

Accountability and Reporting in Public Value Management

Prof. Okenwa Cyprian Ogbodo, CNA
Department of Accountancy,
Faculty of Management Sciences,
Nnamdi Azikiwe University.
08037157496
cy.ogbodo@unizik.edu.ng

Abstract

Public value management (PVM) emphasizes creating value for society through transparent, accountable, and efficient governance. This paper examines the critical role of accountability and reporting mechanisms in managing public value. It explores frameworks, tools, and practices professional accountants and organizations use to ensure transparency, responsibility, and effectiveness. The study also aligns financial reporting with public interest objectives, analyzes challenges, and highlights the skills needed to overcome them. Through case studies from the Nigerian public sector, the paper provides practical scenarios for communicating public value via financial statements and disclosures, concluding with recommendations for strengthening PVM practices.

Table of Contents

1. Introduction.....	1
2. Accountability in Public Value Management (PVM)	4
3. Standards and Frameworks for Public Value Management.....	9
4. Aligning Financial Reporting with Public Interest Objectives	16
5. Challenges, Skills, and Impact of Technology in Public Value Management	20
6. Practical Scenarios: Communicating Public Value in Nigeria	24
References.....	26

1. Introduction

Public sector financial management plays a vital role in fostering good governance and advancing public value (Sam et al., 2024). It encompasses not only planning, budgeting, and budget execution but also extends to reporting, monitoring, and evaluation activities that ensure accountability and effectiveness. However, “despite the attempts to harmonize and improve public sector accounting, traditional financial reporting is not considered capable of fulfilling the accountability needs of the wider non-expert citizenry” (Biondi & Bracci, 2018, p. 1). Public Value Management (PVM) emphasizes the importance of measuring public value to ensure that public services effectively meet the needs of society (Afandi, 2023). It focuses on maximizing societal benefits by aligning governance with citizen expectations and public interest (Van Dooren et al., 2015). This is fundamental in achieving the primary objectives of public institutions: delivering high-quality services, promoting societal well-being, and maintaining the economic stability of a nation (Lufunyo, 2013; Manda & Mwakubo, 2013). Presently, governments increasingly rely on collaboration with societal actors to address complex challenges, such that stakeholders are demanding greater accountability and transparency in these partnerships (Klijn, 2012).

Unlike traditional models which emphasise efficiency, PVM integrates accountability and participatory decision-making, prioritizing transparency and ethical governance (Bouckaert & Halligan, 2007; Dubnick, 2005). It emphasizes that the ultimate success of public institutions lies in their ability to foster trust, transparency, and sustainable benefits to society (Van Dooren et al., 2015). The core principles of PVM include transparency, accountability, and value for money. These principles ensure that public resources are managed efficiently and effectively (Sam et al., 2024).

Transparency allows stakeholders to access clear financial information, facilitating informed decision-making and public scrutiny (Pratiwi et al., 2024). Transparency enables informed public participation, which is essential for ensuring that public resources are used effectively and efficiently in the public interest. It maintains the responsibility of public organizations to explain and justify their actions and decisions to the public. Consequently, transparency builds trust among citizens which makes them more likely to accept and support the actions of public sector organizations. Global efforts at enhancing public sector transparency date back to over a decade ago. Authors such as Guthrie and Farneti (2008); Manes-Rossi et al. (2020) researched the applicability of voluntary sustainability reporting (SR) in public sector organisations using the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI). Transparency is crucial for accountability, as it empowers stakeholders to oversee the actions of public officials (Mappisabbi, 2024). This oversight is essential because accountability involves being answerable for decisions, actions, and outcomes.

