



Editorial

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CIGAR MINI-THEME: PUBLIC SECTOR ACCOUNTING EDUCATION—STOCKTAKING, CHALLENGES AND INNOVATIONS

Guest editors: Jens Heiling, Susana Jorge, Sotirios Karatzimas and Caroline Aggestam-Pontoppidan



Editorial

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Introduction

Both public sector accounting research and practice have advanced significantly over the past few decades. This evolution has been largely the result of the ‘golden age’ of New Public Management (Steccolini, 2018). Public sector accounting education (PSAE) has contributed to the advancement of public sector accounting and accountability but its role in innovating and improving public sector accounting overall remains unclear. In addition, the ‘intensification of accounting information use by multiple stakeholders as part of public sector financial management makes public sector accounting education a critical parameter’ (Cohen & Karatzimas, 2022, p. 293). Consequently, public sector accounting practice and education should go hand in hand (Heiling, 2020). Yet, research in the field has been limited (Karatzimas et al., 2022). This CIGAR/PMM mini-theme is intended to stimulate further research engagement and practice debate in regards to PSAE. Its focus is specifically on stocktaking, challenges and innovations in PSAE.

PSAE challenges

Advancing PSAE at the global, as well as the local level means that PSAE needs to be diffused throughout public sector related programmes in higher education institutions (HEIs), encompassing all elements that characterize contemporary public sector accounting—including public sector budgeting. Recent research has echoed an important call for action for actors who are actively engaged with PSAE, including, but not limited to, HEI boards, accounting professors, institutions of the European Commission and national governments (their higher education ministries or departments), to fill the gap in HEI programmes (Adam et al., 2019) and to strike a balance with offerings for private sector accounting.

The uptake of accrual accounting by national and local governments has significantly increased in recent years. So there is a clear need to educate public servants on accrual accounting in the public sector (Adam et al., 2019; Heiling, 2020; Cohen & Karatzimas, 2022). Attempts to harmonize public sector accounting practices globally through the adoption of International Public Sector Accounting Standards (IPSASs) will be hampered if PSAE does not keep up with international developments. Recently, this has been

acknowledged both by professionals and scholars. For example, in 2021, IFAC published training materials (*Train the Trainer: Introduction to IPSASs*) to support governments and government entities wanting to report in accordance with the accrual-based IPSASs. Also, academic research alluding to practices of ‘glocalized’ adoption of IPSASs (Polzer et al., 2022) raises interesting thoughts on the relation between PSAE and the harmonization of public sector accounting practices. When choosing between multiple standards (for example IPSASs or EPSASs), countries will prefer an adaptation of the standards that best fit their national practices and local needs, which challenges PSAE to simultaneously address internationally harmonized public sector accounting and not to ignore local standards and practices.

On the other hand, the academic literature has highlighted the growing complexities of public sector accounting, and its interdisciplinarity within the public financial management framework (Caruana et al., 2019; Heiling, 2020). The demand for cross-disciplinary knowledge by public sector accounting professionals raises important challenges for PSAE. Although financial accounting and reporting are essential parts of the budget cycle, budgeting and budgetary accounting, and the link to government finance statistics and the national accounts, are at the core of public financial management in many countries (Jorge & Jesus, 2018). Therefore, PSAE must bring different disciplines together, and there is a need to manage between different conceptual underpinnings (accounting, budgeting and government finance statistics). Close collaboration between the professionals involved (accountants, budget officers, public administrators and statisticians) is essential for the challenges lying ahead (Caruana et al., 2019).

Finally, PSAE needs to embrace digital tools to increase public sector accounting interest and understanding—especially for students of public administration, who lack accounting expertise and who will be our future public managers (Cohen & Karatzimas, 2022) or politicians. Digital tools and case-study based teaching create opportunities to focus less on teaching technical issues, allowing more discussion and reflection on controversial and wicked issues (for example accounting for heritage and cultural assets or social benefits). Case studies and more interactive learning allow the focus to be more on the use of accounting than on preparing accounts (Cohen & Karatzimas, 2022). This

means understanding what accounting does and can do, instead of how it does it (Carnegie et al., 2021). Future accounting professionals and public managers should be encouraged to help answer the ‘big questions’ and wicked problems we face by working together with other disciplines ‘for greater prospects of advancing not only the public interest, but also the planet’s interest’ (Carnegie et al., 2022).

Overall, PSAE should be training good technical accounting professionals for the future while, at the same time, widening their horizons for public interest related issues, such as accountability or sustainability. Also, it should help educate non-specialists, such as public managers and politicians, to understand the potential of accounting information and of the use of such information for better public financial management. Of course, the average citizen should not be excluded from such developments. Instead of being citizens simply observing public finance issues, PSAE could be a means to increase citizens’ interest and participation to public matters (Allen, 2013; Karatzimas, 2020).

