the particular enterprises investigated who are equally knowledgeable about such enterprises. This must have an effect on the resulting conclusions which are nothing more than the admittedly critically analysed thoughts of one researcher. This brings us to the second doubt which is basically that the insights forthcoming are only as valid as this individual researcher's present perceptive powers. Thirdly and finally is this researcher's doubts surrounding the insights more generally due to limited access and acclimatisation to CBF activities. As section 5.1 has already discussed access to information, meetings and individuals was always limited with regard to the CBF certainly in comparison with the primary sites at the parochial and diocesan levels. Thus the ideas presented are accordingly vulnerable to possible contradiction given greater intimacy into the institution and should be seen in that light.

Despite these doubts it is worth recalling that the ideas have limited standing anyway and need to be refined and developed at the 'enlightenment' stage of Critical Theory. Without such refinement and development the 'grounded consensus on conclusions' remains the ideas of an individual or group but has no standing in terms of primary actors (the researched) and no possibility to lead into the 'practical action' stage. Validity in Critical Theory is when researchers and researched have a 'consensus on enlightenment' following all the checks and balances which permits one to say that such consensus is 'grounded' or 'justified'. Even there such insights are only 'valid' to the discursive partners although such a consensus clearly has a higher standing in Critical Theory as compared with the 'consensus on theory'.

6.4 SOME CONCLUDING THOUGHTS

Although it is tempting to summarise the many detailed points coming from the above discussions this will be avoided in the following. The reason quite simply is that such a process would add little to the comprehensive summaries contained in Sections 6.1.5, 6.2.6 and 6.3.4 in relation to the three major structural levels in the Church of England analysed. Instead the following will draw out the more common elements from, and interconnections between, some of these specific insights and reflect more generally about the possible reasons for such underlying factors. Quite clearly, therefore, the following should not be seen as some comprehensive summary of the many detailed points made in the previous discussion: the contents deal with general underlying traits only and further reflections.

To allow this to happen the following is divided, for convenience, into three major parts. The first touches on some key historical and contextual insights concerning the Church of England as a structural entity. This provides an important 'backcloth' for the second part which looks at some of the more common impressions from the above discussion in Sections 6.1 to 6.3 about the position and functional nature of finance and it's accounting support system. This leads into the third, more reflective, part exploring some possible factors which lie behind and give meaning to these more general insights and impressions.

We turn first to some key, but selected, historical and contextual matters concerning the structural nature of the Church of England. The diocese as a functional geographical unit was the first and primary element in the institution of the Church of England with it's origin dating back to Augustine's mission in the late 6th century as Section 4.2.1 has already indicated. This original unit, the way it was managed and it's basic nature have set down important precedents for this institution as a whole and the other levels as they were added. Fundamentally dioceses were intended to capture and nurture the spiritual desires of the Anglo-Saxon kingdoms with which they were originally coterminous: the

dioceses were, in effect, 'spiritual' kingdoms separated off from, but in exact geographical alignment with, the more 'worldly' kingdoms of Kent, Essex, Sussex etc. Bishops and kings thus became the epitomi of sacred and secular with different 'realms' of concern each helping the other under their respective role definitions: the kings looked after the 'practical' matters with a supply of necessary resources for the spiritual work of bishops while the latter helped to 'enrich' the former and his subjects by taking them along the road to spiritual maturity.

The development of the parochial system in the 8th and 9th centuries (see Section 4.2.2) followed a mirror image of the development of dioceses. Lords of manors, rather than kings, allowed, and encouraged, a coterminous spiritual empire to emerge in their manorial estates managed by somewhat 'lesser' clergy than bishops. Once again the two worked in harmony each working in their respective realms and enriching the other with the 'bounty' which came from their different 'kingdoms'.

Such a state of harmony was, in effect, a voluntary mutual acceptance of the sacred and secular divide: the sacred realms of parish and diocese were seen as handling primary and superior problems whereas the secular realms of the manor and the kingdom were accepted, by both lord and king and subjects, as dealing with more secondary and inferior problems to be enriched by the activities and intentions of the primary realm, while, at the same time, providing the necessary practical resources to allow such a 'kingdom' to flourish.

The problems for the Church of England came with the breakdown of this harmonious relationship and the escalation and increasing claimed position of the secular elements in this partnership. The kings, lords and finally the State 'came of age', as it were, and became less tolerant of, and less willing to support, the activities and intentions of the Church. As a result, over the centuries, the two became more and more warring factions but still linked together - even though such linkages have been, in large measure, cut by the Enabling Act of 1919. The Church has reacted to such changes in a twofold manner.

Firstly it has attempted to influence the secular advances of the current State machine (and it's kingly, lordly predecessors) primarily through a central unified 'voice of the Church' with a job to perform. The work of the General Synod and it's boards and councils had (and has) a primary brief, as discussed in Section 6.3, to demonstrate it's ability at managing the Church of England as an entity, despite it's inexperience, as well as to attempt to influence the actions and intentions of the State so as to counteract the discouraging (from the Church's viewpoint) advances in secularised society and government. Thus the central organisation was, and is, attempting to reverse, or certainly slow down, the 'coming of age' of the original secular support system - an agenda which was, and is, both overwhelming and largely unattainable.

This leads into the second reaction of the Church of England to such changes which has been to admit, by it's actions, the impossibility of such a reversal but with the necessity to create it's own internal sacred and secular divide. The Church of England, despite it's noble endeavours and intentions of the Central machinery, never seriously considered that the harmonious relationship between State* and Church could be re-established in it's Anglo-Saxon form. However, rather than abandon the basic model depicted in this era they rather re-created it inside the Church of England itself. Thus the Church Commissioners (and it's predecessor) became the new Anglo-Saxon kings for the bishops managing all their secular resource problems and allowing them to pursue their more spiritual endeavours. Likewise the diocesan boards of finance became substitute Anglo-Saxon lords of the manor managing, without a great deal of success, as Sections 6.1 and 6.2 indicates, the secular resource requirements so that parishes could continue to pursue their more spiritual goals. In a similar

* Using this in a collective sense concerning all institutions of governing power over time (i.e. kings, lords of the manor, governments etc.)

manner the Central Board of Finance was created as a type of secular and distinct support system for the more spiritual intrusive advances intended for the General Synod and it's other boards and councils.

Such internal dynamics are also reinforced legally by the clear and distinct legal separation of these secular support systems on the two levels where out of necessity they need to 'co-habit' with the sacred activities. So at the central level the Church Commissioners are a distinct and separate entity as is the Central Board of Finance from other General Synod boards and councils. In a similar manner, at the diocesan level, the diocesan board of finance is legally separated from all other diocesan activities.

No such legal separation is in being at the parochial level which is intentionally the situation due to the desire to keep such secular concerns in theory from their agendas. However, as both Sections 6.1 and 6.2 have indicated the 'new patrons' (diocesan boards of finance) have never been able to hold back sufficiently these secular anxieties and have had to constantly intrude into the parochial agenda with quota demands and the like. However, despite the constant intrusion of these demands over the last sixty years or so parishes have never really come to terms with the problem either by creating a legally separate entity to manage such problems (as in the other levels of the Church) or by fully encompassing the importance of, or giving attention to, such considerations. Both reactions would suggest a certain intolerance and annoyance to such an intrusion and the constant hope that the problems will go away in the long term since, in the end, these matters are not really their concern.

This admittedly selective historical survey supplies the vital backcloth for understanding the detailed insights discussed in Section 6.1 to 6.3 concerning the position and nature of the accounting system. This brings us to the second part of this reflective summary. Quite clearly it would be an abuse to the richness of the detailed analysis contained in Sections 6.1 to 6.3 to assume that we could reduce all this complexity into one or two general points. However,

there are two dominant themes which do seem to be apparent in all the detail of these Sections even though they are not claimed to be some sort of generalisation which belittles or reduces the important detail discussed. The first concerns the structural position of the accounting system and the second concerns the nature of such a system given such a structural position. We will look briefly at each of these in the following in the context of both the above contextual analysis as well as with reference to the detailed analysis of Sections 6.1 to 6.3.

In terms of the position of the accounting system in the structural arrangements of the Church of England as an institution what is clearly apparent is that at all levels it is seen in relation to, and entwined with, the institutional arrangements to manage the secular support system. Thus the accounting systems are clearly apparent at both diocesan and central levels but in both cases they are linked to respectively the diocesan boards of finance and the Central Board of Finance and Church Commissioners which, as the above analysis indicates, are the institutional custodians of the secular support problem evicted partly by intention and partly by default by the State (and its regal predecessors). The accounting systems of parishes, on the other hand, are rudimentary at best which indeed is not surprising following this line of analysis. The parochial system is intended to be a 'pure' establishment pursuing primarily spiritual rather than secular goals. Its involvement with financial and allied accounting matters are seen as unwelcome intrusions to be avoided if possible and only faced with some resistance if avoidance is not possible. Such attitudes are nurtured and encouraged by the incumbent priests whose training and influence is intended to take the parochial congregations along its sacred pathway, with minimum secular intrusions along this way. Where certain perceived secular systems do appear, therefore, they are firstly rudimentary and secondly are primarily generated and created to satisfy pressures which have little to do with the 'real work' which is leading towards more sacred goals.

This brings us to the second underlying theme behind the discussions in Sections 6.1 to 6.3 concerning the nature of these accounting systems given their secular characterisation. The fundamental nature of these accounting systems seems to be as functional anxiety reduction mechanisms for the secular systems they are supporting activated by the various and varying tensions and problems facing such systems. Thus, for instance, the main tension facing diocesan boards of finance in the performance of their 'new' patronage role is in terms of raising the requisite money to fulfil such tasks, thus it is not surprising to see the main thrust of the accounting system devoted to this problem focus and it's resolution. Likewise the main tension facing the Central Board of Finance in the performance of it's patronage support of the General Synod and it's boards and councils is primarily to do with a heightened form of protection: not only in ensuring requisite money is available for such activities but also in terms of ensuring that these respective bodies are not overwhelmed by an impossible agenda of concerns. The accounting system, as Section 6.3 has already indicated, is primarily designed to express this protective role and so relieve the tensions which could surround the under fulfilment of such a functional purpose. In the case of parishes the problem is somewhat more complex very largely because, in essence, they are meant to be protected from the anxieties surrounding any more secular issues and thus should not need to look to accounting systems as a way to reduce such tensions. Yet as we have already indicated the 'new' patrons (diocesan boards of finance) have never been able to hold back adequately such secular problems. However, parishes initially seem to deny the existence of such problems very largely because it isn't their problem. If denial does not work then there is a good chance that the secular problem will in fact be 'spiritualised' and handled through more sacred means. If this strategy fails then finally accounting systems are reluctantly brought to the fore to resolve the tensions and problems surrounding the perceived secular problem with some considerable doubt as the legitimacy of such a strategy given, of course, that such secular matters

shouldn't be the 'sacred' parishes concern anyway. The upshot of this is that parochial accounting systems are rudimentary in design and, to an extent, resented when they are being used in the above sense.

In sum, accounting systems in the Church of England are anxiety reducing mechanisms for the tensions and problems facing secular support systems in the performance of their role in an institution which clearly hierarchically demarcates activities, ideas etc. as sacred and secular. Thus, as we have seen, accounting systems are legitimate in the context of primarily diocesan boards of finance and the Central Board of Finance and thus are allowed to intrude into the life of the institution providing they appreciate their secondary status. It is possible to go further than this and note, with interest, that they were encouraged, albeit reluctantly, to intrude into the internal dynamics of the Church of England following the demise of the external (the State and it's predecessors) patronage support systems which suggests a certain level of admittedly secondary but still importance attached to their endeavours. Quite clearly such observations generate a number of questions concerning why the Church of England has such strong views about the segregation of sacred and secular and why the latter is both seen as secondary as well as intrusive although tolerated institutionally in the case of the financial and accounting areas discussed. Undoubtedly we need to reflect on such issues if for no other reason than not to do so would leave us naïve about the possibilities for change and development in the accounting system of this institution, which is, of course, the focus for this study, given it's presently understood position in the sacred and secular structural arrangements. It is to some reflective thoughts about such issues that we now turn - the third part of our present analysis.