Accountability requires public officials and institutions to meaningfully engage with citizens, ensuring that their actions and decisions align with the public's best interests (Mwakolo et al., 2024; Tavares, 2024). Accountability mechanisms, such as performance audits, legislative oversight, etc. are crucial for ensuring that public entities remain answerable to stakeholders for their performance, outcomes, and the responsible utilization of public resources (Rana et al., 2022). Both, transparency and accountability are the cornerstones of good governance which significantly contribute to achieving value for money (VFM) in government projects or institutions. VFM ensures the efficient, economical, and effective use of resources, aligning financial management with public service goals (Rahmat et al., 2024; Sari & Muslim, 2023). This focus on VFM, driven by transparency and accountability, ultimately enhances public value management.

This is particularly crucial in countries with evolving governance structures, like Nigeria, where public trust in institutions needs reinforcement (Hope Sr, 2018; Nigerian Extractive Industries Transparency Initiative, 2020; Ojeka et al., 2019). It not only enhances operational efficiency but also strengthens the legitimacy of public institutions. Transparent financial and non-financial reporting provides stakeholders with timely, accurate, and relevant insights into public sector operations (Nicoletti & Pryor, 2006). International standards like IPSAS and IFRS have set benchmarks for achieving consistency and transparency in public sector reporting, encouraging global best practices (IFRS, 2025; IPSASB, 2017). Through these robust reporting practices, public sector organizations demonstrate their commitment to serving the public interest and achieving outcomes that contribute to long-term social and economic stability. PVM thus integrates financial management as a cornerstone for achieving governance excellence and societal advancement.

Technological advancements further enhance the potential of PVM. Digital tools such as blockchain, artificial intelligence, and real-time data analytics enable improved transparency and reduce information asymmetry (Bouckaert & Peters, 2002). In Nigeria, for example, initiatives like the Treasury Single Account (TSA) and the Integrated Payroll and Personnel Information System (IPPIS) have leveraged technology to strengthen fiscal responsibility and curb inefficiencies (Nigerian Extractive Industries Transparency Initiative, 2020). However, achieving the full promise of PVM requires addressing persistent challenges, including corruption, capacity gaps, and resource mismanagement, while fostering a culture of ethical governance and stakeholder collaboration.

This paper addresses the interplay of accountability and reporting in fostering public value. It also contextualizes these concepts within Nigeria's public sector, highlighting challenges and proposing solutions.

2. Accountability in Public Value Management (PVM)

2.1 Definitions and Dimensions

Accountability is a multifaceted concept that plays a crucial role in enhancing governance and public trust (Pontoppidan & Sonnerfeldt, 2020). Silva and Filho (2021) opined that it is a mechanism of control and responsibility that ensures public managers are held accountable for their actions. According to Almquist et al. (2013), public sector accountability goes beyond just financial management and resource stewardship. The goal is to align the provision of public services with public interest. Accountability is fundamentally about ensuring transparency in public administration, allowing citizens to understand how decisions are made and how resources are utilized (da Silva Ribeiro & Ferreira, 2020). It is an integral part of PVM as it fosters legitimacy and responsiveness, which are essential components of good governance (Dallagnol et al., 2023).

It refers to the obligation of public officials and institutions to act transparently and responsibly in the public's best interest (Bouckaert et al., 2016; Dubnick, 2005). Accountability involves mechanisms that hold public managers responsible for their actions and the outcomes of public services, encompassing both internal and external controls (Silva & Filho, 2021). It encompasses four dimensions:

1. **Political Accountability:** Elected officials are answerable to citizens and legislatures.
2. **Administrative Accountability:** Public servants adhere to rules, regulations, and standards.
3. **Social Accountability:** Citizens and civil society organizations (CSOs) demand transparency and engagement.
4. **Financial Accountability:** Proper use of resources, demonstrated through financial disclosures and audits.

Accountability in PVM involves creating robust reporting, auditing, and accountability processes that enhance the efficiency and effectiveness of public financial management (Dallagnol et al., 2023; Sam et al., 2024). This approach not only ensures legal protection and political freedom but also enhances the credibility of public managers and institutions (Silva & Filho, 2021).

2.1.1 Theoretical Underpinnings

Agency Theory (AT) and Stewardship Theory (ST) provide foundational insights into the dynamics of accountability and reporting within PVM.

