



# Public Services in Accounting Research: A Systematic Literature Review

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**Abstract.** This study uses the method of a systematic review of the literature with the PRISMA approach to identify the literature to be reviewed. The aims of this study are to examine the development of public service in accounting research and to identify the research focuses and topics emerging in this field. The results indicate that qualitative methods are prevalent in research in this area and the number of research publications from 2004 to 2023 tends to remain stable. There was a significant increase in the publication of articles related to this topic in 2020, with 6 articles, but this has gradually decreased in the following years. Management accounting is a topic that has been extensively researched in public service accounting, with a strong influence from New Public Management (NPM) principles. In the future, it may be beneficial to direct research towards auditing, especially in emerging economies, as a means of enhancing the quality of public service delivery and increasing public satisfaction.

**Keywords:** Public Services, Accrual Accounting, SLR.

## 1 Introduction

The public sector consists of government-owned and operated organizations that provide goods, services, and infrastructure to a country's population [1]. Accounting is essential for the delivery of public services by the government, ensuring efficient and effective implementation [2]. Accounting serves as a valuable control tool for monitoring the use of public funds [3], ensuring that government services align with the rights and needs of the community [4] and are accessible at minimal cost without compromising its quality [5]. Thus, accounting in the public sector, which involves budget management, preparation of financial statements, and distribution of resources to support various programs [6], serves as a key tool for promoting public welfare through the effective use of public funds [7].

Traditional public sector accounting met the needs of the public sector until the late 1980s [4]. However, as the public sector evolved and faced new challenges, it became evident that this type of accounting was no longer sufficient [8]. The increased emphasis on accountability, transparency, and efficiency in the public sector has created a growing demand for more advanced and specialized accounting practices [4]. As a result, there is an increasing anticipation in understanding the role

and impact of public sector accounting in delivering these crucial services effectively and efficiently.

The related literature on public service in accounting research is a multidisciplinary field that combines knowledge of public administration and accounting, thus expanding the scholarly domain in the area of public sector accounting. Several studies related to this field have been conducted, such as a study by [7] that highlights modernizing public sector accounting involving private organizations and third parties in providing public services to society. In addition, a study by [9] suggests that accounting reforms in emerging economies are generally influenced by the New Public Management (NPM) paradigm to achieve an efficient, effective, and cost-saving public sector. A study by [10]Prabowo et al. (2017) also raises similar views stating that NPM creates market competition for delivering quality and affordable public services with various options available to the community.

Previous research has addressed the topic and provided a conceptual view of public service accounting. However, the relevant literature is scattered across various academic journals, making it challenging to gain a comprehensive understanding of the current state of the topic. Therefore, it would be beneficial to reconcile and integrate the findings from various academic journals comprehensively. It is worth noting that the review by [7] focused on a specific set of journals and did not encompass the entire body of research on public sector accounting in the United States. Similarly, [9] and [10]'s study had a limited scope, as it only covered a few countries. Therefore, this study aims to provide a comprehensive insight into public service accounting by exploring related topics in articles from the Scopus database without regional limitations. The research questions to be addressed are as follows:

RQ1: What are the developments of public service in accounting research?

RQ2: What are the research focuses and topics studied in this field?

By addressing the above research questions, this paper seeks to enhance the existing body of knowledge and literature on public service accounting. The findings of this study can be valuable to policy makers in developing policies that maximise the delivery of public services through the use of public sector accounting information, as well as providing guidance to future researchers who wish to further explore the field of public sector accounting.

## 2 Literature Review

Over the last thirty years, there has been a rapid development in public sector accounting [11]. The accounting paradigm has been influenced by multidisciplinary research, leading to the adoption of the New Public Management (NPM) view and subsequent accounting reform in public organisations [12]. NPM aims to increase efficiency and effectiveness in public sector organisations by using market mechanisms to provide quality services to the public at lower costs, while acknowledging the need for careful consideration of potential impacts on stakeholders [10].