We can start this process by retracing the reasons for the existence of this sacred and secular divide and it's importance to the Church. On a number of occasions in Sections 6.1 to 6.3 we alluded to the sacred and secular divide in relation to the alternative conceptions of man from Greek and Hebrew traditions:

the Greek view in terms of body and soul and the Hebrew in terms of a more wholistic understanding. Although this argument has some validity it actually lacks accuracy when probed: Greek thought has a more overt and obvious 'sacred space' than Hebrew thinking which, contrary to the views expressed above, does have sacred elements although they are more covert. The real differences between Greek and Hebrew thinking is in relation to different emphases concerning space and time, and seeing and hearing as Boman (1960) has suggested:

'The Greek most acutely experiences the world and existence while he stands and reflects but the Israelite reaches his zenith in ceaseless movement. Rest, harmony, composure and self-control - that is the Greek way; movement, life, deep emotion, and power - that is the Hebrew way ... As space was the given thought - form for the Greeks, so for the Hebrews it was time ... From these last arguments, as well as from those before, we can conclude that for the Hebrew the most important of his senses for the experience of truth was his hearing (as well as various kinds of feeling), but for the Greek it had to be his sight...

(p. 205 and 206)

Neither thought forms, therefore, are wholistic and each emphasises different elements at the expense of the other making a hierarchical sacred and secular distinction applicable to both, even though the interpretation of sacred differs.

The battle in the history of Christianity is therefore not between Greek and Hebrew thinking (both are present in varying degrees anyway) but rather between those who believe in some superior 'sacred' elements and those who make no such distinction. This undoubtedly needs to be seen as a dynamic and complex continuum which varies, as to the dividing line, based on different perceptions and beliefs of Christian actors over time. For instance the theological insights and writing of Bultmann, Tillich and Bonhoffer are seen by some as a renewal and revival of the belief in the sacred whereas others see such work as a rejection and attack upon this belief. Therefore if one is a believer it depends on many factors as to whether such ideas are seen as a threat needing to be attacked or new insights which need to be encompassed. On the other hand Bishop Robinson's Honest to God* (1963) and much of the other

* which interestingly enough used Bultmann, Tillich and Bonhoffer as foundation building blocks for it's ideas.

attempts at 'secularisation' were, and are, seen as very clearly belittling the idea of the sacred, in all its variegated forms, and thus seen as a serious attack by all believers requiring suitable 'military' defence strategies to counter. Quite clearly neither Robinson's ideas nor Bonhoeffer's are new, such views concerning the revision and challenge to the interpretation and existence of the sacred have been occurring for centuries. Responses have varied depending on how much of an attack the questioning is perceived to be. If, as in the case of Robinson, the attack is seen as a fundamental challenge to the very existence and separation of the sacred then the response is always the same: denial and attack.

Quite clearly the argument then shifts to asking the question as to why the existence of the sacred, in its variegated forms, needs to be preserved and so defended against perceived secularisation advances. The most obvious answer would be that the 'truth' needs to be defended at all costs but one wonders whether such views are a disguise for something of deeper significance. Certainly that is the way Waddell would interpret such view who, in a series of working papers*, has analysed such beliefs from an interesting but extremely provocative psycho-analytical perspective.

Waddell builds his thesis around the insights of psycho-analysis which, as he points out, in the last three quarters of a century has:

'... steadily pressed back the frontiers of our understanding of normal unconscious processes'

(Waddell, 1980 p.5)

Some of the primary contributions of psycho-analysis has been in terms of demonstrating the dominant importance of, and tracing the origins of, anxiety and the processes individuals use to defend themselves against such problems and

* Concentration in the following will be given to two of Waddell's papers particularly: ('Functional Religion as a Social Defence Mechanism' (1980) and 'Life of the World' (1983B)) although the themes have been developed in many of his recent pieces of work.

then using this as a basis for understanding group and institutional behaviour.* However, there has been great debate over the years not only about the nature of this anxiety and its defences but the point at which an individual first experiences anxiety:

'... The various analytical schools, however, differ considerably in the point which they take as the origin, or starting place, of psychological life. In terms of the development of anxiety-defences, therefore, the point at which the individual is perceived as first experiencing anxiety is taken as the origin of the defensive construct. Thus, for Freud, the Oedipal context of father, mother and infant provides the origin of threat giving rise to castration anxiety, specifically in relation to the father. D.W. Winnicott pressed the frontier further back seeing failure of the 'holding environment' as generating initial anxiety. While in certain extreme cases this might relate to traumatic birth, it was normally experienced in the gradual withdrawal of the nursing relationship between mother and infant. Melanie Klein herself perceived life as beginning at the breast. This constitutes the 'primal object' in her terminology, in relationship to which the infant developed the primitive of 'paranoid-schizoid' defences against anxiety which then become basic for all subsequent levels of development, and underlie, at their deepest point, normal, adult, individual and social anxiety-handling processes. The mechanisms which she identified were those of introjection and projection, idealisation, splitting and denial'

(Wasdell, 1980 p.5)

Yet as Wasdell points out Klein was unable to trace the source of this anxiety assuming it to be both innate and largely unalterable:

'... In identifying the cause or source of the anxiety against which these defences were first brought into play, however, Melanie Klein drew a blank, falling back to a secondary theme of Freudian analysis, that of the instinctive or innate nature of mutually opposing drives in the human psyche, namely the life instinct and the death instinct. Primal anxiety was seen to have arisen because of the threat to the life instinct engendered by the death instinct, primitive defences against this anxiety were therefore called into play and

* A relationship which we have already discussed in Section 3.5

projected by the neonate onto the primal object in the nursing relationship. Whether you examine the work of Freud or Jung, Heimann or Klein you find the words 'instinctive', 'innate', 'atavistic', 'archetypal', 'genetic', used to describe those phenomena for which the analyst can give no causal explanation. In every system that which is innate or instinctive is perceived as an unalterable datum of the human psyche, that which the normal processes of analysis and abreaction are unable to modify, since the origin of paranoid-schizoid defences is seen to lie within the instinctive area.

(Wasdell, 1980 p.5)

The problem to Wasdell of this view is that institutions:

'... whose social defences are dominated by the primitive psychic defence mechanisms are experienced as virtually impervious to attempts at social change'

(p. 5 & 6)

To Wasdell the Church is one institution dominated by these mechanisms which would leave the possibility of change in this enterprise given the constrictures of understanding virtually impossible. It was for this reason, although not exclusively, that led Wasdell to exploring the cause or source of such Kleinian constructs and in the process met up with other psychoanalysts who were pushing back the frontiers concerning the origin of anxiety and its defences into the pre-natal stages of life.

Although it is tempting to explore in depth the complex ideas coming forth from this research concerning these matters this will be resisted at this stage turning rather to some of the institutional implications and conclusions forthcoming particularly with regard to Wasdell's analysis of the Church. This can be achieved most effectively by somewhat 'unpacking' one of the dominant conclusion coming from his recent paper: 'Life of the World?' (1983). Wasdell puts his conclusion as follows:

'... the religious response to the cry of a world in desperate need of sedation is the invitation to regress into placental dependency, mediated through the sacrament of the umbilical. The call of the church to the world is that of psychic regression into an idealised womb world of eternal placental resource. It is a matrix in which the nutrient is imbibed without work and from which the waste products are removed without responsibility.'

(p. 1)

Waddell's pre-natal psychoanalytical work leads him to the conclusion that relationships established and traumas experienced in the womb and at birth are fundamental to understanding how we react to life individually, collectively and institutionally. His thesis is that some idealise the womb world heightening and giving meaning to everything that is perceived as 'good' in such a context, denying all that is seen as 'bad' and quietly ignoring the placental support system provided. Birth by such people is seen as death to such an idealised picture leading to feelings of loss and deprivation which can only be filled by recreating in individual, group and institutional 'life' a new idealised 'womb' where all 'good' is present all 'bad' denied and rejected and support through an unintrusive 'placenta' is assured. The Church, to Waddell, is an institutional expression of this desire offering to all those who wish to 'regress' in this way a channel for an expression of this desire. It's regression is clear to Waddell since such an idealised 'womb world' can never be recreated and will not resolve the problems which the 'real' world faces:

'In so far as the world turns to religion at this crisis in its history and receives this recipe for its dilemma, just so far is the catastrophe enhanced and made a hundred times more difficult to resolve'

(Waddell, 1983B p.2)

Whether Waddell's views and ideas are correct is a complex question but one thing is sure his model provides a clear and concise language for expressing the ideas we have been discussing concerning the sacred and secular divide and the handling of the perceived 'secular' financial and accounting matters. The sacred space at primarily the parochial level but also at diocesan and central levels as well can be seen in Waddell's model as the projected idealised 'womb world' which needs to be protected when seriously threatened by perceived challenges to it's very existence. Such challenges can quite clearly be of a manifold variety coming from sources both from inside and outside the institutional Church. One such challenge could be from the secular patronage figures (i.e. diocesan boards of finance, accounting etc.) which are situated

inside the institutional Church if such figures attempt to intrude too much into the sacred space. Such patronage figures, using the Wasdell model, could be seen as a form of 'placenta' tolerated but partially denied and expected to provide the necessary resources and remove the 'waste products' without fuss, bother or intrusion. Such a model would also explain why when the external patronage lines were broken the Church considered it important enough to create it's own internal mechanisms to perform the same task - every idealised 'womb' cannot live without a suitable 'placenta' even though it's status is clearly secondary and providing it is working efficiently should be quietly ignored.

Undoubtedly Wasdell's model does supply an explanation for the sacred and secular divide which has dominated the analysis in Sections 6.1 to 6.3 yet as a model it clearly has it's dangers and problems. Quite clearly the model gives coherent reasons for why the divide is maintained, why the sacred elements are so heavily protected, why the secular accounting and financial elements are allowed to intrude in a secondary sense and why other secular moves are resisted. Equally it may supply important insights into why, if certain changes are encouraged in the accounting and financial aspects, these may be resisted unless accompanied by fundamental changes in attitudes concerning the sacred and the secular. Yet at the same time this model runs the severe risk of being a 'simple theory for a complex process' (cf. Lowe, Puxty and Laughlin, 1983). It runs the risk, which similarly applies to the old management conundrum that 'all businesses maximise profits', of arguing away all variety in terms of a highly slippery all-encompassing theoretical concept with eyes that see everything through totally biased spectacles. Therefore like all these general theories it would be wrong to either encompass them in their entirety or reject them in a similar manner: their truth must come out of our 'arena of discourse' rather than be imposed upon it.

In the following Chapter therefore, which reports on the initial dialogue at the 'enlightenment' and 'selection of strategies' stages in the Habermasian model we are adopting, we will bear this model in mind but allow the discourse to speak for itself.

CHAPTER 7THE BEGINNINGS OF ENLIGHTENMENT AND CHANGE IN
THE ACCOUNTING SYSTEMS AND THEIR CONTEXT WITH
RESPECT TO THE SELECTED SITES IN THE CHURCH OF
ENGLAND7.0 INTRODUCTION

This Chapter supplies some necessary insights into the initial, and unfinished, attempts at the 'processes of enlightenment' and 'selection of strategies' stages of the Habermasian model adopted in this study in the context of the accounting systems investigated in Chapters 5 and 6. The contents need to be seen as more 'work in progress' rather than some 'finished product' even though, as will become apparent, the 'processes of enlightenment' stage is more complete, relatively, than the 'selection of strategies' stage.

This initial and interim report on clearly unfinished business is introduced at this stage for at least three reasons. Firstly because not to be moving in this direction would mean that the two remaining stages in the Habermasian model adopted are being ignored which, in effect, nullifies much of the previous analysis. Put another way the formal modelling of the three stages is a constant reminder that until all are attempted in empirical situations the approach remains unapplied. Secondly to demonstrate to the reader that this researcher takes such demands seriously and is doing something about it even though progress is both slow and unfinished at the time of writing. Thirdly to allow both the researcher and the reader to reflect on the worth, or otherwise, of the methodological approach as some 'general theory' for understanding and changing, specifically, the design of accounting systems as well as in the specific enterprise contexts which contain and mirror such systems. Quite clearly such reflections cannot be conclusive at present but this does not deny the importance of attempting to make some judgments at this stage.

We will leave such a reflective analysis until Chapter 8 but in the meantime

Sections 7.1 and 7.2 will contain brief reports on the initial progress at the 'processes of enlightenment' and 'selection of strategies' stages. Section 7.3 will provide some customary conclusions and reflective thoughts on these brief reports.