Agency Theory (developed by Jensen and Meckling, 1976) frames the relationship between public officials and citizens as one of principal and agent, where citizens, as the principals, delegate authority to officials, expecting decisions and actions that maximize public welfare. AT underscores the potential for conflicts of interest and emphasizes the need for robust accountability systems to ensure agents act in alignment with the expectations of their principals. Mechanisms such as audits, performance evaluations, and transparent reporting are critical to bridging the trust gap inherent in the principal-agent relationship.

Stewardship Theory (developed by Donaldson and Davis, 1991), challenges the assumption of conflicting interests by highlighting the intrinsic motivation of public officials to act in the public's best interest. It posits that trust, shared values, and an organizational culture emphasizing collaboration are more effective in fostering ethical governance and enhancing public value. ST aligns with the goals of public value management, which seeks to create societal benefits through participatory and inclusive decision-making. It emphasizes that fostering a sense of ownership and accountability among public officials leads to decisions that are not only ethical but also sustainable and responsive to community needs.

2.1.2 Accountability Mechanisms in the Public Sector

Accountability is indispensable in ensuring that public sector entities deliver on their mandate to create value for society. To ensure public sector entities effectively serve the public, accountability mechanisms are essential.

These mechanisms include:

1. **Legislative Oversight:** The legislature monitors government actions to ensure they align with public interests. For example, in Nigeria, the National Assembly can question government officials about policies and budgets, and conduct investigations into potential wrongdoing (Fagbadebo, 2019; Stapenhurst et al., 2016).
2. **Performance Audits:** This involves the evaluation of government programs to assess their efficiency, effectiveness, and value for money. The primary objective of auditing government agencies and parastatals is to ensure the accuracy and integrity of their financial records and verify that public funds have been used appropriately and for their intended purposes (Ibiamke et al., 2016). VFM emphasizes efficiency and effectiveness in the use of resources, ensuring that public funds are directed towards initiatives that maximize societal benefit and address community needs (Mwakolo et al., 2024). This helps identify areas for improvement and ensures responsible use of public funds. In Nigeria, the Auditor-General's Office conducts such audits, with findings often presented to the legislature (Odia, 2014; Olaoye & Adedeji, 2019).
3. **Citizen Charters:** These documents outline the rights and responsibilities of citizens and public service providers. They empower individuals to demand transparency and accountability, fostering greater engagement between citizens and government. In Nigeria, some government agencies have adopted citizen charters to improve service delivery and responsiveness to public needs (Ekhaton, 2015).

2.1.3 Implications of Technology

Innovative tools are revolutionizing accountability within PVM (Wirtz et al., 2019). Blockchain technology, for instance, provides an immutable and transparent ledger for recording transactions, reducing opportunities for fraud and corruption. Real-time dashboards allow for the continuous tracking of performance metrics, enabling proactive decision-making and enhancing public trust (Hjaltalin & Sigurdarson, 2024). These technological advancements not only improve the efficiency of accountability processes but also increase public access to information, aligning governance practices with the principles of transparency and inclusiveness (Mikhaylov et al., 2018). The integration of these mechanisms within PVM strengthens the relationship between governments and citizens, ensuring that public sector actions are guided by ethical principles and geared towards the collective well-being of society (Chilunjika et al., 2022).

2.2 The Role of Reporting in Public Value Management

Reporting plays a crucial role in PVM. It ensures stakeholders access accurate, timely, and relevant information. This promotes trust, aids decision-making, and enhances resource allocation. The concept of public value reporting was introduced by Meynhardt and Baero (2019), and it emphasizes the need for frameworks like the Public Value Scorecard to measure and communicate the impact of public sector organizational actions on societal well-being. Integrated Reporting (IR) has also emerged as a strategic tool to help public entities navigate diverse accountability requirements while fostering a deeper understanding of value-creation processes, particularly in relation to sustainability and governance interactions (Pontoppidan & Sonnerfeldt, 2020). This stemmed from an increasing focus on Environmental, Social, and Governance (ESG) issues about the responsibilities and accountability of public sector entities in society.