In the development of multidisciplinary fields, there is still a need for improvement in order to enhance the understanding of public sector accounting practices within organizations, despite the strong presence of NPM approach in public service accounting literature [13]. Thus, an alternative stream of NPM emerged, namely the concept of public value, which promotes collective action, public involvement, shared values, inclusive dialogue, and co-creation by citizens on public value with public managers as overseers [11]. [14] argues that improving public value accounting has the potential to improve government accountability, collaborative decision-making, and ongoing understanding of the worth and possibilities of government initiatives.

This study applies the systematic literature review method to gather documents or literature related to public service topics in accounting research that meet predefined inclusion criteria, in order to address the formulated research questions [15]. Through the answers to these research questions, structured and organized information on the development of public service accounting published in reputable journals throughout the observational period will be obtained [16]. This information can be utilized to expand knowledge and provide guidance for future research according to the objectives of this study [17].

### 3 Methodology

This study employs a systematic literature review approach to provide a comprehensive overview of the development of public service research in the field of accounting and to map out the emerging focuses and topics within this field. Literature selection for extraction will be conducted using the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analysis) model, as it offers a systematic approach to producing high-quality literature reviews through rigorous processes. PRISMA prioritizes consistency, transparency, and high standards by integrating reusable materials from previous research on the topic [18].

The Scopus database is utilized for searching and gathering literature due to its user-friendly interface, diverse content, and expertly curated relevant search results [19]. This aligns with the research topic of public service accounting, which falls within the interdisciplinary field of public administration and accounting. The article search in the Scopus database was conducted using Watase Uake application with keywords such as "Public Sector Accounting," "Public Service Accounting," and "Public Value Accounting". This study incorporates the concept of 'public value accounting' as defined by [14], who posits that public value accounting, as an instrument of the government, is an essential tool for regulating public access to government goods and services. A total of 354 articles were obtained and then identified and screened based on the inclusion criteria listed in Table 1.

The initial filtering process left 231 articles for further screening by reading the abstracts and ensuring that the keywords are relevant to the topic under study. A total of 203 articles did not pass the screening process and 26 articles matching the topic will be further examined by reading them in full for extraction purposes. According to [20], a systematic literature review is built using a minimum of 40-50 up to 500 or more relevant articles. Therefore, in order for this study to provide

comprehensive insights into public service accounting, additional article searches were conducted by exploring the reference lists of previously obtained articles as long as they remained relevant and met the inclusion criteria. This additional search found a total of 13 articles, bringing the final number of included articles in this study to 41. The PRISMA process undertaken in this study can be seen in Fig. 1.

**Table 1.** Literature Inclusion Criterion.

Criteria	Inclusion
Index	Scopus
Time period	2004-2023
Document type	Peer-reviewed article
Index	Scopus

## 4 Results and Discussion

In this section, we will report the findings of the analysis of 41 articles that we synthesized. This analysis will address the research questions formulated earlier. We utilized figures and graphs to present the analysis results in order to provide a more informative data display, facilitating observation of trends in public service accounting research.

### 4.1 The Developments of Public Service in Accounting Research

**Article impact.** To determine the impact of 41 synthesized articles, we used Google Scholar citation data as of April 14, 2024. We chose Google Scholar citations as a metric for article impact due to its reliability in citation analysis [21]. Previous literature on public service in accounting [7], [9], [10] did not include the aspect of article impact, which sets our study apart and gives it an edge. Through information

