

# Exploring standard-setting process in the public realm: Taking a holistic view

## *Financial Accountability & Management Special Issue Call for Papers*

### Guest editors

**Marco Bisogno, André Carlos Busanelli de Aquino, Carolyn Cordery and Mariafrancesca Sicilia**

Standardization is a growing phenomenon, with standards being ubiquitous in many aspects of modern life (Botzem & Dobusch, 2012). In general, a standard is a specific type of rule on how to behave (Blind, 2004), considered to embody the expertise of a given field. Standards are meant for common use and are, by definition, ‘rules for the many’ (Brunsson et al., 2012), requiring to be ‘translated’ into localized practices. With specific reference to the accounting and auditing field, standards are rules intended to shape and control the accounting and auditing practices in place. They are usually justified according to their potential contribution to enhancing organizational transparency, comparability, and accountability, as well as by informing users’ decision-making.

Recent decades have witnessed an intensified discussion around standard-setting in the public realm. For instance, the adoption of accrual accounting by governments, brought about variously by public governance reforms, accountability pressures, and harmonization processes, has driven increased interest in standard-setting (Brusca et al., 2013; Cohen et al., 2023; Krishnan, 2021; Mussari, 2014; Schmidhuber et al., 2022). In addition to accounting and auditing practices, the laws emanating from the legislative or executive branches regulate (and standardize) many countries’ annual budgetary guidelines or allocation to different policies and priorities (Anessi-Pessina et al., 2016).

Standard-setting is also increasingly expanding its scope in light of important forces transforming public-sector organizations and their accounting practices, such as sustainability and digitalization. The pivotal role of governments in the implementation of the Sustainable Development Goals (SDGs) and in the realization of a sustainable society is widely recognized (Cordery et al., 2021; Guarini et al., 2022), bringing new non-financial reporting duties and expanding the disclosure focus from financial to social and environmental dimensions. Similarly, the emergence of digital technologies brings breakthrough changes in accounting and accountability by enriching internally generated information with externally generated information, adding new communication channels, making possible new types and forms of reporting (Agostino et al., 2022), and affecting auditing practices.

Further exploration is required in this context in which standardization penetrates public sector organizations’ accounting, auditing and budgetary practices. The current literature on accounting and auditing standards-setting mostly focuses on standards as ‘objects’ (e.g. IPSAS accounting policies, ISSAI audit policies) to discuss the extent of their adoption or effects, especially considering the reactions of different categories of stakeholders to specific matters standard-setters have raised (Bisogno et al., 2022; Carnegie & West, 1997; De Wolf et al., 2021; Kidwell & Lowensohn, 2018, 2019; Ryan et al., 1999, 2000). While these subject-specific studies have been useful for examining accounting concepts, **the current call for papers focuses on ‘the process’ of standardization.** This includes the articulations for the design of early versions, through to the late phases of the standardization, the implementation, enforcement, revision or eventual decline of a standard or standards. A holistic view of standardization that combines plural perspectives fruitfully takes into

account that many stakeholders in standard-setting processes—such as professional associations, business firms and governmental agencies—are imbricated in power relations, looking for influence, legitimacy, and economic benefits.

Indeed, a standard-setting process can rarely be considered just a technical process without losing its relevant social and power features. In fact, the formation of standards and their subsequent diffusion are shaped by several actors and their interactions, meaning that standards affect and, in turn, are affected by the distribution of power among stakeholders and impact on the (re)constitution of organizational and societal realities. Among other issues, whether and to what extent the ‘power’ of global and/or private-sector standard-setting bodies influence standardization in the public sector deserves particular attention. Moreover, power-dependence between and among different standard-setters and related standards could also influence the standardization process as well as public sector accounting harmonization (Cohen et al., 2023). Similarly, we cannot ignore the technical dimension of standard-setting processes as it deeply influences legitimacy and standards’ consequent adoption and evolution, especially in processes of transnational standardization.

Finally, there is a gap regarding the experience of countries from Africa and Latin America. Authorities from those countries may adopt different strategies compared to European countries, which intensely use advocacy and directly influence the standard design. Conversely, despite being represented in the regulatory boards, some countries may support and follow international regulations but locally and silently select and adapt the standard. It raises questions about the phases of the standardization process, in practice the phases may overlap and duplicate, for instance, we may observe “standard-setting” also during the adoption phase, when local authorities, Ministries, National Treasury, and Professional associations select, translate and adapt the recommended international accounting policies.

