

2,042 Views | 149 CrossRef citations to date | 0 Altmetric

Special Section: The Adoption of Accrual Accounting in the Public Sector

Accrual Accounting in EU Local Governments: One Method, Several Approaches

Vicente Pina , Lourdes Torres & Ana Yetano

Pages 765-807 | Received 01 Jan 2008, Accepted 01 Jun 2009, Published online: 24 Nov 2009

 Cite this article  <https://doi.org/10.1080/09638180903118694>

Sample our
Economics, Finance,
Business & Industry Journals
>> [Sign in here](#) to start your access
to the latest two volumes for 14 days

 Full Article

 Figures & data

 References

 Citations

 Metrics

 Reprints & Permissions

Read this article

Abstract

This paper
governm
why acc
(NPM) re
through
country
bend
and lega
that the
the intro
of citizen
budgeta
administrative decision-making purposes.

We Care About Your Privacy

We and our 845 partners store and/or access information on a device, such as unique IDs in cookies to process personal data. You may accept or manage your choices by clicking below, including your right to object where legitimate interest is used, or at any time in the privacy policy page. These choices will be signaled to our partners and will not affect browsing data. [Privacy Policy](#)

We and our partners process data to provide:

Use precise geolocation data. Actively scan device characteristics for identification. Store and/or access information on a device. Personalised advertising and content, advertising and content measurement, audience research and services development.

[List of Partners \(vendors\)](#)

I Accept

Essential Only

Show Purpose

cal
estion of
management
analysis
ce in each
AC as a
mentation
partially in
ot require
t demands
e traditional
ty and for

Acknowledgement

This study has been carried out with the financial support of the Spanish National R&D Plan through research project SEJ2007-62215-ECON/FEDER.

Notes

Although there is little agreement in the literature about how to define citizen trust in government or how it is gained and lost, most writers agree that it is an important determinant of public action and cooperation (Ruscio, [1996](#); Welch et al., [2004](#)).

‘... ignoring municipal accounting reforms is a rational act ...’ (Zimmerman, [1977](#), p. 111), or ‘... municipal accounting reforms will continue to be ignored until the reformers are able to specify changes in the institutional framework which provide different incentives for the public officials (or voters). The most obvious institutional change would be federal legislation ... The impact of such legislation is, ultimately, an empirical issue’ (Zimmerman, [1977](#), pp. 134–135).

Similar classifications can be found in studies about accrual accounting implementation in business accounting. Mueller et al. ([1994](#)) and Hung ([2001](#)) classify countries into four accounting clusters: British–American, Continental, South American and Mixed Economy.

Like Kick y because
there are

We have /hen the
2005 004 (see
Table

We look ites of the
local gov obtained them
directly on, we have
obtained local



government associations, as well as from relevant books related to the public sector accounting systems of local governments (see Olson et al., [1998](#); Caperchione and Mussari, [2000](#); Lüder and Jones, [2003](#); Guthrie et al., [2005](#)).

According to Hung ([2001](#)), an equal weighting method can be used because there is no well-defined theory for other weighting methods. He noted that the importance of an accounting standard varies across countries but sees no reason why the equal weighting will bias the results.

Pro-Fit is a technique closely related to multivariate regression analysis since it attempts to relate the position of an object in the configuration of variable values carried out by MDS. If a variable is related to the position of the object in the MDS configuration, there is a function which relates the variable value to its position in space (Serrano et al., [2003](#)).

Three different concepts of accrual accounting for the local level are currently being discussed and implemented in local pilot projects in different Länders: (i) 'New Local Budgeting, Accounting and Reporting System' (Neues Kommunales Haushalts- und Rechnungswesen – NKH/NKR) in the Länders of Baden-Württemberg and Lower Saxony; (ii) 'New Local Financial Management' (Neues Kommunales Finanzmanagement – NKF) in the Länder of North Rhine-Westphalia; (iii) 'New Local Accounting, Reporting and Steering System' (Neues Kommunales Rechnung und Steuerungssystem – NKRS) in the Länder of Hesse (see Budäus et al., [2003](#)). It should be highlighted that Dortmund is involved in a long-term project 'Projekt Verwaltung 2020' with the objective of improving all the administrative processes and of achieving greater customer focus – this includes the development of new IT systems and the restructuring of administrative processes.

of the lo

It should be highlighted that Dortmund is involved in a long-term project 'Projekt Verwaltung 2020' with the objective of improving all the administrative processes and of achieving greater customer focus – this includes the development of new IT systems and the restructuring of administrative processes.