These reporting mechanisms are essential for identifying, managing, and measuring public service value, thereby reinforcing the legitimacy and effectiveness of public sector initiatives (Guthrie & Russo, 2014). It also aligns public institutions' activities with citizens' expectations (Chatzivgeri et al., 2020). For instance, the study by Overesch and Wolff (2021) showed that increased transparency in financial reporting could help reduce tax avoidance, etc. Thus, the quality of public sector financial reporting can be enhanced through the digitization of financial information systems.

Digital tools streamline financial processes, ensuring greater accuracy, consistency, and timeliness in reporting. Integrated financial systems enable seamless data sharing across departments and agencies, reducing redundancy and improving decision-making through real-time access to consolidated financial information. Such systems enhance transparency by providing stakeholders with clear, accessible, and detailed reports of how public resources are utilized. Additionally, digitization minimizes human errors and increases efficiency by automating routine tasks, freeing up resources for more strategic activities. This approach aligns with PVM principles, as it fosters accountability and trust by enabling the public to access and scrutinize financial data.

2.2.1 Types of Reporting

1. Financial Reporting: Disclosing financial health and compliance with regulations.
2. Performance Reporting: Measuring outputs and outcomes relative to objectives.
3. Sustainability Reporting: Addressing environmental, social, and governance (ESG) factors.

3. Standards and Frameworks for Public Value Management

There are robust standards and frameworks which measure public value in the context of PVM, a detailed assessment entails (Afandi, 2023):

- a. **Identification of Value:** The first step in measuring public value involves identifying what constitutes value for the public. This includes understanding the expectations and needs of the community, which can vary widely depending on the context and the specific services being provided.
- b. **Creation of Metrics:** PVM advocates for the development of specific metrics that can quantify the value delivered to the public. These metrics should go beyond traditional efficiency measures and focus on outcomes that matter to citizens, such as quality of life, accessibility, and satisfaction with public services.
- c. **Frameworks for Assessment:** PVM encourages the use of frameworks that can systematically assess the impact of public services. This may involve qualitative and quantitative methods, including surveys, community feedback, and performance indicators that reflect the broader societal benefits of public initiatives.
- d. **Continuous Evaluation:** Measuring public value is not a one-time activity; it requires continuous evaluation and adaptation. Public administrators must regularly assess the effectiveness of their services and make adjustments based on feedback and changing community needs.
- e. **Alignment with Public Expectations:** Hence, measuring public value in PVM aims to ensure that public services align with the expectations of the community. By focusing on what is truly valuable to the public, PVM seeks to enhance the relevance and effectiveness of public sector management.

In summary, the measurement of public value in PVM involves identifying community needs, creating relevant metrics, using assessment frameworks, engaging in continuous evaluation, and ensuring alignment with public expectations. This aligns directly with the principles of accountability and transparency which are promoted by the frameworks discussed in Sections 3.1 and 3.2.

3.1 International Standards

3.1.1 International Public Sector Accounting Standards (IPSAS)

International Public Sector Accounting Standards (IPSAS) are a set of accounting standards that public sector entities use to prepare financial statements. The International Public Sector Accounting Standards Board (IPSASB) develops IPSAS to improve the quality of financial reporting in the public sector (IPSASB, 2017). IPSAS contribute to transparency by establishing clear and consistent standards for financial reporting in the public sector. Thus, it allows for a better public understanding of how public funds are being used and enables stakeholders to hold public entities accountable for their financial stewardship. IPSAS are accrual-based accounting standards that are designed to be transparent and allow users to hold governments and other public sector entities accountable. IPSAS are based on International Financial Reporting Standards (IFRS), but they also address public sector-specific financial reporting issues.