Before turning to these more substantive Sections it is important to appreciate the processes adopted in allowing the initial moves in these stages to occur. This occurred in three phases. The first involved sending out a series of papers, based in and around Chapters 3 and 5, to the parochial (Canon R.P.R. Warren), diocesan (C.A. Beck) and central (R. Stallibrass) contacts. The second phase involved sending respective Sections of Chapter 6 to each of these three individuals. The third involved holding a series of meetings with the these primary actors from which future strategies became apparent. We will look at each of these phases in a little more detail below.

The first phase involved the despatch of a number of papers sent out in November 1983 accompanied by a brief introductory paper and covering letter - see Appendix 22 for a copy of the latter two elements.* As the Appendix indicates there were four sets of papers despatched at this time - papers 1, 2, and 4 being common to all and paper 3 varying depending on the recipient as Table 7.0 indicates. These papers largely consisted of unabridged parts of Chapter 5 and Section 3.4 from Chapter 3.

The second phase involved the despatch of unabridged versions of Section 6.1 (to Canon R.P.R. Warren), Section 6.2 (to C.A. Beck) and Section 6.3 (to R. Stallibrass) in April, May and June 1984 respectively accompanied by a brief introductory paper and accompanying letters - see Appendix 23.

* This is a copy of the correspondence with Mr. Beck. Similar literature, with slight modifications, was sent to Canon Warren and Mr. Stallibrass.

The introductory paper was intended to reinforce and reinterpret the Habermasian methodological approach* which had been presented previously in paper 1 which, as will be recalled, consisted largely of an unabridged version of Section 3.4.

The third phase involved a series of interviews in July and August 1984 with Canon Warren, Mr. Beck and Mr. Stallibrass surrounding initially the accuracy and inaccuracy of primarily the relevant parts of Chapters 5 and 6, set very much in the context of an attempted unconstrained dialogue, and then in terms of the implications of this 'enlightenment' for change and development. As will become apparent in Sections 7.1 and 7.2 these discussions, to date, have led to some consensus at the 'enlightenment' stage but the 'selection of strategies' stage, although started, remains, at the time of writing, incomplete.

With these introductory points in mind we now turn to Section 7.1 with its brief report on progress at the 'processes of enlightenment' stage.

* Including copies of Figures 6.0(1) and 6.0(2) as Figures 1 and 2 in Appendix 23.

7.1 AN INTERIM REPORT ON THE 'PROCESSES OF ENLIGHTENMENT' STAGE

7.1.0 Introduction

This Section will summarise the discussions and outcomes from the meetings with Canon Warren, Mr. Beck and Mr. Stallibrass related to the 'processes of enlightenment' stage. Sections 7.1.1 to 7.1.3 look respectively to these three sets of discussions related to the parochial, diocesan and central units which are represented by these individuals. Section 7.1.4 will supply some brief concluding, and reflective, remarks on the nature and content of these discussions as portrayed in the previous Sections.

Before moving into the first of these Sections, however, it is important to make two general comments even at this introductory stage.

The first concerns a reminder of the nature of the 'processes of enlightenment' in this Habermasian approach and its implications for these discussions more generally. Fundamentally the nature of the 'processes of enlightenment' is encapsulated diagrammatically in Figure 6.0(2) and described, albeit briefly, in Section 6.0. The demands of this model set very real constraints around what constitutes acceptable behaviour and outcomes which was, as far as possible,* adhered to

The second introductory point which comes out of Figure 6.0(2) centres around some general comments concerning the important 'gateway' to operationalising this model concerning the 'discourse leading to acceptance and ability to collectively operationalise this model' (C2 in Figure 6.0(2)). At the beginning of each of the three initial meetings a discourse of this nature was conducted with varying levels of success as Section 7.1.4 will indicate. But the important point to note at this introductory stage is that this 'gateway' into operationalising the model contained in Figure 6.0(2) was taken

* How successful this has been, in this researcher's opinion, will be discussed further in Section 7.1.4.

seriously, as were the other elements in this Figure, with a genuine attempt at satisfying the high standards implicit and explicit in such a process.

We will of course return to these points in Section 7.1.4 but in the meantime it is important to note some of the more specific outcomes from the discourse with respectively Canon Warren (Section 7.1.1) Mr. Beck (Section 7.1.2) and Mr. Stallibrass (Section 7.1.3) and their implication for the statements, conclusions and arguments contained in Sections 5.2 and 6.1 (for parishes), Sections 5.3 and 6.2 (for dioceses) and Sections 5.4 and 6.3 (for the central organisations).

7.1.1 Processes of Enlightenment: Experiences at the Parochial Level

The discussions with Canon R.P.R. Warren (RPRW hereafter) at this 'processes of enlightenment' stage were fruitful if general but were all primarily geared towards the third, selection of strategies, phase. His primary concern was not with the detail of Sections 5.2 and 6.1 but more with their general thrust and intent and more specifically their implications for change and development in the future. Or, as he put it, the writing was 'basically enlightening' and that he 'went along with a lot of what was said' but that fundamentally he was 'more interested in Figure 3'* and the implications of the former for the latter. However, he did have two general points to raise about the analysis primarily with regard to explanation B1 (Section 6.1.3) but also, by implication, although not directly, explanation A1 (Section 6.1.1). The first of these concerns some issues surrounding what has been known in these Sections as the 'sacred and secular divide'. The second, concerning the nature of the 'two phases' in St. Thomas as discussed in Section 6.1.3. We will look at each of these in turn.

RPRW had three, to an extent, interrelated matters to raise with respect to the 'sacred and secular divide'.

The first of these centred around a basic confirmation of the major thrust of the analysis concerning the sacred and secular divide and the position of clergy therein as contained in Section 6.1.1. Fundamentally RPRW considered that the picture contained in this Section with all the institutional and related reinforcements of the definition of the role of the clergy and their position in enforcing a sacred and secular divide was an accurate representation. In fact, he went further by suggesting that the 'sacred and secular divide as practiced in the Church of England is sub-Christian and unhelpful'.

* See Appendix 23 for the contents of Figure 3 which is reproduced as Figure 7.2.0 below

However, he was quick to challenge the way he read Section 6.1 which to him seemed to imply some implicit ideal state where classified sacred and secular did not exist. This brings us to the second of the interrelated matters RPRW raised concerning the sacred and secular divide. To him, there are sacred and secular elements (although he was at pains to call them 'spiritual' and 'physical' which, to him, was more meaningful) but such divisions should only be used for analytic purposes so that the whole of man or mankind could be 'improved'. The sacred elements, to him, were distinct and superior (like 'the brain is more superior to a toe') but such a view should, in his view, neither belittle the inferior elements or ignore the interrelationships. In fact, to RPRW, the interrelationships between the sacred and secular were more important to him than denying their distinctive existence in the first place. This brings us to the third of the matters he raised concerning the sacred and secular divide.

The third matter he wished to raise concerning the analysis of the sacred and secular divide was related to a lack of clarity with respect to St. Thomas' intentions and actions in terms of such a divide. He was at pains to point out that St. Thomas', unlike many other parishes, was actually trying to break down the sacred and secular divide by valuing both elements, tracing their interrelationships and seeing them totally in the context of the whole of life in human and environmental terms. For instance financial independence and arresting of many patronage concerns from Sheffield Diocesan Board of Finance (as discussed briefly in Section 6.1.3) are clear indicators of St. Thomas' intentions which is to 'bring back' the secular problem and face it in a more holistic manner. Thus although such endeavours, and intentions, were given recognition in the contents of, particularly, Section 6.1.3, to RPRW, they were not as clearly highlighted as they should.

Such a point also linked and led to his second major set of queries concerning the nature of the 'two phases' as depicted in Section 6.1.3. In essence, his concern was that not enough attention had been given to: firstly

the different 'areas of concern' in the two phases and secondly the learning process in the context of bridging the sacred and secular divide. We will look briefly at each of these.

On the first matter RPRW indicated that the contents of Section 6.1.3 had failed to highlight that the first phase almost totally co-incided with a time when the Church was handling one project (a £630,000 building development programme) whereas the second was handling multiple projects (the use and development of the buildings as a multi-faceted complex). We discussed at length the significance of this for the conclusion that the first phase was dominated by sacred control methods and the latter phase by more secular means and came to the view that such an insight gave an added dimension to such a conclusion rather than reducing it's significance. Specifically we concluded that 'secular' problems can be handled by 'sacred' means provided the problems are singular and uniform whereas when the former problems become multiple and complex they leave sacred methods somewhat ineffective.

This leads into the more significant second point coming in these discussions concerning the two phases, which is, quite simply, that both were imbalanced, according to RPRW, given the intention to bring holistic thinking into the life of St. Thomas, but that both were more secular and sacred respectively than depicted in Section 6.1.3. The former of these points links directly back to the issue raised above concerning the lack of clarity in the text viz the desire of St. Thomas' to bring back the secular problem and face it in a holistic manner. Fundamentally both phases can be seen as a rather poor attempt, due to considerable inexperience encouraged by institutional mechanisms preventing exposure to secular problems over centuries, at handling the secular problem: the first phase spiritualised the problems successfully due to lack of complexity; the second relied heavily on more secular controls which, because of the former phase's 'success', seemed a failure. Both, in sum, were imbalanced attempts at handling the 'secular' in a more holistic manner. This links up to the latter concern of RPRW that the depiction in Section 6.1.3

failed to capture the occasional balance which was apparent in both phases even though the overall thrust was as indicated. This, to him, indicated that both phases were learning experiences for 'phase three', as he called it, which learnt from the errors and imbalance, but occasional successes, of the former phases on the pathway to more holistic thinking.

We will look further at some of the ideas in this third phase in Section 7.2.1 below but in the meantime we need to reflect, in conclusion, on what the above leads to in terms of the 'grounded consensus on conclusions' at this 'processes of enlightenment' stage. Fundamentally all the conclusions in Section 6.1 seem to be satisfactory as they stand except explanation coded B1 (in Section 6.1.3) which needs to be restated as follows:

St. Thomas' present accounting system design and it's nature needs to be understood in the context of two interlinked stage of development which mirror important patterns in the role defined attitudes of the Vicar and consequently the overall life and ethos of the Church. Both stages need to be set very much in the context of the learning experience of the Vicar and the Church more generally of handling the secular problem, arrested back from the 'new patrons', in a more holistic manner. The first stage created a sophisticated accounting system design which was little used to manage an expanding, but uniform, secular problem set but rather managed such problems through a highly successful 'sacred' control system. The second stage somewhat reluctantly increased the importance of the accounting system as a questionable substitute for, and due to a perceived temporary breakdown in, the more 'sacred' control system. In sum, in the first stage the secular problems were handled through primarily sacred means and the second through more secular methods although in each were glimpses of greater balance and holism of thinking.

Thus this new conclusion and supporting, but expanded, argument (which together we can code B1) along with the various conclusions and explanations coded A1, A2 and B2 are put forward as a consensus at this 'processes of enlightenment' stage given some of the doubts and misgivings expressed in Section 7.1.4 below.

7.1.2 Processes of Enlightenment: Experiences at the Diocesan Level

The discussions with Mr. C.A. Beck (CAB hereafter) at this 'processes of enlightenment' stage were systematic and detailed but largely confirmed the insights contained in Sections 5.3 and 6.2. CAB chose to go through the text contained in these Sections page by page amplifying, developing and questioning points as they arose. Although such a process took many hours producing many additional detailed developments of the points being made only four issues of some significance became apparent viz the standing of the arguments and conclusions of particularly Section 6.2. We will look at these briefly below but it is important to set these in the context that overall the contents were largely confirmed by CAB. His view was clearly expressed in a number of ways (like 'a lot of ticks on things I agree with' or the contents of Section 6.2 were 'education to me') that left this researcher with little doubt that the main thrust of the conclusions and the arguments were both persuasive and acceptable.

However, the four significant issues raised by CAB, although not couched as a serious challenge to the overall conclusions, nevertheless, could be seen in this light. It was for this reason quite a long time was spent discussing the significance of these issues for the conclusion presented in Section 6.2. The first of these issues was related to the explanation coded C1 (Section 6.2.1), the second to explanation C2 (Section 6.2.2) and the third and fourth to explanation D1 (Section 6.2.5) as will become apparent.