Verwaltung 2020' with the objective of improving all the administrative processes and of achieving greater customer focus – this includes the development of new IT systems and the restructuring of administrative processes.

of achieving greater customer focus – this includes the development of new IT systems and the restructuring of administrative processes.

but a

As can a

It tests the null hypothesis that there is no significant difference in the p-values between the two groups.

values significantly different from zero, indicating a significant difference between the two groups.

between



When applying the MDS with SPSS-14, the value of the Stress of Kruskal in six dimensions (the maximum allowed by SPSS) is 0.05784, which is considered by Kruskal [\(1964\)](#) as between 'good' and 'acceptable'. To visualize the map, it is necessary to work with projections of the map onto pairs of dimensions. [Figure 1](#) shows the projection of the map onto dimension 1 and dimension 2.

As Arabie et al. [\(1987\)](#) suggest, it is advisable to carry out a cluster analysis as a complementary test to the MDS.

At present, the IFAC, IMF and UN are working together to reduce the discrepancies between their accrual accounting systems.

See HM Treasury ([2000](#), [2001a](#), [2001b](#), [2001c](#), [2001d](#), [2002a](#), [2002b](#), [2002c](#), [2002d](#), [2002e](#), [2003a](#), [2003b](#), [2004](#)), http://www.opsi.gov.uk/acts/acts2000/ukpga_20000020_en_1

Ministère du Budget, des Comptes public et de la Fonction Publique (Ministry of Budget, Public Accounts and Public Sector) ([2004a](#), [2004b](#)); Osservatorio per la Finanza e la Contabilità degli Enti Locali (Observatory for Local Entities Finances and Accounting) ([2002a](#), [2002b](#)); Ministerio de Economía y Hacienda (Ministry of Economy and Treasury) ([2004](#)).

See Derlien [\(1996\)](#), Alba [\(1997\)](#), Rouban [\(1997\)](#), Clark [\(1998\)](#), Fournier [\(1999\)](#), Guyomarch [\(1999\)](#), Lo Schiavo [\(2000\)](#), Hammerschmid and Meyer ([2003](#), [2005](#)) and Dent et al. [\(2004\)](#).

IASB's E and Medium-

See Cha

These le



Relat

Meas

of Se

Source: Emerald

the case

What is Driving the Increasing Presence of Citizen Participation Initiatives

Source: SAGE Publications

The fabrication of a government accrual accounting system

Source: Emerald

The Usefulness of Accrual Information in Non-mandatory Environments: The Case of Japanese Local Government

Source: Wiley

Trust, Democracy, and Public Management: A Theoretical Argument

Source: Oxford University Press (OUP)

ACCOUNTING STANDARDS AND VALUE RELEVANCE OF FINANCIAL STATEMENTS: AN INTERNATIONAL ANALYSIS

Source: Elsevier BV

Indonesian local government under pressure

Source: Emerald

Determinants of Performance Measurement: An Investigation into the Decision to Conduct Citizen Surveys

Source: Wiley

The Modernization of the French Civil Service: Crisis, Change and Continuity

Source: Wiley

The International Harmonization Process of Public Sector Accounting in Portugal: The Perspective of Different Stakeholders

Source: Informa UK Limited

Multiple logics and accounting mutations in the Italian National Health Service

Source: Informa UK Limited

Never mind the gap: towards an institutional perspective on management accounting practice

Source:

ANAL

COMF

Source:

Perfo

Source:

Im

So

Deba

Source:

Onlin

Source:

Impa

comparative study



Source: SAGE Publications

An institutional perspective on performance measurement and management in the
'new public sector'

Source: Elsevier BV

Three-way scaling and clustering.

Source: SAGE Publications, Inc.

The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in
Organizational Fields

Source: SAGE Publications

Modern Costing Innovations and Legitimation: A Health Care Study

Source: Wiley

Accounting, management and organizational change: A comparative study of local
government

Source: Elsevier BV

MANAGEMENT ACCOUNTING IN GERMAN MUNICIPALITIES

Source: Wiley

Is E-Government Promoting Convergence Towards More Accountable Local
Governments?