According to this holistic perspective, the practice may benefit from analyses that cover the technical as well as social and power issues of standard-setting along the entire process, from the identification of the topic to be covered by a standard to the assessment of competing approaches and rules, the preparation of drafts and of a final standard, the legitimation and adoption of standards, their translation from the international to the national and organizational level, the consequences of the adoption of certain standards, and the practices of internal and external users.

This Special Issue seeks to engage a global community to explore standard-setting processes in the public sector by different countries, cultures, and political systems. We seek studies that adopt a holistic perspective and address not only the accrual accounting movement but also auditing, budgeting and sustainability, as well as broad changes affecting public sector accounting, such as digitalization processes.

Topics of potential interest include, but are not limited to:

- How is the accounting or auditing standard-setting process organized across jurisdictions and what models are used? For example, is the standards-setter independent of the profession? What is critical for the deliverables of the process, especially in the public sector? Who are the actors populating the arena of sustainability reporting standards for the public sector and why?
- Which are the most pursued objectives of a standard-setting process, and how are they justified by authorities? How are the intended public values (if any) connected to standards, and how is a project managed to guarantee public values are delivered?
- Still on the process: Where and how do lobby organizations eventually act? Which type of mechanisms do they use to influence the content of the standard?
- To what extent and with which consequences is standard setting in the public sector affected by accounting choices and approaches developed for the private sector? What risks impact the

translation of accounting practices from the private to the public realm? What potential remedies exist?

- Do politicians intervene in public sector accounting regulation or adoption, and why? How does such intervention vary according to the subject? What is the role of professional associations in fostering standards' design and adoption phases, and how do they encourage upskilling?
- What is the interplay between accounting, auditing and/or legal standardization? For instance, does a jurisdictional requirement for cash-based budgetary accounting reduce the use or push for accrual-based accounting? Does a requirement to audit sustainability reporting impact the development of those standards?
- How do standard-setters decide future work plans? What is the role of stakeholders in defining the boundaries of future regulation? Are the drivers for disruptive regulation, such as the regulations on privacy and fake news, different from those in accounting and auditing, for example? Do these different standards impact accounting and audit-related standards?
- How do standard-setters approach digitalization? To what extent are standards contributing to improving the accessibility of digital data stakeholders? How do digitalization processes, new communication channels and innovative approaches regarding forms and types of reporting influence accounting and auditing standard-setting processes?
- How do countries from Africa and Latin America play the different phases of standard processes and which strategies do national authorities use compared to European peers? Which are the implications of such strategies to the standards adoption? How selection, translation and adaptation of standards at the local phase are practices used by local authorities to accommodate power imbalance at the standard design international phase?

**Workshop:** A virtual workshop on research themes related to the Special Issue is planned to take place in February 2025, where interested authors can present and discuss their work. However, a presentation at this workshop will not be a prerequisite for being eligible for submission to the Special Issue. Authors interested in presenting at the workshop should kindly submit an extended abstract to Marco Bisogno ([mbisogno@unisa.it](mailto:mbisogno@unisa.it)) and Mariafrancesca Sicilia ([mariafrancesca.sicilia@unibg.it](mailto:mariafrancesca.sicilia@unibg.it)) **no later than 30 November 2024.**

**Submission of completed papers:** Manuscripts should be submitted in accordance with the author guidelines available [here](#). The **paper submission deadline is 30 April 2025**. For any further queries and information, the authors may contact the guest editors by email:

Marco Bisogno ([mbisogno@unisa.it](mailto:mbisogno@unisa.it))

André Carlos Busanelli de Aquino ([aaquino@usp.br](mailto:aaquino@usp.br))

Carolyn Cordery ([carolyn.cordery@vuw.ac.nz](mailto:carolyn.cordery@vuw.ac.nz))

Mariafrancesca Sicilia ([mariafrancesca.sicilia@unibg.it](mailto:mariafrancesca.sicilia@unibg.it))

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