3.1.2 International Financial Reporting Standards (IFRS)

IFRS are issued by the International Accounting Standards Board (IASB). IFRS emphasizes transparency, accountability, and comparability in financial reporting, which are also crucial principles for effective public sector management. While primarily focused on the private sector, IFRS principles can also be applied to some aspects of public sector financial reporting.

Key examples include the use of accrual accounting to provide a more accurate picture of financial performance, fair value measurement to enhance transparency in certain areas, impairment testing to ensure assets are not overvalued, and comprehensive disclosure requirements to improve transparency and stakeholder understanding. The application of relevant IFRS principles significantly improves the quality and usefulness of public sector financial reporting.

3.2 Frameworks Supporting Public Value Assessment

There are detailed specific frameworks for public value assessment based on the principles of PVM and common practices in the field.

3.2.1 Integrated Reporting (IR) Framework

The IR framework defines six ‘capitals’, with each representing forms of value for an entity’s value creation process. These capitals are classified as financial capital, manufactured capital, intellectual capital, social and relationship capital, human capital, and natural capital. IR is founded on the premise of integrated thinking that results in a periodic integrated report by an organisation about value creation across these capitals (Pontoppidan & Sonnerfeldt, 2020). The framework provides guidance on thinking holistically regarding the resources an entity uses as well as the connectivity and trade-offs between them as value is created for both the entity and others.

Though the primary purpose of an integrated report is to explain to financial capital providers how an entity creates value over time, the multi-capital, long-term approach and the guiding principle of connectivity both facilitate a focus on a broader set of values, including sustainability development. Although IR has thus far been largely oriented towards corporate reporting needs, the idea of IR has recently been included in a global agenda to strengthen the

performance of government agencies and entities such as cities, local governments, health and educational institutions, as well as non-governmental organisations (Manes-Rossi, 2017). IR has been put forward as a framework to help public sector entities address diverse, and often conflicting accountability requirements while gaining a greater understanding of the ways in which they create value. Furthermore, the IR approach provides more holistic disclosures and a sharper focus on how sustainable outcomes will be delivered for a range of stakeholders over time (IIRC, 2016).

The idea of IR was first introduced by the IIRC in a 2011 discussion paper titled ‘Towards Integrated Reporting – Communicating Value in the 21st Century’. The paper states: “Integrated Reporting brings together material information about an organization’s strategy, governance, performance and prospects in a way that reflects the commercial, social and environmental context within which it operates. It is intended to provide a clear and concise representation of how an organization demonstrates stewardship and how it creates and sustains value” (IIRC, 2011, p. 2). Although IR was presented as equally applicable to a broad range of organisations, including public sector entities, the IIRC’s initial focus was on large companies (IIRC, 2011, p. 8). The IIRC’s attempt to institutionalise IR as a practice in the corporate reporting field has shifted its purpose towards promoting a more cohesive and efficient approach to corporate reporting. This entails the IIRC’s focus on improving the quality of information available to financial capital providers on how an organisation creates value over time (IIRC, 2013).

In 2013 the International Federation of Accountants (IFAC) issued a consultation draft of the then-proposed International Framework: Good Governance in the Public Sector, which had been developed jointly by itself and the Chartered Institute of Public Finance and Accounting (CIPFA). This consultation draft stated, “All entities depend on a variety of resources and relationships for their success. These resources and relationships can be regarded as different

forms of capital that flow into, throughout (conversion process), and out of the public sector entity” and suggested that they can be categorised following the capitals defined in the then IIRC’s ‘Consultation Draft of the International Integrated Reporting Framework’ of 2013 (p. 9). The *International Framework: Good Governance in the Public Sector* (IFAC, 2014) maintains this strong link to the IR framework. Indeed, Mervyn King highlights this in the foreword to the *International Framework: Good Governance in the Public Sector*, where he states: Another aspect of public sector governance highlighted in this publication is the need for integration in both the reporting of and thinking about organizational performance. The International Integrated Reporting Council’s release of its Framework for Integrated Reporting (December 2013) makes this publication especially timely, as these two documents complement each other extremely well.

