

Foreword

Research in public sector accounting and budgeting should ultimately fulfill a practical purpose and should aim at improving the public sector accounting and budgeting practice in the same way that medical research is to improve medical practice. We as public financial management academics and practitioners should recognize that it is only when public sector accounting and budgeting research develops ideas that are directly related to the specific and immediate problems of practice that the research becomes relevant to practice. Now is the time that accounting and budgeting researchers should work together with practitioners to find practical solutions for outstanding public sector accounting and budgeting issues. This issue of the journal complements the previous issue by presenting articles that consider the public sector accounting and budgeting practice.

In the first article, Wojciech Nowak considers the possibilities and ways of putting future EPSAS (European Public Sector Accounting Standards) into the Polish government accounting system. The article introduces the current system of Polish government accounting and reporting, and outlines a potential way of transforming it under future EPSAS introduction.

The second article considers the current discussion about the implementation of accrual accounting in Europe based on harmonized European Public Sector Accounting Standards (EPSAS). Andreas Glöckner compares the opposing conceptual basis of the International Public Sector Accounting Standards Board (as stated in its 2014 framework) and the German federal state of Hessen (as guided by the German Commercial Code). He concludes that the discussion about accounting harmonization in the European Union seems like a flashback.

In the third contribution, Hassan Ouda has attempted to explore a number of the technical challenges that can face the implementation of performance budgeting and accrual budgeting in the public sector. First, the paper concludes that the implementation of performance budgeting will face the following technical challenges: specifying the outcomes; specifying the output; and linking outcomes to outputs. Second, the paper concludes that the implementation of accrual budgeting will encounter the following technical challenges: appropriations for non-cash items; treatment of capital charging in the budget; and cash management systems.

As a further step in improving public sector accounting and financial reporting practices in Sri Lanka, Nagalinagm Nagendrakumar and his colleagues have adopted the Institutional Theory as theoretical lens and using semi-structured interviews in an attempt to these practices. The study finds that mimetic practices played a dominant role, and normative and coercive practices seemed poor in making the accrual accounting practices a success in the public entities.

In the last contribution, Bassam Albassam examines the relationship between budget transparency (measured by Open Budget Index (OBI)) and governance quality (measured by Worldwide Governance Indicators (WGI)). While the result of the analysis shows a significant relationship between budget transparency and governance quality, which is inconsistent with the literature, the findings indicate minimal influence of the human development level of nations on this relationship.

We hope the articles in this issue will stimulate discussion on contemporary problems of public organizations. If you would like to participate in such discussions, please contribute to the next issue of this Journal and/or attend future ICGFM events. We would also be pleased to receive reviews and suggestions for future issues. Send them to icgfm@icgfm.org.

We look forward to hearing from you!

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