We turn first to the issue related to explanation C1. This issue centred around the de jure function of the accounting system which is, as CAB, pointed out, primarily a system for expressing and satisfying an accountability relationship between the diocese and the parishes. He had always seen the accounting system exclusively in these accountability relationship terms, but, on reflection, felt that the income generating emphasis as claimed in Section 6.2.1 was a more accurate picture of the de facto function. Further he could see that the espoused dominant accountability relationship function implicitly

had a legitimization emphasis which, in turn, was to do with the primary income generating function. In short, he felt the conclusion and explanation of 6.2.1 was a more accurate picture of what was really happening.

The second issue related to explanation C2 and the typification of accounting systems, diocesan boards of finance and diocesan secretaries as 'secular' phenomena in an institution which is built around the sacred and secular divide. His concern was not whether this was an accurate general picture but rather whether particular individuals see the world in such terms. He cited the Bishop of Sheffield with whom he had raised the issue as to how he saw CAB and the Diocesan Board of Finance institutionally in terms of the sacred and secular language of Section 6.2 and was basically unsure how to interpret his reply. We discussed this issue and CAB's conversation with the Bishop and arrived at three conclusions. Firstly that in the main most clergy and bishops implicitly maintain a divide between sacred and secular treating the former as primary. Secondly that some discourse with the Bishop of Sheffield would be beneficial.* Thirdly that although not obvious the conclusion and argument contained in Section 6.2.2 was accurate and enlightening under present insights but needed to be open to challenge and development under further investigation which CAB was planning to undertake.

The third and fourth issues related to aspects of the explanation D2 although not as serious challenges to the conclusion as stated in Section 6.2.5. One of the issues centred around the level of resentment of parishes towards Sheffield Diocesan Board of Finance as provider of resources for centralist advances in the post - Hunter era. CAB questioned whether the level of resentment against 'Sheffield empire building' was as high as depicted in

* which at the time of writing is being arranged.

Section 6.2.5 and anyway saw changes ahead with the plans and intentions of Bishop Lunn and his 'Tayloristic' policies. Such a discussion led somewhat naturally into the 'selection of strategies' stage (see Section 7.2.2) but also into some acceptance that resentment level has been and is high as depicted (although things are changing) and that this does indeed have an effect upon income generating anxiety as Section 6.2.5 points out, which, in turn, has a mediating effect on the accounting system design.

The second issue was related to the accuracy of the second 'mediating factor' in determining the Secretary's design related behaviour. As Section 6.2.5 indicated this primarily related to fund divisions. Part of the argument which claimed to explain the forced existence of the General Fund and the Augmentation Fund despite the Secretary's wishes was confirmed. In fact he was quick to point out that he had attempted to combine these accounts but this was blocked by both the Finance Committee and the Bishop's Council. The argument with regard to the second set of funds which was traced to a need to distance certain of Bishop Hunter's innovations was seriously questioned: Whirlow Grange Fund and the Industrial Mission Fund were, in the 1983 accounts, treated as normal 'committee' allocations and not shown as separate entities. However, they were encouraged to be separate funding units away from the Diocese and to issue their own set of accounts which, in a somewhat perverted way, confirms the original thesis about the need for distancing from the Hunter era. In addition to these funds there was a serious query as to whether the Church in Action Fund must, of necessity, be a separate funding unit despite the Secretary's wishes since he was planning to explore the possibility for change in this to bring it more directly into the general funds of the Diocesan Board of Finance.

These third and fourth issues raised together do not seriously challenge the overarching conclusion contained in 6.2.5. but they do raise some questions

about the accuracy or rather the significance of the second mediating factor.

It seems right, therefore, to modify this conclusion to read as follows:

The actual design of the accounting system in the Diocese of Sheffield is determined by the attitudes and abilities of the present Diocesan Secretary which are almost totally moulded by firstly the felt anxiety concerning the income generation problem which has been increasing considerably over the years, for largely historical and geographical reasons, and possibly, secondly, but to a lesser extent, by ecclesiastical and historical factors with their consequent relationship on accounting fund divisions.

Thus this new conclusion and supporting but expanded argument (which together we can code D1) along with the various conclusions and explanations coded C1, C2, C3 and C4 are put forward as a consensus at this 'processes of enlightenment' stage given some of the doubts and misgivings expressed in Section 7.1.4 below.

7.1.3 Processes of Enlightenment: Experiences at the Central Level

The discussions with Mr. R. Stallibrass (RS hereafter) at this 'processes of enlightenment' stage were systematic and detailed, as they had been with CAB at the diocesan level, resulting in a serious challenge to one of the conclusions and arguments but largely accepting the others. RS, like CAB, choose to go through the text of Sections 5.4 and 6.3 page by page amplifying, developing and questioning points as they arose. Such a process took many hours and resulted in valuable amplifications, rather than contradictions, for explanations coded E1 and E2 (Sections 6.3.1 and 6.3.2) and some questioning about the accuracy of part of E3 (Section 6.3.3). We will look at each of these in the following but before moving to this it is worth pointing out that, as with the discussions with CAB, RS raised many detailed points about the contents of Sections 5.4 and 6.3 correcting and adapting minor factual inaccuracies contained therein but, as with Section 7.1.2, we will not present these detailed corrections since, although valuable and necessary, would take the reader into a level of detail which, in the end, could be counterproductive in terms of the purpose of this Section. We turn, therefore, to some of the more substantive points raised as both amplification, correction and challenge to the conclusions and arguments presented in Sections 6.3.1 to 6.3.3.

With regard to explanation coded E1 three points of interest were raised all largely confirming the conclusion and argument contained therein. The first of these points centred around the origins and evolving role of the CBF. RS seriously wondered whether the CBF had quite such a 'traumatic' start to it's life as Section 6.3.1 suggests or whether the CBF accepted with 'avidity' the support of training costs on it's return from dioceses in 1956. However, despite such misgivings there was little doubt to RS that indeed the CBF was the 'protective custodian' of the General Synod's activities acting as it's 'financial benefactor' and 'selective encourager' of such activities. Equally he acknowledged the sacred and secular divide and the way it 'goes right through the Church' and the position of the CBF as a secular support

system for the more sacred activities of the General Synod and it's boards and councils. This was his second point in confirming the nature of the contents of Section 6.3.1. The third point, which also confirmed these contents, was an interesting development of some of the points already raised in Section 6.3.1 concerning the actions and intentions of the CBF Secretary during the period 1975 to 1982 (J.W.D. McIntyre) and his somewhat abortive attempts at trying to change this dominant cultural purpose. Our mutual analysis led us to the conclusion that Mr. McIntyre's moves were primarily intended to reduce the CBF's secular protective role by sharing such matters more directly with the boards and councils and expanding the former's role into an advisory body both for these boards and councils and the diocesan boards of finance. In effect, such moves were an attempt to bridge the sacred and secular divide at the centre in an institution which is dominated by such ethos. Judging by Mr. McIntyre's premature move in 1982 and the CBF's unhesitating return to the status quo of protective custodian the desire for change along these lines is not only resisted but basically unacceptable. This recent incident, to RS, was a reinforcement of the conclusion and arguments of Section 6.3.1: that indeed the depiction of the functional purpose of the CBF and it's intertwined accounting system was correct.

In a somewhat similar manner RS found, on reflection, the contents of Section 6.3.2 and the explanation E2 equally acceptable although he did raise one doubt about the depicted position of the CBF and it's accounting system. To RS there was little doubt that the General Synod's agenda was overwhelming as described and that it did manage it through a process of incrementation and splitting as institutionally expressed through separate boards and councils. However, he did question whether the CBF and it's accounting system could do anything else but accept such divisions and account for them accordingly due to its secondary position in the sacred and secular divide. He was, in effect, saying that he saw the accounting mechanisms of the CBF as reflecting the way the General Synod manages it's agenda, and colluding with it in terms

of a reinforcing and enabling but not as a process of leading on such matters. His concern was therefore to remove any concept of leadership on these issues from the conclusion of explanation E2 but not to change the essential nature of the argument or its conclusion.

In the light of this point it seems only right to slightly modify conclusion E2 to:

The benefactor/protector role of the accounting system can be seen most clearly in the *budget cost centre* divisions which permeates its design. Such divisions reflects and actively colludes with, the way the General Synod, as the voice of the Church of England, handles a potentially overwhelming agenda of problems and relationships with regard to the Church itself, the State and other religious organisations by allowing emergent issues, with regard to these areas of concern, to be handled by separate and segregated functional units (i.e. boards and councils). Thus the permanent boards and councils and their budget cost centre expression in the accounting system are, together, a mechanism for reducing the enormity of the issues facing the General Synod and as a way of reducing the level of anxiety which would ensue if exposed to all emergent issues together let alone those not as yet perceived.

which we can, for convenience, call conclusion E2'.

The third and final explanation (E3) in part was much more questionable to RS than either of the previous ones. His major concern was with the explanations and conclusions with regard to the Church Colleges of Education Capital Fund and the Church Schools Fund, on the one hand, and the Central Church Fund on the other. He was not querying the explanation for the existence of the two training funds and agreed very much with the point concerning the need to separate off the issues being accounted for due to their prior position in the life of the Church of England. His query with the separation of the more 'secular' education funds (Colleges of Education and Schools Funds) was more whether such a financial 'prop' was required in quite the way suggested in Section 6.3.3. He was in complete agreement that education matters were sensitive areas in the Church of England and that it was important to demonstrate the Church's presence but he was less convinced that, of necessity, this required the continuation of separate funds

to demonstrate such involvement. Further he pointed out that moves were planned to make these funds into separate elements inside the General Synod Fund and could see little opposition to such plans occurring. However, he did acknowledge that the argument presented may have some validity but certainly he was not convinced.

His argument against the depicted position of the Central Church Fund on probing was actually more apparent than real. He was clearly not happy with the somewhat emotive terms scattered through the text (such as 'disguise' or 'cheating') which surrounded the analysis of the position of the Central Church Fund and was at pains to point out that the Fund did have a wider brief despite the evidence on present fund transfers. After a long discussion, and further reflection, he 'privately agreed' that such an analysis was accurate since it was always in his mind, and the Secretary's, that 'if the dioceses don't pay then the CBF could always fall back on the Central Church Fund' to meet the demands of the General Synod and so perform their financial benefactor role.

Based on these points it seems right to change the contents of the conclusion E3 to reflect some of the above doubts and questions:

The reasons for the existence of the CBF's five separate funds, in addition to the main General Synod Fund, can be traced to three distinct, but still related, explanatory factors. The first centres around the complex State/Church relationships concerning education. More specifically the Church College of Education Capital Fund and the Church Schools Fund are in existence possibly, but not necessarily, to demonstrate to the State the continuing, if residual, involvement of the Church in the education system. The second centres around the time invariant secular priority support by the CBF and others for the ordained ministry. More specifically the Training for the Ministry Fund and the Theological Colleges and Training Houses Fund are in existence to demonstrate to the Church that there is a prior, unending and unshakeable 'secular' support system for meeting the costs of the training of future ordinands. The third centres around the perceived vulnerability of the CBF and the need to protect it's financial involvement as a benefactor of centralist activities through the existence of a separate source of income to be drawn on 'in emergency'. The Central Church Fund fulfils this purpose for the CBF. From another, not unrelated, viewpoint the separate funds are in existence to fundamentally resolve

any potential anxieties concerning: firstly the Church's continuing involvement in education (although there are some doubts as to whether such fund divisions are necessary for this purpose to be fulfilled) secondly, the Church's continuing commitment to the ordained ministry and, thirdly, the CBF's continuing ability to support all centralist work.

We can call this new conclusion E3'.

Thus this new conclusion and supporting expanded argument along with similar changes in explanation E2 along with the original E1 are put forward as a consensus at this 'processes of enlightenment' stage given some of the doubts and misgivings expressed in Section 7.1.4 to which we now turn.

7.1.4 Some Concluding Thoughts

The discussions and conclusions in Sections 7.1.1 to 7.1.3 above have supplied overwhelming support for the insights of Chapters 5 and 6 subject to minor changes but it is necessary to reflect a little on whether such modified support is truly a 'grounded' or 'justified' consensus at this 'processes of enlightenment' stage. This Section briefly explores this concern by putting forward two hesitations concerning the process adopted and it's consequent possible effect on the standing of the conclusions forthcoming.