3.2.2 Logic Models

Logic models are visual representations that outline the relationship between resources, activities, outputs, and outcomes. It typically starts with the program's inputs, such as funding, staff, and materials. These inputs are then used to carry out specific activities, like training sessions or workshops. The direct products or services resulting from these activities are known as outputs. For instance, the number of people trained or reports produced. Finally, the logic model outlines the desired outcomes, which are the changes or benefits expected to occur as a result of the program (McLaughlin & Jordan, 2015). These outcomes are often categorized as short-term, such as increased knowledge or changed attitudes, and long-term, such as improved health or reduced poverty. Essentially, a logic model maps out the "if-then" relationships between the program's resources, activities, outputs, and outcomes, providing a clear picture of how the program is intended to work. They help in mapping out how public services are

expected to create value and can be used to assess whether the intended outcomes are being achieved (Andhika et al., 2018).

3.2.3 Balanced Scorecard (BSC)

This framework can be adapted for public sector use by incorporating public value indicators alongside traditional performance metrics (Northcott & Ma'amora Taulapapa, 2012). BSC was initially developed for private sector organizations to expand traditional management accounting systems. A 'multi- dimensional' BSC is a positive way of dealing with governance and accountability issues typically faced by multi-objective, for-profit and public sector organizations (Kaplan, 2001). It allows organizations to measure performance from multiple perspectives, including financial, customer, internal processes, and learning and growth, ensuring a holistic view of public value.

3.2.4 Social Return on Investment (SROI)

SROI is a framework that quantifies the social, environmental, and economic value created by public services. It is a systematic approach that integrates the social values of various stakeholders into public sector decision-making processes concerning sustainability (Vluggen et al., 2020). This methodology goes beyond traditional financial metrics to assess the broader social and environmental impacts of public sector initiatives. SROI ensures that public sector decisions not only consider economic factors but also prioritize the social and environmental well-being of the community. It provides a valuable framework for evaluating the overall value of public sector investments and making informed decisions that align with sustainability goals. It involves calculating the ROI in social terms, providing a clear picture of the value generated for the community (Vluggen et al., 2020).

3.2.5 Performance Measurement Frameworks

These frameworks focus on developing specific indicators that measure the effectiveness and impact of public services. They often include qualitative and quantitative measures that reflect the broader societal benefits of public initiatives. Such frameworks also incorporate citizen feedback, such as surveys and participatory budgeting, which can be effective in assessing public value. Engaging citizens in the evaluation process ensures that the services provided align with their needs and expectations.

3.2.6 The COSO Framework

The Committee of Sponsoring Organizations (COSO) provides an internal control framework that fosters accountability by linking operational, compliance, and financial objectives. The Framework focuses on internal controls, which are crucial for public entities can mitigate risks, prevent fraud, and ensure that their actions align with legal and ethical standards. The COSO Framework provides a comprehensive framework for internal control, encompassing five key components:

Control Environment: The overall tone of an organization, including its ethics, integrity, and commitment to competence.

Risk Assessment: The process of identifying and analyzing potential risks that could affect the achievement of organizational objectives.

Control Activities: The policies and procedures put in place to mitigate identified risks.

Information and Communication: The systems and channels used to communicate relevant information throughout the organization.

Monitoring Activities: Ongoing evaluations to assess the effectiveness of internal controls and to identify and address any deficiencies.

Implementing the COSO Framework can enable public sector entities to:

- i. Improve the efficiency and effectiveness of their operations.
- ii. Enhance the reliability and accuracy of their financial reporting.
- iii. Reduce the risk of fraud and other irregularities.
- iv. Strengthen their overall governance and accountability.

