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Editorial: Comparison as a habit—The case for international governmental accounting research

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The long-standing collaboration between *Public Money & Management* (PMM) and the CIGAR Network has resulted in an important new initiative: this first CIGAR annual issue. The CIGAR Board has agreed with PMM’s editors and publisher to publish one issue per year presenting articles that had their origins in the conferences, workshops and debates organized by the CIGAR Network, and will therefore be fully devoted to the themes that CIGAR’s scholars are focusing on.

We open this PMM–CIGAR dialogue by explaining the history of our scholarly society, its aims, achievements and its areas of interest. But, first and foremost, we would like to express our sincere gratitude for the contribution of our anonymous reviewers. Thank you for allowing us to rely on your professional and academic support. This issue would not have been possible without your participation.

CIGAR and its main contributions

CIGAR stands for Comparative International Governmental Accounting Research, and refers to a group of scholars, originally an invisible college (Chan et al., 1996, p. 2), which eventually expanded into an international network. The early goals of CIGAR are important, because they explain many of the later developments:

- Focus on international governmental accounting.
- Emphasis on the need for comparisons.
- Collaboration between academia and practice.

Since its beginning in 1987, the CIGAR Network has focused on international governmental accounting rather than national accounting rules. The small group of founders, namely James Chan, Klaus Lüder, and Rowan Jones, all active in governmental and public sector accounting research, had the clear view that ‘Establishing international contacts and providing an opportunity for cross-national exchange of ideas and discussions is vital and a prerequisite for fruitful research’ (Lüder, 2008). This happened at the precise moment (the end of 1980s) when important reforms of public sector budgeting, accounting and reporting were being initiated in several countries—so that it was quite natural for the network’s members to carry out research on these reforms and to exchange ideas and views with the profession—especially the practitioners involved in the reform efforts.

The emergence of a group of reforming countries, the differences in the processes and contents of their reforms, the existence of countries less prone to innovations, or even preferring to stick to their traditional systems, all pushed the CIGAR scholars to adopt a comparative stance. This position was very useful for comparing reformers with non-reformers and to build an interpretive model of the factors that could predict the likelihood of a reform in a particular country (see, for example, Lüder, 1992). The same comparative stance was—and still is—the basis of most research works of CIGAR scholars, which have studied, for example, different reform outcomes (Paulsson, 2006; Grossi & Soverchia, 2011; Jones et al., 2013; Reichard & van Helden, 2016; Vašiček & Roje, 2019); the conditions for the success of innovations (Laughlin & Pallot, 1998; Lapsley & Pallot, 2000); the need for harmonized public sector accounting systems (Christiaens et al., 2014; Brusca et al., 2015) and the related role and relevance of international accounting standards (Benito et al., 2007; Christiaens et al., 2010, 2014; Oulasvirta, 2014; Jones & Caruana, 2016; Bisogno et al., 2019); and the development of innovative public sector reporting practices and their diffusion (Caperchione et al., 2019; Caruana & Grech, 2019).

We can therefore say that the ambition to compare is embedded in our network and has travelled over time to other groups of scholars, who share this way of investigating governmental accounting with us.

Consistently with this attitude, the CIGAR Network has strived to expand its geographical reach by choosing different venues for its events: to date 16 countries have hosted our conferences and workshops, mainly in Europe but also in the USA and in New Zealand. Importantly, scholars based in more than 50 countries from all the continents have attended CIGAR events.

CIGAR has some very significant features which are apparent in previous themed issues published in PMM. The 2015 CIGAR Conference, held in Malta, resulted in the theme issue in PMM in 2016 (Vol. 36, No. 7) under the title *Researching politicians’ use of accounting information—obstacles and opportunities*; while the theme issue in PMM’s Vol. 41, No. 2, entitled *Public sector accounting and fiscal responsibility: learning lessons, current challenges and future opportunities*, was a product of the 2018 CIGAR Workshop in Zagreb. Building on these features, other areas of research have evolved and the list now encompasses all major aspects of governmental accounting, as network members have dealt with budgeting, accounting, financial

reporting, and auditing; they have gone in depth in each of them; they have followed (and sometimes anticipated) their evolution.

New themes have emerged from time to time, and some of these have become core themes: this happened, for example, with accounting information use by politicians (Helden et al., 2016), and is probably happening again with the accounting education of preparers (Adam et al., 2020; Cohen et al., 2021).

Research methodologies have undergone a similar evolution, and descriptive studies are increasingly less relevant; we now have a much stronger focus on interpretation. In this perspective, the use of statistical methods has become quite frequent and this has increased the variety of tools available to CIGAR scholars.

Having said this, this CIGAR annual issue includes different topics that are attracting the attention of scholars and can animate a fruitful debate. To this end, we encourage the readers to go through the articles selected for this issue, and to feel free to comment and provide feedback to the Editor-in-Chief of this issue.

Hot topics in research

Lüder (2008) believes international governmental accounting research should support national and international standard setters by providing them with information on ‘standards, practices and experiences’; this research can also help ‘to develop a conceptual framework for governmental accounting as a basis for national and international standards or at least contribute to such a development’. In other words, the research we conduct is not only aimed at accumulating knowledge, but it also aspires to have an impact on practice. The articles selected for this CIGAR annual issue showcase this objective.