The first of these hesitations centres around some uncertainty about the adequate application of the various elements in Figure 6.0(2). Although all the discursive sessions started with a presentation of, and discussion about, the nature of the elements in this Figure and it's likely effect on the nature of the discourse it was never entirely apparent whether all of the elements were being adequately operationalised. In some senses this is a problem in the methodology itself since, although the benchmarks are there to determine whether a consensus is to be judged as 'grounded' or 'justified', what is missing are benchmarks for the benchmarks. In other words, and for instance, even though there may be acceptance, as there was, for the underlying commitment of the 'force of the better argument' it was never clearly apparent when any agreement failed or succeeded in fulfilling such a condition. Quite clearly there is more work to be done on clarifying such issues in the future at a broad methodological level.

The second hesitation also relates to the nature of the methodology and centres around the inevitable reactive rather pro-active views of the 'researched' to the critical theorems of the 'researchers'. The methodology requires that researchers produce the highly detailed critical theorem as contained in Chapters 5 and 6 before these are tested and refined at the 'process of enlightenment' stage. As a result, and as was clearly the case in this study, the 'researched' would naturally need to react to these insights rather than, necessarily, build anew the design of critical theorems

at this enlightenment stage. Certainly such a process creates some initial a-symmetry in the offering of speech acts at this enlightenment stage which does seem to raise some doubts as to what constitutes the 'equal opportunities for offering speech acts' element in Figure 6.0(2). In sum, the methodology as it stands undoubtedly gives to the 'researchers' a superior and more powerful position which is clearly intentional but can be potentially dangerous when one claims a 'justified' or 'grounded' consensus for the explanations at this enlightenment stage.

Undoubtedly these hesitations are important and need to be expressed yet in the end they are more rightly addressed to the nature of the methodological approach as an approach rather than the adequate application of it. Given the present understanding of the methodology, therefore, the above adjusted conclusions and arguments are put forward as a 'justified' or 'grounded' consensus at this 'process of enlightenment' stage.

7.2 AN INTERIM REPORT ON THE SELECTION OF STRATEGIES' STAGE

7.2.0 Introduction

This Section will summarise the discussions and outcomes from the meetings with Canon Warren, Mr. Beck and Mr. Stallibrass related to the 'selection of strategies' stage. Section 7.2.1 to 7.2.3 look respectively to these three sets of discussions related to the parochial and diocesan and central units which are represented by these individuals. Section 7.2.4 will supply some brief concluding, and reflective, remarks on the nature and content of these discussions as portrayed in Sections 7.2.1 to 7.2.3.

Before turning to the more substantive parts of this Section, however, it is important to preface these with three key introductory remarks.

The first of these concerns a reminder of what constitutes the nature and content of this 'selection of strategies' stage. The essential nature of this has already been described in Section 3.4 but is now summarised in diagrammatic form in Figure 7.2.0. This Figure has an intended compatibility with Figures 6.0(1) and 6.0(2) which, together, form a representation of the essential elements of Figure 3.4.1 and, in consequence, the three stages of the methodological approach of Habermas' Critical Theory.

We will not, in the following, go through the detailed aspects of all the elements contained in Figure 7.2.0 but rather highlight two important aspects which encapsulates the essence of the approach. The first of these concerns the important observation about the partial independence of the selection of strategies stage from the other stages. Unlike the 'critical theorems' and 'enlightenment' stages which are totally intertwined and interdependent the 'selection of strategies' stage remains largely independent from both. Put another way the conclusions from the enlightenment stage do not determine the nature or content of the conclusions at the 'selection of strategies' stage. Enlightenment is necessary to arrive at these conclusions since without it we are not aware of possible areas for change but it is not a necessary and sufficient element in determining such strategies. The second

point to note, which helps to indicate the essence of this approach, concerns the nature and importance of the 'action' element in Figure 7.2.0. Action is the key and most important outcome from the complex processes represented in Figure 7.2.0 and it is worth reflecting a little on the nature of this element. This 'action' may in fact be inaction if, having satisfied the processes in Figure 7.2.0, the consensus is that no change is either necessary or desirable. However, even though this is a technical possibility such a strategy goes against the ethos, if not the very nature, of Habermas' Critical Theory which sees change and development as necessary prerequisites for societal emancipation. The action of Figure 7.2.0 needs also to be related not only to the primary systems being investigated at the critical theorem and enlightenment stages but also the important contextual underpinnings which give such systems their meaning and nature. Put another way if these systems are dependent upon their contextual variables (as possibly with accounting systems) then change in such variables must necessarily precede change in the dependent systems.

This latter point leads directly into our second key introductory point concerning the focus of the discussions with Canon Warren, Mr. Beck and Mr. Stallibrass. These discussions, as will become apparent from Sections 7.2.1 to 7.2.3, were addressed primarily to possible changes in the contextual underpinnings with the accounting system implications following from, rather than leading to, such changes. This approach was necessary in the light of the analysis in Chapter 6 and Section 7.1 above which indicates the key and dominant importance of cultural and organisational variables in explaining the present design of the accounting systems investigated making change in the latter heavily dependent on change in the former.

The third and final point before moving into the more substantive contents of this Section is to remind the reader that the details contained in the following are only the beginnings towards this 'selection of strategies' stage. The elements in Figure 7.2.0 have not been adequately operationised in the discussions to date and therefore what follows must be read in this light.

* But certainly with the accounting systems looked at in this study.

7.2.1 Selection of Strategies: Experiences at the Parochial Level

Of all the discussions at this 'selection of strategies' stage the one with Canon RPR Warren (RPRW hereafter) was the one which demonstrated the most interest in, as well as clarity about, the need for change and the nature of this.* As Section 7.1.1 has already indicated his primary interest was with this final stage and much of the discussions centred around this concern and his plans and intentions in the light of his own thinking and the analysis of Section 6.1. In fact, unlike the two other discussions, where alternative pathways had to be discovered in the light of, but not determined by, the analysis at the 'critical theorem' and 'enlightenment' stages, the strategy for the future emerged unhesitantly and naturally.

The reason for this was simply that each of the previous two phases in the life of St. Thomas¹ as recounted in Section 6.1.3, and modified as in Section 7.1.1 above, had failed to adequately bring the balance between sacred and secular and that the 'third phase' (as RPRW called it) was an attempt to achieve such a state. It was clear to RPRW that in the light of the analysis of Section 6.1.3, as Section 7.1.1 has already indicated, that the complex 'secular' problems taken back from the 'new patrons' precisely so as to grapple with such matters in a holistic manner had been 'spiritualised' in the first phase and 'secularised' in the second phase neither of which achieved the balance required. Thus the third phase was intended to learn from the errors, and occasional strengths, from these phases in an attempt to achieve the desired holistic balance of the original and unchanging but unsatisfied objective.

* Matters were not as clear cut in the parochial system as a whole as will become apparent.

Quite clearly what phase three will look like in organisational terms is still not entirely clear although at the time of writing two interconnected aspects are apparent. For a start St. Thomas' is making a real attempt at defining it's objectives with a deliberate move to more broad based goals, such as 'serving the community', which are to be unpacked and interpreted in a more balanced holistic manner than one which gives emphasis to, respectively, a totally sacred or secular interpretation. Secondly St. Thomas' is making moves towards ensuring that all strategies are costed and evaluated in terms of financial feasibility and their respective contributions towards the derived goals and objectives. The intention is that no longer will good ideas uncostered and unclear as to contribution be accepted on the grounds of some spiritualised 'rightness' principle - strategies must be justified in terms of objectives, costed and be feasible given a total budget available and evaluated, somewhat less emotively, against other worthy endeavours.

Already the accounting implications of this third place are becoming clearer. No longer will the budget process, be ignored (as in the first phase) or resented (as in the second phase) but will become a central vehicle for operationalising such intentions. Equally the budget review process will play a larger part in ensuring accountability and control. The annual accounts, on the other hand, will be redesigned to reflect the new approach and serve to give an account of the previous year's strategies in terms of objectives achieved and the costs involved in achieving these.

Undoubtedly there is much work still to be done in all this and many problems which will ensue but, at least, St. Thomas' is making a real attempt to experiment, learn from the past and change until balance and holism is achieved. Quite clearly only time will tell whether these moves, which are to start in formulating the 1985 budget, will be a new beginning or a pathway which needs to be abandoned in favour of a new 'phase four'.

Our discussions also explored some thoughts on the implications of both the above and the analysis of Section 6.1 on the future for other parishes

apart from St. Thomas'. RPRW pointed out two key points in this respect. Firstly that while the 'new patrons' continue to be in being despite their inability to hold back financial concerns from the patronised then holistic thinking at parish level will always be impaired. This would be so, to RPRW, because the system itself reinforces the historically and institutionally determined attitudes of the dominant parochial clergy; that the 'secular' is not their problem but somebody else's' despite the obvious intrusion of such matters into the sacred domain. Secondly that given St. Thomas' experience of the struggle to handle the secular problem once accepted in a balanced way that universal wholistic thinking, in the entire parochial system, even given the demise of the new patrons, will take a long time to achieve and maybe will never be realised. RPPW is more enlightened than most clerical incumbents and actually chose to lead his Church into more holistic thinking but he, and his parish, have taken over 13 years, to date, to get anywhere near achieving such a state. To force such a secular problem on parishes who have, over centuries, been protected and encouraged to be protected from such matters and expect them to handle this in a balanced, coherent and successful way in a short space of time is likely to result in a level of casualties which, one suspects, would be beyond the tolerance level of the 'new patrons.'

For this reason RPRW felt that a widespread release of the patronage support system, although beneficial, would have to be conducted over a time horizon which would allow learning and development to ensure without premature death, assuming the parochial system needed to be preserved in its present form. His own opinion questioned the necessity for such total territorial coverage in quite the present form but, on balance, felt that such radical thinking would not be universally acceptable and that real institutional change would have to be evolutionary rather than revolutionary.

In sum, our discussions led us to the view that the present arrangements of the Church of England allows a St. Thomas' to arise which has scope to

change and develop and is doing so but that most parishes are caught in a trap of institutionally induced lethargy which can only probably be reversed by incremental institutional change. Until such changes occur change in the accounting system will be resisted on the grounds that such secular endeavours and developments are inappropriate in a domain dominated by 'sacred' thinking. The key to change in accounting system design must be, as in the St. Thomas' case, change and breakdown in the sacred and secular divide which dominates thinking in parishes.

7.2.2. Selection of Strategies: Experiences at the Diocesan Level

The strategies discussed with Mr. C.A. Beck (CAB hereafter) were primarily centred around ways to reduce the necessity for diocesan boards of finance to raise quite so much money and hence diminish the anxiety surrounding this problem. Two strategies become apparent. Firstly the diocesan boards of finance could attempt to share the income generating problem with the Church Commissioners and the Central Board of Finance encouraging them to gather their respective requirements direct for parishes rather than through dioceses. Secondly the diocesan boards of finance could cease to collect and distribute quota from parishes and use the Church Commissioners' annual allocation* to finance diocesan activities and support a number of needy parishes. We will, in the following, look briefly at the discussions surrounding these major organisational changes and the preferences expressed by CAB before looking at the accounting implications for the preferred alternative and the future plans for implementing such a new strategy.

The first strategy had disadvantages which far out-weighed the advantages, to CAB, which led to the view that this approach was not only unworkable but also undesirable. Although this strategy would relieve diocesan boards of finance from having to raise quite so much money it would have, to CAB, three disadvantages which counteracts such an attractive gain. Firstly it would leave the dioceses vulnerable as to their role and their finance. Such a move would reduce, but not obliterate, the patronage role of dioceses leaving their more centralist advances more exposed to both criticism as well as possible financial challenge by parishes who may not choose to continue supporting such endeavours. Secondly it would leave the patronage system largely intact with all of it's implications in the sacred and secular divide at the parochial level. Parishes would continue to view their work totally in sacred terms on the assumption

* which, as will be recalled, is allocated to dioceses rather than parishes. - see Section 4.2.

that the secular support is technically not their problem even though the patronage figures would undoubtedly continue to inadequately fulfil their role. Thirdly it would create multiple and possibly conflicting demands on parishes which would be resented by parishes and unworkable in terms of gathering the requisite resources. With this strategy not only dioceses but the Church Commissioners and the Central Board of Finance would be sending their respective demands to each and every parish and such multiple requests and likely representations to encourage payment would, as likely as not, be resented not least because of the time involved intruding into, and preventing, more 'spiritual' activities. Equally it would be inoperable and effective, according to CAB, for the Church Commissioners and the Central Board of Finance to sell their respective cases to 17,000 + parishes annually based on the experiences of dioceses which have found more than enough problems in handling the income generation problem with just a few hundred parishes. In sum, CAB was convinced that this major strategy was not the way forward.