This mini-theme’s contribution

The articles in our mini-theme contribute in multiple ways to our understanding of PSAE.

First, James Chan (2022) provides a debate article on the theme of a common body of knowledge for global PSAE. Importantly, he highlights that accrual accounting in the public sector has remained controversial 100 years after its introduction in local governments in the USA, 40 years after it was introduced in the USA’s federal government, and 35 years after the IFAC Public Sector Committee first brought it to the global stage. Twenty-five years after the standardization of global public sector accounting practices was initiated, IPSAS are still a work in progress, and the pace and scope of their implementation varies across nations and regions. Thus, the key argument advanced in the article is that a public sector accounting textbook from an international comparative perspective is essential for introducing a common body of knowledge to complement the teaching of national practices. The author also underlines the need for an international survey to document the current state of delivering PSAE.

The second article, by Karatzimas et al. (2022), provides a structured literature review that uncovers a number of important factors regarding published PSAE research. Their review shows key content categories covered in extant research, such as studies that focus on curricula; studies that focus on teaching methods; career/employment-oriented studies; and studies on PSAE’s usefulness for students, public administrators and citizens. The authors found that the majority of studies focused on the first two categories. Following the identification of research on PSAE, the article identifies gaps in the existing research that require more attention. The focus of future research on PSAE should be on PSAE’s relevance, role, and objectives, especially through deeper international analysis.

Third, Asquer and Krachkovskaya (2022) show how teaching public financial management can provide students with a learning path with several components, ranging from the normative and regulatory side to technical and quantitative aspects of the subject area. They looked at the

use of chatbot-assisted case studies in teaching how to best design public financial management systems.

Enombu and Adhikari (2022) follow with an article based on a study conducted in the health sector, drawing on the UK’s National Health Service (NHS) as their case. Their study addresses how clinicians acquire accounting literacy via training, coaching and other informal means in their workplaces. The article is framed by situated learning theory. When clinicians work alongside accountants, and the value of accounting in decision-making is explained to them, learning takes place informally. Therefore, it is important to create a context in which clinicians and accountants can work together to achieve common goals.

Next, Budding et al. (2022) use survey data gathered among Dutch public sector management accountants to highlight that interpersonal skills are considered the most important competencies within this professional group, compared to technical skills. Length of service was a determinant: young professionals tended to give more importance to technical skills, which they felt they were lacking. The article offers a framework for further analysis on the education needs of public sector financial specialists.

Finally, Neves et al. (2022) present a qualitative research project on PSAE in Brazil, which explored the barriers related to introducing the IPSAS in undergraduate accounting courses at leading Brazilian HEIs. The article attends to questions on ‘where’ public sector accounting is taught, considering the expectations of leading scholars and accounting regulators. The research encourages scholars to evaluate the locus of PSAE and to design alternatives for knowledge production and diffusion that challenge business schools’ current logic.

The articles in this mini-theme generally evidence that PSAE research may be further developed by applying a variety of research methods, ranging from international comparative analyses, case studies, surveys and interviews.

Final remarks

Overall, the articles of the mini-theme demonstrate that there is still a long way to go before PSAE becomes an established discipline. Business schools and accounting scholars do not assign the same importance to PSAE as they do to business accounting teaching. As a consequence, public sector accounting professionals may not have the appropriate basic technical and non-technical skills when starting their professional careers. Resorting to digital tools and case studies to teach public sector accounting and financial management, while possibly facilitating the learning process and attracting more interest for the subject, may not be enough if study programmes or syllabuses do not have an interdisciplinary orientation and alignment with important international topics that are in the public interest. Harmonizing PSAE internationally with a common body of knowledge, for example a textbook, would be a good starting point. As well, different informal learning processes can help non-accounting experts understand accounting concepts and how to use accounting information.

We call for future research on:

- Incorporating (and how to combine) international public sector accounting standards, budgeting, GFS, management accounting, and sustainability reporting, in study

programmes, curricula and syllabuses. In parallel, more information regarding teaching techniques or active learning tools for these subjects would prove valuable. More insights are also needed on PSAE's role in assisting public sector organizations in managing reforms and global challenges. Finally, in a globalized world, international comparative studies would offer additional valuable information.

- The design, implementation and effectiveness of digital applications and tools for public sector accounting and financial management education. Research, teaching and practice would need to go hand in hand to create beneficial solutions and approaches for all involved stakeholders, including citizens.
- Exploring the formal process of learning for non-accounting staff and executives in the public sector, as well as the purpose and the content of informal learning, given that informal learning is a process that is not governed by current syllabi.

In publishing this CIGAR/PMM mini-theme, we hope that the scholarly attention on PSAE at recent international conferences and symposia (for example the 2019 and 2021 Biennial CIGAR conferences, the 20th Annual OECD Senior Financial Management and Reporting Officials Symposium in 2020, and the CIGAR Workshop held in Berlin in September 2022) will be supported and extended.

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