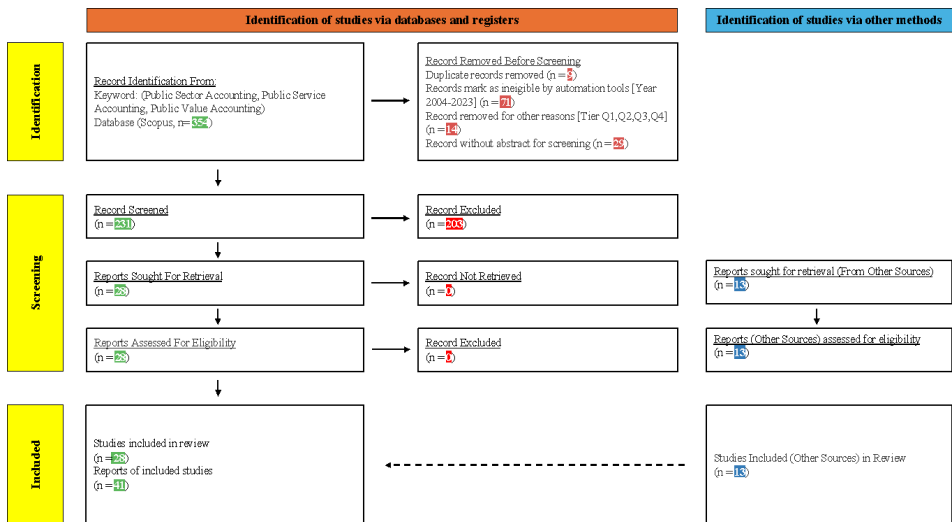


Fig. 1. PRISMA Flow Diagram

on article impact, we can identify the most influential articles [22] in the field of public service accounting during the observation period.

Table 2 presents the top 10 articles with the highest number of citations. From the table, it can be observed that the article authored by [7] and published in the *Accounting, Auditing & Accountability Journal* is identified as having the most impact based on its citation count. This article examines and critiques public sector accounting modernization involving private organizations and third parties in delivering essential public services.

**Publication by year.** Fig. 2 presents the trend of article publications from 2004 to 2023. Despite fluctuations, overall it appears that the number of publications related to public service topics in accounting research tends to be stable with an average of 2 articles per year. In 2020, there was a significant increase, with as many as 6 articles, but this experienced a gradual decline in the following years. It is important to note that over the past 10 years, research on this topic has been regularly published in Scopus-indexed journals every year, indicating that there is still much potential for further exploration and a need for more research.

**Table 2.** Number of citations as of 14 April 2024

N o.	Author and Year	Article	Number of Citations
1.	Broadbent & Guthrie (2008)	Public Sector to Public Services: 20 Years of 'Contextual' Accounting Research	778
2.	Moore (2014)	Public Value Accounting: Establishing the Philosophical Basis	366
3.	Ellwood & Newberry (2007)	Public sector accrual accounting: institutionalising neo-liberal principles?	263
4.	Steccolini (2019)	Accounting and the post-new public management: Re-considering publicness in accounting research	243
5.	Bracci et al. (2015)	Public sector accounting, accountability and austerity: more than balancing the books?	235
6.	Uddin & Tsamenyi (2005)	Public sector reforms and the public interest	232
7.	van Helden & Uddin (2016)	Public sector management accounting in emerging economies: A literature review	231
8.	Anessi-Pessina et al. (2016)	Public sector budgeting: A European review of accounting and public-management journals	200
9.	Goddard (2010)	Contemporary public sector accounting research – An international comparison of journal papers	183