A group of articles in this issue touch upon EPSAS (European Public Sector Accounting Standards) that by definition are relevant to the CIGAR Network, as they focus on the comparability of public sector financial accounting and reporting in the EU member states. Oulasvirta (2021), for example, suggests a fresh approach to designing a conceptual framework for public sector financial reporting; one that is supported by practical guidance and not encumbered by a pre-determined set of standards. His proposals are relevant to the EPSAS conceptual framework development. He argues that the income statement approach is better than the balance sheet approach for the public sector. Carini and Teodori (2021) step into the delicate area about consolidation in the public sector, suggesting a way forward for the development of EPSAS, while emphasising ‘the importance of evaluating the cultural preconditions of individual countries when considering a Europe-wide approach’.

Manes Rossi et al. (2021) underline that academia can offer stimuli and reflection in the development of a set of public sector accounting standards specifically designed for the European context. Academics can actively collaborate with Eurostat in its standard setting activity by sitting on the Boards or by offering theoretically grounded advice; academic research can also be taken into consideration while preparing standards. However, it seems that the academic potential has not been adequately used by Eurostat—perhaps due to institutional structures.

On the other hand, Carruthers (2021) acknowledges that the long-term involvement of academia in the IPSASB’s work has been productive, and this relationship is being strengthened over time. There are, however, some conditions to fulfil, and especially the timeliness of academic research. The recent introduction of IPSAS Research Fora and the creation of IPSASB’s Academic Advisory Group (AAG) may therefore prove quite useful and facilitate relationships between academics and IPSASB.

The discussion around the use of accounting information has intensified in the past few years. A topic attracting significant interest in this research area concerns the accounting information wanted by managers, the way they use it, and how this information actually contributes to decision-making. Along these lines, Poljašević et al. (2021) analyse local government practitioners’ perceptions of the usefulness of accounting information in two jurisdictions which chose to keep cash and accrual reporting side by side. Neither the managers’ experience nor their educational background seemed to affect their perception of usefulness of accounting information.

Argento and van Helden (2021) also deal with metrics, and with the way managers make decisions. The setting, however, is different to Poljašević et al., as universities are the focus of Argento & van Helden’s article. According to the authors, commercialization and corporatization of educational systems in many countries have been excessive, and it is time to rethink managers’ roles in higher educational institutions.

Auditing is a crucial function at different government levels. This topic, probably under investigated, requires more scholarly attention. Langella et al. (2021) are eager to know whether the specific elements of the public sector, particularly of the healthcare industry, have an impact on the qualities required of auditors. Their quantitative study ponders on the ambiguity of the concept of independence in the public sector context, concluding that there cannot be a one-size-fits-all solution. Even the concept of independence must be tailored to the particular features of the public sector context.

Benzerafa et al. (2021) focus on the French *Cour des comptes*, and on the changes it is currently undergoing. Some of them are quite unusual, as the very fact of commissioning a peer review by the UK’s National Audit Office makes apparent. The evolution of the Court, and the possible modification and renewal of its identity, are not an easy task and require further reflection.

The CIGAR Network deals with many other themes, which cannot be all captured in this issue. We had the opportunity, however, to cover two topical research areas in this issue. First, Shu et al. (2021) focus on the Post-decision Project Evaluation (PdPE) of public private partnership (PPP) projects. Their analysis of the British case shows that the planned practice for PdPE is under-developed and ambiguous, which can have implications for policy and practice—in the UK and beyond.

A quite different perspective is offered by the final article in this issue by Guarini et al. (2021), which discusses a possible managerial framework to provide guidance on implementing and monitoring the United Nations’ sustainable development goals (SDGs) at the local government level. The authors claim that SDGs cannot be decoupled from a government’s planning and management processes, as if they were a

mere addition; on the contrary, embedding them into the planning horizon can be highly beneficial and will help cities to pursue sustainability.

Continuing with international governmental accounting research

Over time, CIGAR's workshops and conferences have provided fertile ground for an international exchange of ideas, stimulating a discussion among scholars and practitioners, and developing the concept that different countries' governmental accounting systems are worth knowing about for their own sake. The underlying literature consists mainly of a set of country studies (Jorge et al., 2011; Manes-Rossi et al., 2016), and sharing this knowledge enhances comprehension (Jones, 1991). Bergmann (2019) stresses the importance of comparative studies because, even though they are basically descriptive, they are often used by practitioners for their conceptual work; and even scholars often need a descriptive and factual basis for theory building and testing.

Time has proved the relevance of the CIGAR Network; its potential to contribute to scholarly knowledge on cutting-edge topics; and also its importance for policy-making, accounting regulations and standard setting. The articles in this first PMM CIGAR annual issue showcase the range of research areas that are possible in relation to public sector accounting. The complexity of the context makes the studies exciting and challenging, compounded by the continuous changes and developments on a global scale.

If we were to highlight important research areas that are in need of further development, a long heterogeneous list would be produced. This list would definitely accommodate public sector audit which is an important topic that underlies all attempts for transparency, accountability and proper governance. The spotlight would be on the SDGs and humanity's attempt to make the world a better place for all—shouldn't these honourable targets be the overall aim of public sector financial management? SDGs are a universal challenge, requiring a partnership between governments, enterprises and non-governmental organizations, as well as citizens. However, we strongly believe that public sector organizations can and should play a leading role, promoting strategies and actions for the achievement of these goals. Making the role of public sector accounting more relevant in this debate provides a challenging way forward for the academic community. Then there are other more obvious research areas, such as accounting for economic recovery post-pandemic, the impact of artificial intelligence, digitalization and technology transformation on government accounting practices, public value accounting and accountability, as well as public sector standard setting. But this is a task for 2022's PMM CIGAR annual issue.

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