He was, however, more convinced about the second strategy both generally and specifically with regard to the Diocese of Sheffield* seeing both clear advantages and not insurmountable disadvantages. To CAB the advantages were threefold. Firstly it would remove once and for all the income generating problem for both the diocesan boards of finance and the Central Board of Finance. Instead of financing their activities from parochial quota these central and diocesan units would obtain their requirements directly from the income from historical endowments which is both more assured and less emotive. Secondly it would quietly put to death once and for all the patronage system

* In fact he saw enough pointers in present strategies to indicate that this was where the Diocese of Sheffield, as a financial entity, was heading.

and allow the parochial system to come to terms with such secular issues and so, in effect, bridge the sacred and secular divide. This, to CAB, would be a good and healthy thing for the future of the Church of England. Thirdly, and finally, it would allow more freedom for both the dioceses and the central organisations to really discover their new rôles and fulfil them without the constant nagging and disturbing pressure of inadequate financing.

Even though to CAB the advantage were both clear and appealing, we also saw six key, but not insurmountable, disadvantages. Firstly was the danger of lack of control and accountability. If dioceses and the centre were to be reliant on a fixed income then any control would be based around the total cash limit available rather than otherwise with accountability only to the provider in terms of such a total. Although this was a problem to CAB it was not insurmountable providing adequate mechanisms for equitable distribution of Church Commissioners money could be discovered and accountability could be assumed to be to the whole Church and not just the provider of resources. Secondly, and somewhat connected with this first point, was the problem in the present distribution mechanism. To CAB the present system was both unjust and should not be handled by the Church Commissioners but rather by the Central Board of Finance. He envisaged a day when the Church Commissioners, who it will be recalled are made up of civil servants and report directly to the Home Office rather than the General Synod, would become an income generating body who would transfer the bulk of the income* unallocated to the Central Board of Finance who would allocate it out to themselves and to dioceses according to General Synod policy decisions. Thirdly this strategy ran the danger of cutting the financial and other ties between the diocesan boards of finance and the Central Board of Finance. To CAB this was not unacceptable as it stood

* After a relatively small deduction for the Church Commissioners' administrative expenses.

since each, at present, look to different patronage concerns as the analysis in Chapter 6 indicates, but the relationship would be renewed, anyway, on a different dimension, if the Central Board became the new distribution mechanism. Fourthly there was the problem of creating undue and damaging pressure on the parishes by removing the patronage support system. To CAB this was a danger due to it's long term presence in parochial life and the clear and, to an extent, encouraged parochial inability to handle such matters. However, to him, this should not deter the move even though the speed of getting to such a stage would be slower than desirable with some patronage support remaining during the interim period. Fifthly there was the possibility that the diocese would find it difficult to determine what should be it's role in the Church of England as a whole given such changes. To CAB this was a problem but one which could be resolved if, instead of being a patronage figure or some independent expanding centralist empire, that the dioceses move towards being a 'resource centre' for the support and development of the parochial ministry. To CAB this is what dioceses should be and it fitted well, specifically, with the present Bishop of Sheffield's overarching thrust for the Diocese of Sheffield. Sixthly and finally was the problem of unhealthy dependence on Church Commissioners' money in the light of the constant threat of disestablishment from the State and the likely seizure of this money in this event. To CAB this threat was real and needed to be guarded against by moving towards a growing financial self sufficiency for dioceses and the centre by suitable endeavours, commercial and otherwise, to, at least, match, if not surpass, allocations by the Church Commissioners while still in existence. This, to CAB, would be good for the diocesan machinery as a whole to bring the sacred and secular more closely together and so bridging the divide at this level in the Church of England.

In sum, CAB was very enthusiastic about this strategy and part of our discussions, to date, has centred around how best to implement such a plan. However, before touching briefly on these intentions it is worth reflecting

a little on the likely implications of this new strategy for the design of diocesan accounting systems.

Although not much time in our discussions was devoted to these design issues it is clear that this new strategy will have a marked effect on the nature of the accounting system. Fundamentally it will no longer be dominated by the income generating anxiety with its elaborate budget process, its ineffective and, on occasions, over-zealous budget review and control, its ignored annual accounts and its important budget distribution mechanism. Rather the design will reflect the ethos of the new strategy with its clarified and changed role and related financial process *resulting in a more sophisticated* budget process related to objectives, a much tighter control system in terms of budget review, a more developed form of annual accounts for wider accountability purposes and a non-existent budget distribution aspect. Such changes would appear to follow in the wake of this new strategy although only time will tell whether this proves to be an accurate depiction of expectations.

We turn finally to look at the discussion surrounding the bringing into being of this new strategy. As mentioned above CAB was indeed enthusiastic about the general thrust of this new strategy but was also realistic enough to realise that such developments would take many years to be brought into existence with some considerable opposition and problems. It was decided that initially it would be advantageous to discuss the issues further with the Bishop of Sheffield to get his approval as to the outline strategy and his guidance on how such an approach could be brought about. This is in hand at the time of writing and may well result in setting up a small steering group to specify steps and procedures needed to bring such a major change into being.

7.2.3 Selection of Strategies: Experiences at the Central Level

The discussions with Mr. R. Stallibrass (RS hereafter) at this 'selection of strategies' stage were less productive and certainly more constrained than with RPRW and CAB. The reason quite simply was that change and development were not uppermost in RS' mind and because there was no direct linkage between the conclusions from the enlightenment stage, to the pathways for the future, there was, in his opinion, little further to talk about.

However, we did, together, come to the view that the analysis as it stood in Section 6.3, with its modifications in Section 7.1.3, did, on reflection, pose, implicitly, three major pathways forward: to maintain and strengthen the status quo, to return to a modified or unmodified 'McIntyre era' again and to abandon the whole central machinery. Our discussions centred around the value or otherwise of each of these alternatives. Not surprisingly, in the light of the above, RS favoured the first of these alternatives but we talked through each of the others and the reasons for their rejection. We will therefore, in the following, look briefly at each of these alternatives and the discussions surrounding them.

We can start by summarising the discussions concerning the alternative strategy which centred on the abandonment of the whole central machinery which was, not surprisingly, the least attractive alternative. However, its unattractiveness was not because of some individual and collective fear of being unemployed it was rather for reasons which register again the deeply held suspicion between Church and State. To RS the Enabling Act of 1919 with its partial arresting of Church control into Church hands could only be maintained if the Church of England was seen to be managing its affairs. This to him required a central presence. However, he did concede that such a 'presence' could be smaller and more legislative and that maybe the central machinery had grown excessively thanks largely to the notable achievements of the Central Board of Finance in their patronage provision. But, on the other hand, RS was neither motivated to look for such a reduction nor convinced that even if

legislation was the central Organisation's only concern that it could manage it's function without a major support structure. In sum,RS felt the General Synod and it's boards and councils were permanent fixture despite their relatively short history in Church of England terms.

Equally a return to a modified or unmodified 'McIntyre era' with greater devolution of power to boards and councils was also unacceptable. The major reason for the rejection of this by RS was because of it's failure in the past. He was convinced that the patronage role was important for the Central Board of Finance and part of it's culture and that any future moves along the previous McIntyre lines would be going against such a *culture and would be* rejected in a similar manner to the original. Further, and by way of an extension of this point, he was convinced that further devolution of financial control to the boards and councils would raise doubts and queries in the minds of the dioceses which, in turn, would affect the income flows. In sum he, and his colleagues it would appear, wanted nothing to do with any further experiments along the McIntyre lines.

The third and final strategy, involved in slight modifications of the status quo, was much more acceptable to RS but even inside such a context it was difficult to discover substantive areas for change. We started with some initial thoughts on possibly changing the financing arrangements either by obtaining income directly from the Church Commissioners or directly from the parishes. The former was attractive to RS as it eased the financing problem but, to him, seemed both infeasible and open to strong opposition. The latter made the financing arrangements harder and therefore undesirable and certainly not as effective as present arrangements. However, he did see a real need for change in the present control arrangements over the expenditure of boards and councils. Even though the present review processes and the operation of the virement system still gave a lot of controlling power to the Central Board of Finance there was, to RS, still the possibility of too much financial autonomy for the boards and councils. This, to RS, was not good for the boards and

councils since it left still too many 'secular' financial worries and matters with them and not good for the Central Board of Finance who were not adequately fulfilling their patronage role.

In sum, the only changes which RS felt were appropriate centred, not around cultural shift with accounting developments following, but solely in terms of modifications in the accounting system. Cultural change was attempted in the 'McIntyre era' with some composite changes in the accounting system (e.g. the consultations with boards and councils at the budget formulation process the institution of the Joint Budget Committee and its role in the budget process, the new virement system etc.) yet such a cultural development failed. A reinstatement of cultural norms has been made in the last few years but there has been little real change in the accounting system which, on the surface, is surprising. However, a little reflective thought supplies an answer to this seeming anomaly: the design has been flexible enough to be moulded to reflect the reinstated culture without major structural shifts in the accounting system (e.g. consultations still continue with the boards and councils at the budget formulation process but with less expectation that they could and should be involved in the financial aspects of their plans). However, it appears parts of the accounting system do not adequately reflect or cannot be moulded to the new culture and it is in these areas where RS wishes to see change. These are in respect, as we have already indicated, the budget review process and the virement system, which were part of the devolution of financial control to boards and councils, even though both were never fully operational in quite the way intended (see Section 5.4.2). Thus, to RS, margin changes in these elements in the accounting system are all that is required.

However, there are indications that the desire for such marginal changes may be somewhat disturbed by the outcomes of a new infrastructure review about which we had some discussion. This review, which has come from a motion passed in General Synod and broadened by the Standing Committee, has a broad brief similar to the 1956 Report on Church Finance (CA 1181) namely, to look at the

whole organisation and financial arrangements of the General Synod and its boards and councils. Such a review has only recently been started and will not be completed until 1985 at the earliest but already RS was concerned that maybe one of its key recommendations could be the 'demise of the Central Board of Finance and the handling of the financial problem through a sub-committee of the Standing Committee'. This, to RS, would have far reaching implications both for the culture of the central organisation and its consequent financial control and accounting systems. This was not a welcome prospect to RS and one which he would resist or seek early retirement from...

In general then RS' desire was for maintenance, with a slight modification, in the status quo.

7.2.4 Some Concluding Thoughts

As is apparent from Sections 7.2.1 to 7.2.3 the 'selection of strategies' stage is far from complete but has alternative possibilities for completion in the future in respect of the three respective levels in the Church of England which form the focus for this study. At the parochial level, or more specifically in St. Thomas' Church, there is every indication that a new, quite radical, strategy has been chosen and will be worked out over time which would constitute an adequate fulfilment of the various aspects of the 'selection of strategies' stage (see Figure 7.2.0) in this context. At the diocesan level the discussions have led to a clear view about a quite radical way forward but with some uncertainties around the possibility of this being operationalised leaving the fulfilment of the variables in Figure 7.2.0 an open question. At the central level the discussions have not led to any new radical ways forward rather the analysis has co-incided with, rather than determined, marginal changes to the status quo. In this sense it is difficult to see that the 'selection of strategies' stage in this latter context has been fulfilled or ever will be.

Thus there are indications that in two, out of the three, cases there is a possibility that, sometime in the future, the requirements of the 'selection of strategies' stage will be fulfilled and real change will ensue. However, it is worth making three reflective comments both about this expectation as well as about the nature and content of this expected and unexpected change.

Firstly present experience indicates that the 'researchers' are only able to meet, develop and mould the desires and attitudes of the 'researched' (or primary actors) for change rather than create that desire in the first place using the approach as depicted in Figure 7.2.0. Unlike the 'enlightenment' stage where the researchers clearly lead the way with their previous research (as Section 7.1.4 has already indicated) in this final stage they are in a much less powerful position. It is, after all, not their organisation which is to be changed and anyway real lasting change will only occur if the 'researched'

themselves believe in the necessity for such developments. Equally as is to be expected using this Habermasian approach their only real weapon is discourse and they cannot even rely on the logical consequences from conclusions from the 'enlightenment' stage to supply 'obvious' pathways for the future. In sum, they can only suggest, mould and develop alternative pathways for change and even though the 'force of the better argument' may prevail as the dominant accepted objective this may still not result in the optimum agreed pathway being brought into action unless there is some major deep seated desire for such developments by the 'researched'. In other words what constitutes the desire for change is a complex and largely exogenous variable in the mapping of this stage as depicted in Figure 7.2.0.: enlightenment alone or in combination with practical discourse will not guarantee a desire for change and consequent action.