4. Aligning Financial Reporting with Public Interest Objectives

The concept of public interest is multifaceted, varying across jurisdictions and contexts, which presents challenges for standardizing accounting practices. It lacks a universal definition, as it is often interpreted differently by stakeholders depending on their priorities and cultural contexts. For instance, in the context of financial reporting, what constitutes public interest may differ significantly between profit-driven organizations and public sector entities (Giner & Mora, 2024). Aligning financial reporting with public interest objectives involves navigating intricate stakeholder expectations and regulatory frameworks. Achieving this alignment is critical for promoting transparency, accountability, and ethical governance in financial reporting. Financial reporting communicates an organization's adherence to public interest mandates. By disclosing fiscal data, public entities demonstrate compliance with laws, ethical standards, and societal expectations.

4.1 Stakeholder Engagement and Social Contract Theory

Aligning financial reporting with public interest objectives necessitates an in-depth understanding of stakeholder perspectives. Stakeholders, including citizens, government agencies, civil society organizations, and businesses, often have diverse and sometimes conflicting views on what constitutes the "public interest." For instance, in the context of Australian charities, disagreements among stakeholders regarding the purpose and scope of

financial reporting posed significant challenges in developing standards that effectively addressed their expectations. Some stakeholders emphasized transparency in fund allocation, while others prioritized the demonstration of social impact, creating tension in balancing compliance with broader societal objectives (Palmer, 2013).

This complexity highlights the need for public sector entities to engage in meaningful dialogue with stakeholders to identify and address their varying concerns in financial reporting. Social contract theory provides a compelling framework for understanding the role of financial reporting in aligning with public interest objectives. This theory underscores the reciprocal relationship between citizens and the state, wherein governments are entrusted with managing public resources on behalf of their citizens. In return, governments are expected to disclose how these resources are utilized to promote societal well-being and fulfil their obligations to the public. Financial reporting serves as a critical medium for meeting this obligation, offering a transparent account of resource allocation and performance outcomes. For example, Nigeria's Treasury Single Account (TSA) initiative demonstrates this principle by consolidating government revenues into a unified system, ensuring that fiscal activities are transparent and publicly accountable (Giner & Mora, 2024).

The alignment of financial reporting with public interest objectives also requires a careful consideration of trust and legitimacy. Citizens are more likely to perceive governments as legitimate when financial reports provide clear, comprehensive, and timely information about the use of public funds (Dellaportas et al., 2024). This trust is critical for fostering citizen engagement and ensuring compliance with tax policies, public programs, and other state initiatives. As demonstrated in Australian charities, effective stakeholder engagement not only helps to resolve conflicts but also reinforces the social contract by making financial practices more inclusive and reflective of collective societal needs. When financial reporting aligns with

public expectations, it enhances the government's credibility, reinforces ethical governance, and strengthens the foundation of public trust.

4.2 Political Influence on Reporting Standards

- **Government Intervention:** Political actions can reshape financial reporting practices, sometimes leading to unintended consequences. During the Spanish financial crisis, government-imposed rules diverged from International Financial Reporting Standards (IFRS) to achieve short-term economic goals, which undermined long-term compliance and transparency (Giner & Mora, 2021).
- **Long-term Consequences:** Such political interventions may erode the credibility of financial reporting and global accounting standards. The delicate balance between regulatory enforcement and maintaining the integrity of financial reporting often becomes strained under political pressures.

4.3 Standardization and Public Interest

- **Accounting Standards:** Standardizing social impact reporting is essential to serving the public interest. Such standardization must transcend compliance to incorporate broader objectives that reflect the common good and societal well-being (Adams et al., 2021).
- **Regulatory Practices:** Challenges in operationalizing public interest persist within organizations such as the International Public Sector Accounting Standards Board (IPSASB). Criticism arises that these bodies sometimes prioritize political and professional interests over genuine public engagement, limiting the effectiveness of their mandates (Stenka & Grossi, 2015).

4.4 Case Examples from Nigeria

The implementation of the Treasury Single Account (TSA) in Nigeria was a significant step towards improving transparency and accountability in government finances. TSA consolidated all government revenues into a single account, thus, eliminating the fragmentation of funds across multiple accounts, which had previously allowed for leakages and mismanagement. This centralization of funds made it easier to track government income and expenditure, reducing the opportunities for corruption and ensuring that public resources were used efficiently and effectively. This initiative curbs leakages and ensures that public resources are allocated efficiently.

