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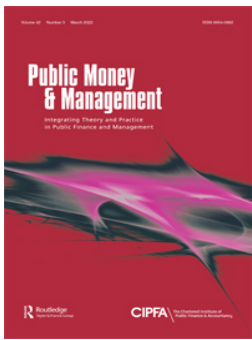
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Theme: Politicians' use of accounting information Editorial: Unraveling politicians' use and non-use of accounting information

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Introduction

Whereas 'existing and potential investors, lenders, and other creditors' are seen as the primary users of accounting information in the private sector, 'service recipients and their representatives' are seen as the key users in the public sector.* According to the IPSAS Board, these representatives, i.e. the legislature and members of parliament (MPs): 'make extensive and ongoing use of GPFR (General Purpose Financial Reporting) when acting in their capacity as representatives of the interests of service recipients and resource providers' (IPSAS Board, 2014, p. 13).

However, empirical studies about the use of accounting information by politicians show mixed results (see van Helden, 2016, for an overview). Whereas politicians consider accounting information as potentially important, actual use seems to lag behind. The same seems to count for the use of performance data in the budgetary process (see Raudla, 2022, this issue).

In 2016, *Public Money & Management* (PMM) published a theme on the use of accounting information by politicians, which addressed the stimuli and hindrances of accounting information use by politicians (Vol. 36, No. 7—'Researching politicians' use of accounting information—obstacles and opportunities'). Contributions especially dealt with the context in which accounting information was being used and the individual characteristics of politicians that influenced information use. This current PMM theme aims to broaden the scope of topics and to further unravel the issue of the use and non-use of accounting and performance information, and the underlying factors. Following van Helden and Reichard (2019), we observe an interplay between user needs, usability and actual use by politicians of accounting information. It is expected that, if user needs are fulfilled, this leads to usability, and when usability is in place, this leads to use. However, usability and actual use of accounting information might be impacted by diverging sets of factors.

The articles that follow this editorial vary in their views and findings on the use and usefulness of accounting and performance information, as far as the latter is concerned in the budgetary process. However, more agreement seems to exist with regard to the potential determinants of use (or non-use). Two issues particularly stand out:

- First, questions can be raised about the relevance of information that is being provided to politicians.
- Second, the understandability of the information is often disputable.

We think that the articles in this PMM theme provide interesting insights into these issues and also suggest some valuable lessons in how improvements can be achieved.

Questioning relevance and understandability

In his debate article, Lapsley (2022, this issue) claims that politicians do not comprehend or act on accounting information. In his view, accounting information is not usable for politicians because it is not relevant to them. Therefore, he calls for more attention to be paid to issues of intuition, ingenuity, emotions and trust.

In the second debate article, two members of the Dutch Parliament, Sneller and Snels (2022, this issue), focus on measures that can be taken to improve the relevance and understandability of accounting information. They especially call for including more information about effectiveness in budgetary documents. However, they also observe that finding the right balance between the comprehensiveness and relevance of providing accounting information is difficult: 'as it means finding a compromise between the government wanting to focus on the big picture, the bureaucracy tending to focus on details, and the parliament in need of compact information to scrutinize the government'. Sneller and Snels also call for a higher user-friendliness and comparability of accounting information. They stipulate that rapporteurs may be beneficial in order to bridge the gap between the users and providers of accounting information.

Based on a review of empirical studies published in international journals conducted over the past 15 years, Raudla (2022, this issue) presents different analytical perspectives about whether and how performance information is being used in the budget process. She shows that a number of factors seem to be relevant to explain the extent of use. Whereas studies about some of these determinants (for example the influence of attributes of users) are still inconclusive, others are more obvious, such as about information quality. Raudla observes that information is not used, if it is 'of low quality, buried in long

*In its Conceptual Framework, the International Accounting Standards Board (2018) indicates that the 'primary users of an entity's financial statements are existing and potential investors, lenders and other creditors'. The IPSAS Board (2014) states in article 2.4 that: 'the primary users of GPFRs are service recipients and their representatives and resource providers and their representatives'.

documents or too aggregated'. Moreover, she provides a number of suggestions to improve politicians' use of performance information. Among others, 'performance measures should be more relevant for elected officials, politicians should be involved in developing performance measures and receive more extensive analytical support'.

Jethon and Reichard (2022, this issue) also look at the issue of performance information use in the budgetary process. Their reflective review mainly relies on publications in German professional journals. They show that performance information is barely used by politicians in the context of German municipalities. A main reason for this seems to be the low quality and fragmented nature of the performance information in municipal budgets. Besides limited usability, the authors indicate that the particular political attitudes of the local councillors, who do not always favour transparency about performance, play a role in explaining a low extent of use.

Whereas both Raudla (2022, this issue) and Jethon and Reichard (2022, this issue) analyse the use of performance information in the budgetary process, the other contributions especially focus on the use of accounting information. By conducting a textual analysis of contributions to debates made by Dutch MPs, Faber and Budding (2022, this issue) explore antecedents of politicians' accounting and other types of information use. They found that political roles (for example being member of the coalition or opposition party, or being the party's financial spokesperson), as well as personal characteristics (age and experience), have an impact on the extent of the use of accounting and other types of information. Interestingly, for the use of accounting information related to experience, they found indications of a U-curve: whereas recently appointed MPs and also very experienced MPs had a high use, use was lowest for MPs with about seven years of experience in parliament.