Secondly this desire for change on behalf of the researched does seem to be related to some level of institutional crisis judging by the experience to date as Habermas (1976, 1981A and 1981B) has suggested. As Sections 7.2.1 and 7.2.2 have indicated the discussions with RPRW and CAB were much more open to, and directed towards, the need for change and development of a quite radical nature making the practical discourse at the 'selection of strategies' stage both easier and more fruitful in these two cases. It does not seem too fanciful to link this openness to the growing institutional crises surrounding these respective actors. For instance, RPRW was well aware that neither phase one nor phase two in St. Thomas' had achieved the requisite balance he desired along with ripples of disquiet and growing financial problems was creating some level of crisis in the institution. Equally CAB, since his arrival in 1976, has been constantly faced with major financial anxieties primarily over generating requisite income in the Diocese of Sheffield which has constantly caused some level of crisis in this institution. The discussions with RS, on the other hand, as Section 7.2.3 has indicated, were both more constrained as well as less open to change and development. Continuing the logic of the crisis

argument one would expect to see some level of tranquility in the Central Board of Finance. To a certain extent this is true since it is secure financially and, in addition, and for instance, it has managed to 'evict' all elements connected with the 'disturbance' during the McIntyre era. In fact it, like the General Synod through its division into boards and councils, has expert techniques at avoiding crises and hence avoiding the possibility and desire for change and development using the logic of the present argument. In sum, institutional crisis does seem to have a part to play in determining and formulating a desire for change and development although it would seem to be too simplistic to suggest it is the only factor involved.

Thirdly, and finally, and as an important reminder of the interim nature of the current conclusions from this selection of strategy stage: change and development, even in the two most hopeful sites, is neither complete nor guaranteed. It is clear that the possibility for major changes in the Central Board of Finance is unlikely but even the hoped for, and expected, changes in the Diocese of Sheffield and in St. Thomas' Church are not guaranteed. Certainly they have not been achieved to date and one can envisage all manner of disturbances to their possible achievement in the future. All one can say is that until this third stage is successfully completed then the methodological approach as a totality remains unfulfilled which at present applies only to the application in the Central Board of Finance but may still do so with regard to the Diocese of Sheffield and St. Thomas' Church.

7.3 SOME CONCLUSIONS AND REFLECTIVE THOUGHTS

This Section will not repeat the endeavours and intentions of Sections 7.1.4 and 7.2.4 in their attempts to summarise the progress to date in the 'processes of enlightenment' and 'selection of strategies' stages. Rather, in the following, we will make some general concluding observations about this progress on each of the stages and then end with a more reflective thought on both stages together and, by implication, the 'critical theorem' stage as well.

Based on the analysis in Sections 7.1.1 to 7.1.3 it is possible to say with some confidence that the 'processes of enlightenment' stage has been adequately completed with little real divergences from the conclusions reached in the 'critical theorem' stage even though such an assertion must be subject to some hesitations and doubts. As Sections 7.1.1 to 7.1.3 have indicated only explanation B1 at the parochial level D1 at the diocesan level and E2 and E3 at the central level have had to be changed. Yet such changes are marginal adjustments to these explanations with the remaining conclusions and arguments from Chapter 6 left unaltered. Although this is gratifying in some ways it could also be seen as a little disturbing in another on the grounds that maybe greater disagreement should be expected at this 'enlightenment' stage. Such a doubt led to the more specific hesitations surrounding the status of these conclusions in terms of their 'justifiability' as already recounted in Section 7.1.4 but also to a more reflective general question about what one should be expecting at this stage. The answer, of course, is that we don't know. Certainly there was an expectation of much greater disagreement given the potentially provocative nature of the conclusions and arguments but this certainly was not forthcoming. In the light of these uncertainties there seems little value in assuming problems that one cannot pinpoint but equally it would be wrong categorically to assume that the consensus forthcoming is truly 'grounded' or 'justified' in quite the way Habermas intended.

Based on the analysis in Section 7.2.1 to 7.2.3 it is, however, possible to

say that the 'selection of strategies' stages has only just started and it's completion is certainly in the future but not guaranteed. As is clear from Sections 7.2.1 to 7.2.3 expectations of completion in terms of action leading to change and development is highest at the parochial level with regard to St. Thomas' Church, lowest, even non-existent, at the central level with regard to the Central Board of Finance and in a mid-position at the diocesan level with regard to Sheffield Diocesan Board of Finance. But like all expectations their realisation is subject to doubts and uncertainties which only the future will make plain.

Finally, in concluding this Chapter, it is appropriate to make one important observation not only about the material contained in this Chapter but also in relation to that contained in Chapters 5 and 6. This refers specifically to the interrelationship between organisational culture and accounting systems and the need for change in the former to achieve changes in the latter. We will look further at this general relationship in Chapter 8 but here it seems desirable to make some more specific comments about the analysis of the Church of England and some of the more specific points raised in Section 6.4 about the possible resistance to cultural change and consequent accounting system design change with regard to this institution.

As is apparent from Chapter 6 we have sought explanations for the present design of the accounting systems from cultural variables and looked to changes in these variables as a prerequisite for change and development in the accounting system. One of the key conclusions running throughout Chapter 6 and highlighted in Section 6.4 was that the accounting system is trapped in and expresses one part of what we have called throughout the sacred and secular divide. Further we have suggested that only change and development in this divide will ensure change in the position, nature and design of the accounting system but that if Wasdell's analysis (contained in Section 6.4) was correct then such developments would be difficult at best and more likely totally rejected. The discussions, to date, at the 'selection of strategies'

stage have neither confirmed nor denied Wasdell's analysis and thus it is still unclear as to whether the sacred and secular divide can be bridged leading to accounting system change. The initial indications with regard to both St. Thomas' church and Sheffield Diocesan Board of Finance suggest that such developments could occur but both are at an early stage to warrant such a confident expectation. One thing is certain though the sacred and secular divide is secure and protected at the Central Board of Finance and in consequence accounting change took most unlikely.

In sum, the real challenge for the future to bring change and development in the design of accounting systems in the Church of England is to break down the strongly held views about the *sacred and secular divide*. Whether this is possible even in the small sample investigated is uncertain and totally unknown, at present, with respect to all the remaining 17,000+ units in the Church of England which have not been looked at in this study.

CHAPTER 8SUMMARY AND CONCLUSIONS

This study has been concerned with the design of accounting systems; more specifically with the sequential processes for describing the nature of such systems, prescribing how they should look in the future and bringing such changes into being. This concern has been analysed from both a general perspective as well as specifically with regard to the accounting systems of the Church of England.

The study commenced with four key assumptions which have moulded much of the contents and thus it seems appropriate to recall what these were in this concluding Chapter. The first of these was that accounting systems exist in enterprise contexts. Secondly that accounting systems express and obtain their meaning from the enterprises of which they are part. Thirdly that accounting knowledge, to date, has failed to adequately address the primary problem focus of this study. Fourthly, and finally, that the reason for this lack in our accounting knowledge is to do with the methodology which underlies most, if not all, of this knowledge. This study has been addressed to not only justifying these assumptions but also choosing and arguing a case for an alternative methodological approach indicating it's nature and applying it in the context of understanding and developing the accounting systems of the Church of England.

The contents of this study, therefore, can be seen to be divided into three major sections. The first takes a critical look at the nature of our present accounting knowledge stock paying particular attention to the methodological aspects underlining such knowledge. Most of Chapters 1 and 2 are addressed to this investigation. The second presents a case for, and describes the nature of, a methodology based on Habermas' Critical Theory. All of Chapter 3 is addressed to this concern. Finally, the third, and the most substantive part, is addressed to the application of this methodological approach to the design of the accounting systems of the Church of England.

Chapters 4,5,6 and 7 are addressed to this concern. In the following we will look at the conclusion forthcoming in each of these three areas before making a few final reflective comments including some thoughts on the direction for future research activities.

The first part of this study analysed the accounting literature from two interrelated perspectives leading into a number of key questions which needed to be faced in terms of the relevance of this knowledge stock for this study. The first of these perspectives was in terms of the accounting literature's interconnected involvement with the sequential processes of describing, prescribing and changing accounting systems in enterprise contexts. The conclusions from this analysis in Chapter 1 were fourfold: firstly that descriptions were partial with a strong tendency towards premature generalisations; secondly that the literature, if it did make prescriptions, looked more to finance theory and economic theory for it's guidance on it's nature rather than detailed descriptive analysis of accounting systems in practice; thirdly that there was, based on the literature, a general disinterest in ensuring that change occurs in actual systems in practice; fourthly that a growing minority of accounting writers were making the clear point that there was a very poor understanding of accounting systems in practice. As we indicated in Chapter 1 such conclusions, on the surface, meant that the purposes of this study may not be satisfied by building on the extant accounting knowledge stock. This conclusion obviously required further investigation not least because the problem focus of this study was not some sideline interest in accounting. Equally if we could not build on our present knowledge stock then we needed some direction on where to look if such purposes were to be fulfilled. These were the issues we looked at in Chapter 2.

To answer these points Chapter 2 looked at the accounting literature from the perspective of the framework suggested by Burrell and Morgan (1979). This formed the second perspective for viewing the accounting literature. This framework was chosen because of it's claim to be an extremely powerful tool for

classifying social theory as well as for its strong methodological and epistemological basis upon which it is built. The analysis of the accounting literature in Chapter 2, using this framework, led to two important conclusions: firstly that the majority of accounting thought is clustered in certain parts of the 'functionalist' paradigm with its dominant concern with 'abstracted empiricism' and a certain 'desperation' to generalise even where it is inappropriate; secondly that there was only a very few accounting studies which could legitimately be positioned in the other three paradigms of the Burrell and Morgan framework.

The implications of this analysis, coupled with the insights from Chapter 1, implicitly leads to the conclusion that an approach which can be categorised as functionalist in the Burrell and Morgan sense is likely to be an irrelevant basis upon which to build to satisfy this study's concern. We did not draw this conclusion in Chapter 2 but rather posed the issues to be faced in terms of two questions: firstly in terms of in which paradigm should an approach be based to allow the sequential processes of describing, prescribing and changing accounting systems to occur? Secondly, and in relation to the answer to this question, which approach inside the selected paradigm would supply the 'best' methodological approach to satisfy the problem focus of this study? These were the issues we looked at in the first part of Chapter 3 which constituted part of the second major strand of this study.

This second part of this study had two major elements to it. The first was concerned with answering the above two questions and the second with providing relevant detail on the nature of the chosen approach. Sections 3.1 and 3.2 covered the first of these areas and Sections 3.3, 3.4 and 3.5 the second. On the first part, after a brief historical survey of, particularly, scientific knowledge, the key questions were posed in terms of whether, to satisfy this study's concern, we required an approach based on Kantian or Comtean thought which, in Burrell and Morgan's terms, posed the question as an approach either based on functionalism or not. Our conclusion was that, in

the context of this study, an approach based on Kantian thought was the most appropriate, primarily because approaches, based on such thinking, allowed more subjective interpretations of what constituted truth as well as permitting a greater leniency on the need to search for generalisations. These Kantian characteristics seemed to be more appropriate for understanding and developing accounting systems which were seen as a form of local language system whose meaning and nature are both subjectively determined and variable in terms of the contexts in which they are situated.

However, such an argument did not fully resolve the issue since it still left many approaches inside those of Burrell and Morgan's paradigms as possible contenders for an approach to satisfy this study's primary concern. This was resolved by initially formulating the problem in whether a Fichtean or Hegalian interpretation of Kantian thought was the most appropriate with the conclusion that a Hegalian approach based on critical theory constituted the most fruitful basis upon which to build. The reasons for this choice were complex but, in sum, the argument was that such an approach allowed for both subjective-objective and 'subjective-subjective' interpretations of 'reality' as well as allowing the possibilities for, as well as encouraging the need for, critique in understanding and radical change in the phenomena under investigation - both important qualities for the purpose of this study it was argued.