Source: Informa UK Limited

Cui bono? Depicting the benefits of the new municipal budgeting and accounting
regime in Germany

Source: Springer Science and Business Media LLC

Mandatory Dual Reporting in Indonesia

Source: Wiley

FROM TRANSFORMATION TO MODERNIZATION: ADMINISTRATIVE CHANGE IN CENTRAL
AND EASTERN EUROPE

Source

The I

Orga

Source

IPSAS

Source

A

pay

Source

The I

Source

'Publi

Admi

Source: Wiley



Auditing

tation

The Diffusion of Accounting Practices in the New 'Managerial' Public Sector

Source: Emerald

Linking Citizen Satisfaction with E-Government and Trust in Government

Source: Oxford University Press (OUP)

Converging New Public Management Reforms and Diverging Accounting Practices in Flemish Local Governments

Source: Wiley

EMERGING ISSUES IN PUBLIC ADMINISTRATION

Source: Wiley

Dissemination and institutionalization of public sector accounting reforms in less developed countries: A comparative study of the Nepalese and Sri Lankan central governments

Source: Informa UK Limited

Is political competition a driver of financial performance adjustments? An examination of Swedish municipalities

Source: Informa UK Limited

The effects of legal versus business education on decision making in public administrations with a Weberian tradition

Source: Heidelberg: Springer

Harmonizing public sector accounting in Europe: thinking out of the box

Source: Informa UK Limited

The accrual anomaly: The dampening effect of adjusting entries

Source: Virtus Interpress

Control and Legitimation in Government Accountability Processes: The Private Finance Initiative in the UK

Source: Elsevier BV

Imple

challe

Source

Accou

a Rat

Source

F

RE

Source

Comp

Source

Refle

Austr

Source: Emerald



Institutional and Economic Factors Affecting the Adoption of International Public Sector Accounting Standards

Source: Informa UK Limited

Toward Participatory and Transparent Governance: Report on the Sixth Global Forum on Reinventing Government:

Source: Wiley

Legitimizing International Public Sector Accounting Standards (IPSAS): the case of Spain

Source: Informa UK Limited

Investigation of the institutional and decision-usefulness factors in the implementation of accrual accounting reforms in the public sector of Tanzania

Source: Emerald

Institutionalized Organizations: Formal Structure as Myth and Ceremony

Source: University of Chicago Press

The measurement of intangible assets in public sector using scaling techniques

Source: Emerald

STRATEGIC RESPONSES TO INSTITUTIONAL PROCESSES

Source: Academy of Management

Conceptualizing management accounting change: an institutional framework☆

Source: Elsevier BV

Nonmetric multidimensional scaling: A numerical method

Source: Springer Science and Business Media LLC

Accrual Accounting, Politics and Politicians

Source: Wiley

Analysis of Public Management Change Processes: The Case of Local Government Accounting Reforms in Germany

Source

Differ

Japan

Source

Techn

Source

A

So

IPSAS

Source

The M

Source

Towa

Source: Informa UK Limited



The dynamics of accounting change Inter-play between new practices, routines, institutions, power and politics

Source: Emerald

THE ROLE OF ACCOUNTING IN ORGANISATIONAL CHANGE: PROMOTING PERFORMANCE IMPROVEMENTS IN THE PRIVATISED UK WATER INDUSTRY

Source: Elsevier BV

From old public administration to new public management

Source: Informa UK Limited

Effects of municipal, auditing and political factors on audit delay

Source: Informa UK Limited

Quality Standards in the Public Sector: Differences Between Italy and the UK in the Citizen's Charter initiative

Source: Wiley

NPM Reforms in Napoleonic Countries: A Comparative Study of Management

Accounting Innovations in Greek and Italian Municipalities

Source: Taylor and Francis

New Technologies and the Modernization of Local Government: an Analysis of Biases and Constraints

Source: Wiley

Stability and change: an institutionalist study of management accounting change

Source: Emerald

Implementing Performance Measurement Systems in Local Governments: Moving from the "How" to the "Why"

Source: Informa UK Limited

An agenda setting explanation

Source: Emerald

New

Source

Trajec

Source

Prom

Empi

S

Th

Move

Source

Burea

Monit

Source



People also read

Recommended articles

Cited by
149

Information for

Authors

R&D professionals

Editors

Librarians

Societies

Opportunities

Reprints and e-prints

Advertising solutions

Accelerated publication

Corporate access solutions

Open access

Overview

Open journals

Open Select

Dove Medical Press

F1000Research

Help and information

Help and contact

Newsroom

All journals

Books

Keep up to date

Register to
by email



Sign



×

Copyright © 2012 Taylor & Francis Group
Taylor & Francis Group

Accessib

Registered
5 Howick Pl