1	Lapsley & Miller	Transforming the public sector: 1998–	139
0.	(2019)	2018	

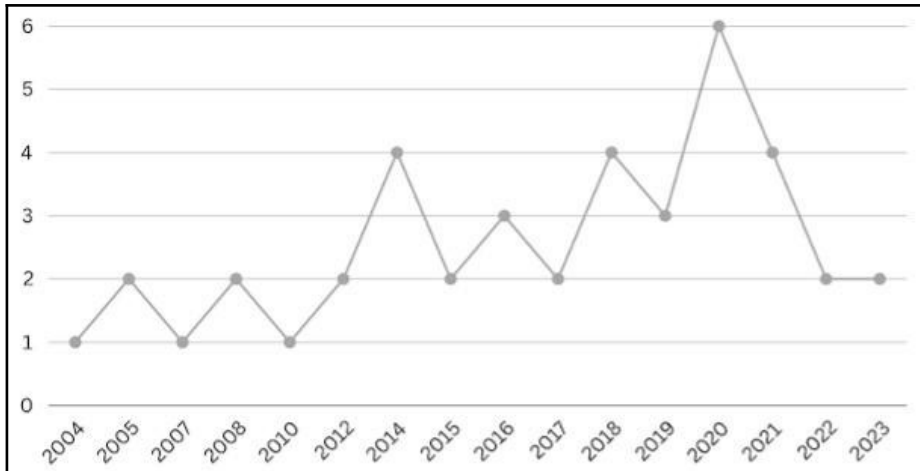


Fig. 2. Publication by Year

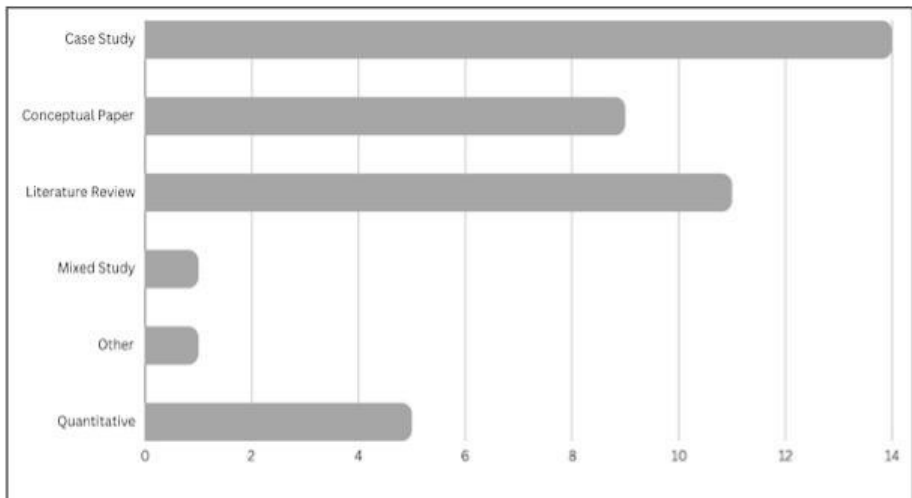


Fig. 3. Adopted research method

**Adopted research method.** This study identifies six types of methods utilized in public service accounting research. Fig. 3 shows that the case study method is the most frequently used in this field, found in a total of 14 articles. Following this are the literature review and conceptual paper methods, which are other qualitative methods used, with 11 articles and 9 articles respectively.

The structure of public sector organizations, types of public services, and public sector accounting standards vary from country to country. Accounting practices in one country may or may not be applicable in another. It is not surprising that the most commonly used research method in this field is qualitative, as it is considered the most effective for conducting empirical investigations to gain a deeper understanding of phenomena occurring in their natural context [29].

Quantitative methods have only been employed in 5 articles in this field, indicating the rarity of quantitative research on this topic. Future studies could fill this gap by using a quantitative approach. The use of quantitative methods is still essential in this multidisciplinary field because the theories used in the public sector are rapidly evolving, making these methods suitable for testing such theories [30]. The results of quantitative research can generalize phenomena in public sector accounting within a specific setting, thus contributing to expanding the body of knowledge.

#### 4.2 The Research Focuses and Topics of Public Service in Accounting Research

In this section, we present the analysis results obtained to address the second research question. We aimed to categorize each article based on its objectives. Despite the subjective nature of this categorization, the mapping process is valuable for providing a broader understanding of each category, the contribution of each study to scientific knowledge [21], and identifying future avenues for research in this field. We classified literature into three categories: management accounting, financial accounting, and auditing.

**Management accounting.** In line with the findings of [7], this research also reveals that management accounting is the most extensively researched topic in public service accounting. There are 23 articles in this category focusing on the effective and efficient provision of public services. [4] argues that the non-profit nature of the public sector emphasizes providing public services at low cost, where accounting serves as a tool to determine true service costs. Accounting information enables the public sector to establish indicators for measuring efficiency, achieving objectives, analyzing costs, and controlling resources. These indicators encompass aspects of sustainability, flexibility, and vulnerability which help clarify objectives, motivate staff, and drive improvement in traditional administrative management.