Sneller and Snels (2022, this issue) told us that rapporteurs may help bridge the gap between information providers and users. However, Deodato Domingos et al. (2022, this issue) show that the extent to which they are able to do so depends on several elements. Using survey data from Brazilian municipalities, they found that council members who consider financial committees as more credible express a higher willingness to use information from this committee. However, also the current political scenario plays a role. The authors analysed this issue by taking the political position of the user (being member of the opposition or governing coalition) and the local political context (i.e. whether the coalition headed by the mayor is strong or weak) into account.

In the final contribution, a new development article, Peebles and Dalton (2022, this issue) focus on the understandability of accounting information. Using survey data, they show that a majority of UK municipal councillors lack appropriate financial expertise for scrutinizing budgets and annual reports. The authors provide several suggestions for improvements, such as the use of additional standardized statements, increased use of narratives and more reliance on digital solutions.

Types of use and use antecedents

We would like to deepen our understanding on how the four research articles in this PMM theme have addressed two core concepts:

- What is their understanding of accounting information use?
- The antecedents for the intensity of accounting information use.

Accounting information use is traditionally purely seen as a rational matter. It pretends to serve actors in making decisions, for example in the attribution of resources to various destinations in the budgetary cycle. However, we see more and more that other types of accounting information use are discussed. Raudla (2022, this issue), for example, analyses the use of performance information in public sector budgeting processes and makes a distinction between instrumental and non-instrumental use. She concludes that instrumental (similar to rational) use (for example setting priorities in resource allocation) is limited, while interactive–dialogical use can be significant. This is a type of use where actors mobilize performance information to serve their interests in budgetary debates, for underpinning their preferences or for tackling opponents with other preferences, but it can also be merely symbolic (ibid.). In her contribution, she distinguishes various antecedents for use, among others, user attributes (for example experience), external factors (for example financial stress) and institutional support. As far as usability is concerned, she shows that this is dependent upon, for example, the level of detail and the interaction between providers and users.

Jethon and Reichard (2022, this issue) point to several operationalizations of accounting information use, including the extent to which council members refer to performance information in interventions in the budget cycle. They observed a limited extent of rational use of performance budgeting in German local government, and they provide us with arguments that challenge our conventional wisdom as accounting researchers regarding politicians seeking transparency and openness (see also the debate article by Lapsley, 2022, this issue). Jethon and Reichard, for instance, suggest that politicians might not have an interest in showing intended or realized performance, because this could make them vulnerable to criticism. Coalition politicians may also mobilize their power position towards opposition parties, which could make them averse towards the use of performance information. This resonates with the findings of Deodato Domingos et al. (2022, this issue). They investigated accounting information use by surveying councillors, asking them if they informed themselves by the financial advice given by a specific committee. They found that the credibility of committees matters. The greater a committee's credibility, the larger the use of the financial advice it provides. This applied to coalition parties in either a weak or strong coalition and opposition parties in a strong coalition. The relationship was inconclusive for an opposition party in a weak coalition.

The research articles seem to indicate that there is only limited consensus about the extent to which certain factors are impacting the intensity of accounting information use by politicians. The research by Faber and Budding (2022, this issue) provides new evidence on a rich set of use antecedents in the budget cycle of the Dutch parliament. They analyse accounting information use by counting the frequency of accounting keywords during debates on documents of the budget cycle in Dutch parliament

through an analysis of the minutes of these debates over the years 2013–2018. Among others, they find that MPs from coalition (as opposed to opposition) parties and old (as opposed to new) parties use accounting information to a higher extent. This also counts for members of government (as opposed to MPs).

Directions for future research

Especially the dialogic–interactive type of accounting information use gives rise to challenging routes for future research. In order to unravel how debates in a political arena evolve, rather than quantitative research, qualitative investigations seem the most promising. This type of research could shed light on how diverging actors from coalition and opposition parties position themselves and attempt to persuade other actors about their arguments towards a program or project. Accounting information can be mobilized in these debates but in addition to other sources of information, such as notes on policy intentions and program or project audits (see also Faber & Budding, 2022, this issue). Moreover, whenever contestable issues are at stake, debates may be spread over consecutive moments in time, which can show certain dynamics in accounting and other information use.

A step further is dialogic accounting where accounting information gives voice to diverging viewpoints, which may enhance democratic processes for debating and possibly solving certain political issues. Dialogic accounting aims to open up discussion of different framings, associated ideologies and power relations, rather than assuming a single shared framework (Brown, 2009; Brown & Dillard, 2015; see also Cuppen, 2012).

Another direction for future research is the way in which financial specialists, who often relatively intensively use accounting information (Faber & Budding, 2022, this issue; Ezzamel et al., 2005; Buylen & Christiaens, 2016), are impacting debates in the political arena. More particularly, do they remain in their bubble of fellow financial specialists or do they attempt to influence their party leaders and other colleagues to adopt their arguments?

We would like to challenge both providers and users to help improve the relevance and understandability of accounting information. Information providers—including legislators, ministries of finance, and courts of audit—should pay more attention to the actual information needs of users and the way they process that information. However, politicians should also be more engaged in the design and use of accounting information. They could take part in design processes of accounting information by stipulating the type of information they need for supporting their work, as well as how this information can be presented in a user-friendly way. Their actual use of accounting information will benefit from participation in training sessions on accounting information. Accounting

information is crucial for the scrutiny function of the legislature and its use should not be the privilege of financial experts.

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