The second part of Chapter 3 looked in detail at the nature of an approach based on critical theory which could be used in the context of the design of accounting systems making plain the many problems involved in such a model as well as in critical theory more generally. The approach was based on part of Habermas' Critical Theory and involved three stages of analysis: namely the 'formulation of critical theorems' stage, the 'processes of enlightenment' stage and the 'selection of strategies' stage. The various elements and variables involved in these three stages were comprehensively discussed in Section 3.4 and presented in diagrammatic form in Figure 3.4.1, 6.0(1), 6.0(2)

and 7.2.0.

What was plain from both Section 3.3 and 3.5 was that this approach, although promising a great deal in terms of it's ability to bring enlightenment and change in the phenomena being investigated, in an overarching model of social evolutionary advance, was, in fact, a set of untested preconditions which had yet to be fully applied. As a result it was unclear whether the correct preconditions were being specified to achieve the desired and expected processes of understanding and change.

This latter doubt and concern surrounding the approach gave added impetus and need to the attempt to apply such thinking in an actual empirical situation so that some judgement on worth could be made. Thus the analysis of the accounting system of the Church of England was not only concerned with an attempt to sequentially understand and change such a system but also to afford some evaluation of the methodological approach chosen as a type of general 'theory' for such concerns. We will reflect on this point further below but in the meantime we need to turn briefly to the more specific analysis and conclusions of the study of the accounting systems of the Church of England as contained in Chapter 4 to 7.

These four chapters each served different purposes in their analysis of the accounting systems of the Church of England and it seems helpful to summarise what these were at this stage before looking briefly at some of the conclusions which were forthcoming. Chapter 4 was an attempt to look at the Church of England from a primarily financial and historical perspective. This analysis provided an important introduction to this complex institution as well as making plain the need for, as well as giving direction on, the choice of sites for investigation in this study. The three primary sites chosen (St. Thomas' Church of Crookes, Sheffield, Sheffield Diocesan Board of Finance . and the Central Board of Finance) along with a number of secondary sites were intended to reflect an important cross-section of the units in the Church of England although it was not meant to reflect some 'scientifically' determined

representative sample. Chapter 5, after justifying the sample choice then analysed in detail certain aspects of the accounting systems of this sample. These formed the important prelude and basis for the reflective analysis of Chapter 6 which attempted to design and specify possible 'critical theorems' to explain and give meaning to the detailed descriptive statements contained in Chapter 5. Both Chapters 5 and 6, in their presented form, were written for the people in the primary sites with whom discourse on the contents of this material was extensive and necessary in the light of the demands of the methodological approach. The results of this discourse on these 'critical theorems', at the 'enlightenment' stage, formed the first part of Chapter 7 while the last part of this Chapter presented the results to date in the 'selection of strategies' stage.

In the 'critical theorem' stage we came to a number of specific conclusions with supporting arguments although, on further reflection, there did appear to be two common themes emerging. Twelve conclusions were drawn in Chapter 6: four at the parochial level, five at the diocesan level and three at the central level in the context of the selected sample in the Church of England. These, along with their supporting arguments, formed the essence of Sections 6.1, 6.2 and 6.3 and were summarised comprehensively in Sections 6.1.5, 6.2.6 and 6.3.4 which will not be repeated here. However, what does seem to be appropriate to recall briefly here are the two general conclusions which were forthcoming from this analysis. The primary conclusion was the importance of organisational factors in understanding the position of the accounting system in the Church of England. More specifically the Church of England is built upon what we have called throughout these later chapters as the 'sacred and secular' divide with a clear hierarchical preference for the former in its institutional activities and a wish to make the latter, generally and specifically, somebody else's problem. This was achieved institutionally through the original patronage system when the Anglo-Saxon kings and the lords of the manor provided the necessary resources and worried about such 'secular' matters for

the institution of the Church. However, with the breakdown of this patronage system such worries had to be reluctantly internalised into the institution of the Church. It did this by preserving the sacred and secular divide and creating new institutional units to manage such unwelcome concerns. It is with regard to the actions and anxieties of such units that accounting systems find their position and legitimacy. Thus in the more 'sacred' parochial unit the accounting system is extremely underdeveloped since it is perceived as a 'secular' intruder. However, in diocesan boards of finance and in the Central Board of Finance, which were set up specifically to manage the 'secular' problem, the accounting systems are both more present and considered more legitimate even though the respective designs vary due to the different tensions and anxieties facing these respective bodies. This leads into the second common theme which emerged from the analysis in Chapter 6 namely the realisation that the rationale for the design of these more institutionally legitimate accounting systems is primarily as anxiety reducing mechanisms in the sense discussed in Section 6.4.

As Section 7.1 indicates these individual, and the more general conclusions, were largely confirmed by Canon R.P.R. Warren, Mr. C.A. Beck and Mr. R. Stallibrass who read and commented on Chapters 5 and 6 at the 'processes of enlightenment' stage. In fact only four out of the twelve conclusions from Chapter 6 needed to be modified at this stage and even these modifications were not particularly substantial. In sum, it is possible to say that, subject to the doubts and hesitations expressed in Section 7.1.4, the eight unmodified conclusions from Chapter 6 along with the four modified conclusions contained in Section 7.1 constitutes a 'grounded' or 'justified' consensus at this 'processes of enlightenment' stage and thus 'truth' to the parties in the discourse.

The 'selection of strategies' stage, however, is not at such an advanced stage of completion or certainty as Section 7.2 indicated. In fact, at the time of writing, such a process has only just started with varying expectations

as to it's success. The present indications are that change and development is a possibility in the sacred and secular divide in St. Thomas' Church which will have clear repercussions on the design and position of the accounting system. There is also the possibility of major changes in the position of Sheffield Diocesan Board of Finance as a parochial patronage figure with clear and marked implications for the accounting system. However, there is no guarantee that such a development will occur. Possible developments with regard to the Central Board of Finance appear even less likely for all the reasons discussed in Section 7.2.3.

In sum, to date, an adequate sequential process of understanding and changing the accounting systems of even the limited sample of units in the Church of England has yet to be fully satisfied. Using the original terminology with which this study commenced the sequential process of describing, prescribing and changing the accounting systems in a particular empirical situation has not to date been fulfilled.

This in turn raises some more specific and general questions about whether this cycle will ever be complete using this approach. In other words is the approach truly a 'general theory' for understanding and changing accounting systems in specific enterprise contexts? It is to an answer to this and other questions we turn in the context of some more reflective thoughts on this study.

There are three reflective comments which seem appropriate to make in concluding this study which will, in turn, lead into a number of pointers for future research activities. The first of these comments is concerned with the importance, or otherwise, of the research concern of this study for the accounting mission more generally. The second centres around the status of the methodological approach as a general 'theory' for understanding and changing the design of accounting systems in enterprise contexts. The third comments briefly on the problems and prospects of the approach adopted in this study in the context of the intended problem focus.

With regard to the first of these points there seems to be quite a powerful argument to suggest that the process of describing, prescribing and changing accounting systems in enterprise contexts is of central importance to the accounting endeavour. Accounting systems have been in existence long before we started any academic philosophising about such matters or before we created professional bodies to manage the people and practices of accounting. The focus of these later developments, therefore, have always had to look towards these on-going systems in practice whose existence predates such endeavours. Thus the *raison d'etre* of the professional bodies, academic departments of accounting and theory more generally must, of necessity, be concerned with the existing practices of accounting in specific enterprise contexts. By implication such concern must see understanding as paramount but also be involved in the changes and improvements necessary in such designs. If one believes that change cannot precede understanding then one is approaching a realisation that the concern of this study is of central importance to the accounting mission.

On the second point the three interlinked stages of this Habermasian model are claimed as a general theoretical approach for the sequential process of describing, prescribing and changing accounting systems in enterprise contexts although this is not being seen, or claimed to be, the general theory. The 'formulation of critical theorems', 'processes of enlightenment' and 'selection of strategies' stages are claimed to be a general approach for satisfying the sequential concerns of this study since, as a total approach, it has all the requisite ingredients and interconnections to warrant such a claim with its three sequential stages which, when fully operationalised, expresses the full interconnected cycle for understanding and change. Yet it would be wrong to assume that it is the only approach which could satisfy this sequential concern: other Kantian alternatives, working under different assumptions, may well achieve the desired result. In fact the imprecision in the dominant purpose allows such flexibility even though the personal beliefs of this

researcher, along with the argument in Sections 3.1 and 3.2, is that the best of the Kantian alternatives has, in fact, been adopted.

However, that notwithstanding, the implications of this and the conclusive view which underpins this study is that an approach which adopts any variant of Comtean assumptions is unlikely to prove a satisfactory basis for satisfying the concerns of this study. This seems to be born out by the critical analysis of Chapter 1 as well as at a more abstract level on the grounds of the demands of such approaches, primarily with their dominant concern with searching for generalisations, in a phenomena under investigation which is unlikely to, and probably does not, possess such qualities.

Finally our third reflective comment centres around the problems and prospects in the approach adopted as a fully adequate general theory for the sequential problem focus of this study. The conclusion must be that there is still a great deal of work needed on all three of the stages at both a general and at an applied level before one can adequately judge it's worth from such a perspective. This in many ways is not surprising in the light of the questionable preconditional nature of critical theory in achieving understanding and change, as Sections 3.3 and 3.5 have already indicated. In fact, we have already expressed a number of hesitations in Sections 7.1.4 and 7.2.4 and out of these one real problem stands out above all the ones raised which needs to be drawn out further at this stage. This centres around the interconnection and interrelationship between the 'processes of enlightenment' and 'selection of strategies' stages. As Habermas has already suggested there is no direct link between the two although his expectation was that enlightenment would motivate the need for change. The indications to date based on the current study is that this may be an oversimplification: enlightenment is a necessary but not a necessary and sufficient motivator for change. In fact, the processes that lead to institutional change remain unclear making the approach as a whole still in need of future development. Quite clearly such developments, and others, need to occur if this approach with it's general theoretical claim is

to stand the test of time.

This brings us somewhat naturally to some final comments in terms of future research intentions and needs. There appears to be at least four areas where developments are necessary. Firstly in terms of a further clarification of the problem focus of this study and its position in accounting thought. Secondly in developing and evaluating alternative Kantian approaches to the problem focus of this study. Fortunately, as Chapter 2 has already indicated, there are a growing number of studies of accounting systems in enterprise contexts largely through the endeavours of the sub-school of thought in management accounting which we have called 'impact of all aspects on accounting system design' (coded MB41 in Table 2.1.1) all using different approaches but mostly based on Kantian thinking for their analyses. This is to be welcomed since it will provide a healthy arena for debate on the merits or demerits of various alternative approaches to the common problem focus with the design of accounting systems in enterprise contexts. Thirdly there is the need to develop the theoretical approach adopted in this study both at a more general level as well as in terms of a greater number of alternative applications in different empirical sites. At the general level the clear need is for developments to meet and counteract the hesitations and doubts about the approach expressed in Sections 7.1.4 and 7.2.4. Primary amongst these, as discussed above, concerns the discovery of the necessary and sufficient conditions which will lead to change and development in accounting systems and the enterprise contexts which give such systems meaning.* Put

* What is clear from the study of the Church of England is that, in this enterprise, change in the accounting systems must follow, rather than lead, changes in the contextual variables which give such systems meaning. Whether this is a general sequential relationship is uncertain although what is certain, as hopefully this study has demonstrated, is that changes in accounting systems must be accompanied, either in a leading or following capacity, by changes in the organisational variables which give such systems meaning and their nature.

another way Habermas' 'selection of strategies' stage as it stands, as a general approach, seems to underplay the complexity of change and is in need of development when such complexity is clarified. Fourthly, and finally, the present application still is not complete, certainly at the 'selection of strategies' stage, and thus this study, to date, remains unfinished until all three stages are adequately operationalised. Whether this is possible remains to be seen but at least the demands of the approach makes plain when one can claim completion.

If even some of these future research intentions are fulfilled we will, one senses, be closer to coming to terms with what surely must be seen to be the central problem for accounting: the general theoretical design of an approach for understanding and changing accounting systems in enterprise contexts with extensive applications in particular situations. Maybe when this occurs we can see whether generalisations are appropriate and Comtean approaches, therefore, of greater relevance. Until that day theoretical approaches and applications based on Kantian thought must, one thinks, become more dominant in the make-up of our accounting knowledge stock.