[9] conducted a study that reviewed literature related to management accounting driven by the adoption of New Public Management theory. Management accounting became central to NPM-like reforms, especially in the implementation of performance management and budgeting as part of results-oriented controls, along with market-based pricing of services. However, these reform processes often do not consider local circumstances and encounter implementation challenges due to cultural-political factors such as citizens' loyalty to specific communities or religions. Therefore, [9] suggested that research on political processes and cultural influences in the public sector is necessary for a better understanding of management and control issues in emerging economies countries.

**Financial accounting.** There are 15 articles discussing the topic of financial accounting in providing public services. According to a case study by [23], it is noted that accrual accounting has been implemented as part of reforms in the UK and New Zealand. These reforms aimed to reduce government size and expenditure through macro-level fiscal controls and privatization, with the goal of enhancing efficiency by identifying government commercial activities as State Owned Enterprises (SOEs). In 1987, a significant privatization program was initiated, involving the sale of assets such as electricity generation, forests, telecommunications services, national airline, rail system, and a bank. Following initial reforms, some public sector service areas adopted New Public Management (NPM) principles by incorporating commercial approaches like purchaser-provider splits or competitive tendering. Accruals accounting was introduced selectively while core sectors remained non-commercialized.

[11]'s study also revealed that NPM seemed to play a pivotal role in the research related to accounting reforms and alterations in Anglo-Saxon nations, where managerial and market-driven reforms originated and NPM principles had permeated public services. However, interdisciplinary scholarship on public sector accounting criticizes the accounting reforms associated with New Public Management (NPM), contending that they can lead to anxiety, apprehension, and dissatisfaction without enhancing public services or citizens' welfare. Despite these cautions, policymakers and professionals persist in implementing similar reforms that yield undesired outcomes.

NPM policies, influenced by neo-liberal ideology aiming to integrate private sector business principles into the public sector, can create an "evaluator trap" [31]. This refers to a condition where methods, practices, and accounting tools from the private sector are adopted without thorough analysis of the goals, services, and characteristics of the public sector in order to support financial efficiency and accountability. As a result, successful public service organizations that are managed based on private sector principles may lose their distinct public nature or be taken over by private sector organizations. Public services that are not financially viable alternatives may be left for those who cannot afford other forms of provision [24]. Therefore, [11] suggests that accounting scholarship in public administration studies should focus on conducting future studies centered around accounting's roles in fostering trustworthiness, democracy, collaboration, confidence, as well as well-being, a sense of participation, inclusiveness, fairness, and public value.

**Auditing.** There are only three articles that fall into this category. According to [8], modifications in the accrual accounting system have the potential to enhance both organizational and technical public service activities at the administrative level. Competent, effective management of local government finances and trustworthy financial reporting can bolster high-quality public services, guaranteeing transparency and efficiency. The implementation of external audits and efficient internal audit supervision plays a crucial role in enhancing accountability within the public sector and realizing governance reform objectives.

[8] argued that the public sector auditing has transformed and is still undergoing transformation. The introduction of New Public Governance logic in the

2000s aimed to align institutions and agencies towards common goals. This shift directed audits towards the citizens, emphasizing service quality, efficiency, and customer satisfaction to achieve optimal results. Consequently, auditors employ value for money audits as a means to evaluate management effectiveness.

## 5 Conclusion

This study aims to investigate the topic of public service in accounting research to contribute to the body of knowledge by providing a more comprehensive insight into public service accounting. The above-mentioned study reveals that the development of ideologies in public administration has a significant influence on accounting practices in public organizations. This development is transforming paradigms and perspectives in accounting scholarship concerning the provision of public services to society.

The rapid development of multidisciplinary knowledge leaves many areas for future research. There is still a need to intensify the quantitative approach in public service accounting research to provide findings that can generalize accounting phenomena within public sector organizations. Additionally, more research on management accounting and auditing in the public sector should be conducted in emerging economies countries to identify challenges and barriers hindering accounting reforms aimed at creating effective and efficient public services.

This research is not without limitations. We face constraints in directly accessing the Scopus database. By using the Watase Uake application, the number of articles obtained is not as many as when searching directly in the database. Therefore, this study may not cover relevant high-quality articles related to the keywords, which could be obtained by subscribing to the Scopus database.

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