

**IRSPM AUDIT, ACCOUNTING AND
ACCOUNTABILITY SIG
GLASGOW NOVEMBER 6-7 2018**

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WAIT, WHAT *IS*
ACCOUNTABILITY?

- Emotionally simple, conceptually muddled
- Rooted in accounting and financial control
- Polysemic, multiple and contingent
- Strongly influenced by principal/agent theory
- Accountability as *virtue* and as *mechanism* (Bovens et al., 2014; Dubnick and Frederickson, 2011)
- Accountability is 'the other guy'

ACCOUNTABILITY'S BROAD CONCEPTUAL FOOTPRINT



**Performance/
information
management**



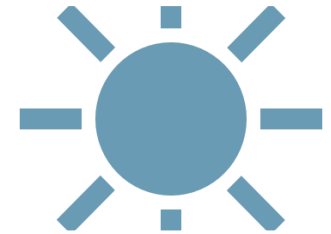
Accounting



**Systemic
governance/
leadership**



**Quality
systems**



Transparency



**Scrutiny/
overview**



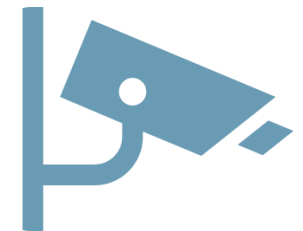
**Public
assurance**



**Co-
production /
co-creation**



**Probity/
ethics**



Regulation

SOME BACKGROUND ON THE CONCEPTS

Concept	Literature
Accounting	(Bracci et al., 2015; Broadbent and Guthrie, 2008; Gray and Jenkins, 1993; Jones and Pendlebury, 2000; Steccolini et al., 2017)
Transparency	(Birkinshaw, 2006; Ferry et al., 2015; Hood, 2007b, 2010)
Systemic governance, leadership	(Allison, 1986; Bao et al., 2012; Osborne, 2006; Radnor et al., 2016; Rhodes, 1997; Stoker, 1999; Van Wart, 2011)
Scrutiny / overview	(Kelly, 2003; Leach, 2010; Leach and Copus, 2004; Wilson and Game, 2011)
Performance management, information management	(Arnaboldi et al., 2015; Bourne et al., 2000; Broadbent and Laughlin, 2009; Heinrich, 2002; Martin et al. 2014; Micheli and Mari, 2014; Moynihan, 2008; Osborne et al., 1995)
Quality systems	(Boyne et al., 2002; Burgess and Radnor, 2013; Furterer and Elshennawy, 2005; Pollitt, 1990)
Public assurance	(Ferry and Murphy, 2017; Funnell & Wade 2012; Gendron et al. 2001; Power 1994, 1997)
Co-production / co-creation of value, co-delivery	(Osborne et al., 2016; Osborne and Strokosch, 2013; Radnor et al., 2014)
Probity, ethics	(Committee on Standards in Public Life, 1995; Greasley, 2007; Maesschalck, 2004; Sandford, 2016)
Regulation	(Martin, 2011; May, 2007)

WEAKNESSES OF PRINCIPAL/AGENT THEORY

Two key problems:

- **Multiple principals, multiple objectives problem**
 - For what? To whom? With what end in mind?
 - Multiple Accountabilities Disorder (MAD) (Koppell, 2005; Schillemans and Bovens, 2011)
- **Dyadic relationships problem**
 - Reliance on aggregation of dyadic interactions
 - Systemic versus individual accountabilities



PROVOCATION NUMBER ONE

Referendum on the United Kingdom's membership of the European Union	
Vote only once by putting a cross <input checked="" type="checkbox"/> in the box next to your choice	
Should the United Kingdom remain a member of the European Union or leave the European Union?	
Remain a member of the European Union	<input type="checkbox"/>
Leave the European Union	<input type="checkbox"/>

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Democratic
accountability
is essential but
useless

VOTING EVERY FOUR YEARS =



VOTING EVERY FOUR YEARS \neq
ACCOUNTABILITY





Financial
accountability
is essential but
useless

PROVOCATION NUMBER
TWO

FINANCIAL ACCOUNTABILITY...

Spent properly

- Complies with rules
- Transparent process
- Procurement approved by appropriate authority

Spent well

- Spent on the 'right things'
- Effective, fit for purpose
- Justification for investment/expenditure

FINANCIAL ACCOUNTABILITY

Spent properly



Spent well



PROVOCATION NUMBER THREE



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Outcome
accountability
is essential but
useless

MANAGING BY OUTCOMES ?

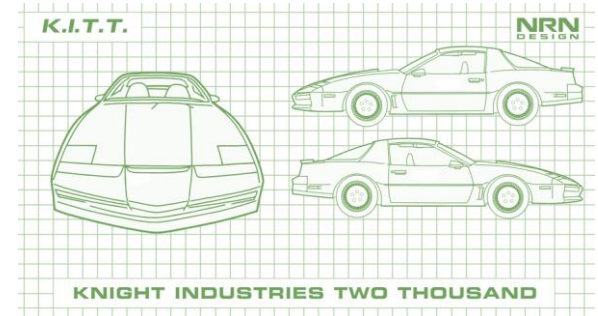
- Long-term and lagging
- Multi-causal
- Difficult to prove causality
- Complex for governance
- Inability to generate corrective action
- Reliant on proxies

CONCEPTUAL DIFFICULTIES

Accountability

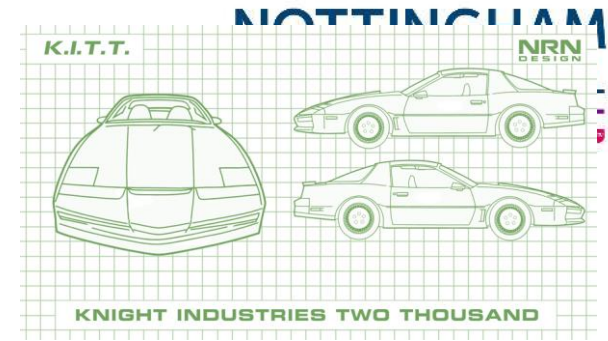


SO — WHERE NEXT?



- Our book explores several tensions:
 - Individual vs systemic
 - Forward-looking vs backward looking
 - Central and local balance (control vs delegation?)
 - Regulatory freedom vs transparent information

SO — WHERE NEXT?



- Some further questions:
 - Accountability for private sector delivering public services
 - Value for money?
 - Regulation, inspection
 - Improvement support
- **What should be the design principles for effective accountability?**