

# Accountability in public sector

Finance



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Accountability in the context of the public sector

Accountability refers to the answerability, liability, expectation and blameworthiness related to account giving by an entity or a sector.

Accountability in the public sector also refers to the same and acts as a key component of governance and ethics in the public sector entities. The public sector is tightly regulated through different policies related to reporting and governance, administration and implementation processes associated with the scope of employment position and role and also encompassing the mandate to explain, report and remain answerable to the different criteria and consequences of reporting. Accountability in the public sector is ensured through the development of suitable policies formulated and implemented for accounting, corporate governance practices and administrative practices<sup>1</sup>.

Impacts of concepts like New Public Management on the accountability framework in the modern democracy

Accountability generation has always been one of the main objectives of Public sector Management (PSM). Public sector management has experienced several transformation over the past decade with new system of governance and managerialism like the public administration policies related to New Public Management (NPM) being introduced in this sector<sup>2</sup>. The New Public Management (NPM) is established for facilitating improvements on the traditional public sector administration systems. While the traditional public  
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sector management system was oriented towards adhering to the structure and tenure of the hierarchical authority, the NPM is focused on commercialization and privatization, implementation of business notions, integration of competition in public sector managerialism and some of the existing public sector policies with the aim of intensifying the goal of improved customer service levels in the delivery of public services<sup>3</sup>. The practical impetus for the transformation and reform of the public sector is derived from the conceptualization of the system of New Public Management (NPM). The NPM came into the forefront on the basis of the fundamental principle of traditional management in the public sector does not need to be dissimilar from that of the management processes employed in the private sector. The adoption of the paradigm of NPM has enabled the public sector to be managed with a managerial perspective from being managed from an administrative and hierarchical perspective. The NPM has resulted in significant improvements in the efficiency, performance and management of the public sector entities by enforcing the principles of transparency, liability and higher levels of public awareness and participation in the sector. The NPM system has helped to improve the overall managerial and operational accountability of the public sector, thereby fulfilling the financial and political dimensions of accountability in the functioning of the public sector. The NPM acts as a more efficient and contemporary way of managing the public sector because it brings in the beneficial points of the private sector management in the management of the public sector thereby enhancing the structural, operational and financial performances of the public sector.

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