Monthly management accounts

Ad 1 & 3. A description of their purpose is very important because firstly departments, boards, etc. are functioning as agents (e.g. for health care, education, etc.); secondly they are an entity on their own, which needs to manage its activities efficiently and so on. In other words their management accounts can be looked at from an agent’s function and from a let’s say proprietary function. The two levels of performance need not to be the same, an example your fire department has indeed reached the prescribed objectives in a timely, economic way, but looking at the entity on its own, there is e.g. an overspending for certain charges and a lack of social activities for the personnel. When producing management accounts a good practice is to make a distinction between these two different responsibilities so that decisions can be supported more appropriately.

Ad 5. From a management point of view the “proprietary” part of the management account can contain more confidential, HRM-like data and is basically meant to support the management, not immediately as a tool to increase the accountability. Therefore the public availability could be limited to only a centralized version.

Current utility of departmental accounts

Good questions, no remarks

Reforms to the format of departmental accounts

Ad 1. See also above; an important difference between governments and the private sector is that the private almost only aims at economic benefits (easy to measure), whereas the governments mostly aim at societal benefits and these benefits are often very difficult to measure: e.g. the performance of education and schools, preventing crimes, drug rehabilitation programmes, etc. are government activities that are very difficult to measure and to report. Sometimes proxies are used, but these proxies are not always generally acceptable and the is the risk that governments will only strive for attaining these proxies and forgetting the real objectives.

Ad 2. Completeness is a very important condition for quality; often governments do not report completely on their activities because e.g. certain parts cannot be integrated or consolidated or are not allowed to be integrated or consolidated; it is indeed possible that governments prefer hidden ‘reserves’ for political reasons.

Ad 3. Standardization is a very good point of departure despite certain difficulties it will encounter.

Future improvements to accounts
Here the public interest perspective arises and this is very important. Who should have control is a very good question and I think this should be made by the legislator/standard-setter and this reviewed by an audit agency (e.g. Supreme Audit Institution)

**Improving scrutiny**

Good question, no remarks