The publication of annual budgets and audit reports by Nigerian states has also played a crucial role in enhancing fiscal responsibility. By making this information publicly available, citizens and stakeholders can hold government officials accountable for their financial decisions. These documents provide transparency into how public funds are allocated and spent, allowing for public scrutiny and debate. This process encourages responsible budgeting practices and helps to prevent the misuse of public funds. Publishing such reports enables citizens to scrutinize government financial activities. For example, Nigerian states' commitment to publicizing their financial reports strengthens accountability frameworks and aligns with societal expectations of ethical governance.

In addition to these measures, Nigeria has also implemented various other reforms to improve its public financial management system. These reforms include strengthening procurement processes, improving internal controls, and enhancing the capacity of government institutions to manage public finances effectively. The Lagos State open budget initiative demonstrates how involving citizens in budget preparation promotes inclusivity and ensures that resource allocation aligns with the needs of the populace. This initiative highlights the role of financial reporting as a tool for engaging stakeholders in governance processes. These efforts have

contributed to a more transparent and accountable public financial management system in Nigeria.

5. Challenges, Skills, and Impact of Technology in Public Value Management

5.1 Challenges

PVM encounters significant challenges in integrating advanced technologies into governance. Artificial intelligence (AI), for example, has tremendous potential to enhance decision-making and automate processes, but it also introduces complexities related to ethical concerns, bias, and accountability in decision-making. The opacity of AI algorithms, often referred to as the "black box" problem, challenges public managers to ensure transparency and explainability in their use (Criado & Gil-Garcia, 2019).

Blockchain technology, known for its promise of secure and immutable transactions, poses challenges in terms of scalability, interoperability, and the significant energy consumption associated with its implementation. Its decentralized nature also requires rethinking traditional hierarchical models of governance, creating resistance among stakeholders accustomed to centralized control (Dawes & Helbig, 2010).

The rapid evolution of smart technologies like IoT and big data analytics demands robust cybersecurity measures to protect sensitive information. Increasing reliance on these technologies amplifies vulnerability to cyber threats, potentially undermining public trust. Furthermore, the complexity of integrating disparate technological systems into existing governance frameworks can lead to inefficiencies and resource mismanagement. These challenges are compounded by disparities in technological access and literacy, particularly in developing nations.

A lack of infrastructure and technical expertise prevents the equitable adoption of these breakthroughs, perpetuating digital divides. Public managers are often ill-equipped to address

these gaps, as training programs and capacity-building initiatives lag behind the pace of technological advancements (Stoker, 2006).

5.2 Required Skills

To navigate these challenges, public managers must acquire proficiency in financial analysis and reporting to ensure fiscal responsibility and transparency (Criado & Gil-Garcia, 2019). The evolving landscape of PVM necessitates a new suite of skills for public managers, rooted in technological fluency and innovative governance practices. Modern public administration programs are increasingly incorporating advanced topics such as e-government, data-driven decision-making, and AI ethics to prepare future leaders for the complexities of networked governance (Nurfadilah & Haliah, 2024). Advanced knowledge of ICTs, including data analytics, blockchain, and artificial intelligence, is critical for leveraging technology to enhance decision-making and service delivery.

Proficiency in financial analysis and reporting remains a cornerstone skill. As governments adopt integrated financial management systems and blockchain for transparent transactions, public managers must master advanced analytics and forensic accounting to ensure accountability and detect anomalies in real-time. Such training sharpens the ability to navigate and optimize financial data systems effectively.

ICT literacy has become indispensable, with public managers needing to navigate tools like data visualization platforms, predictive analytics, and blockchain. Courses such as **Public Policy Analytics** train students in statistical modelling, machine learning, and policy applications of big data. Additionally, e-governance, provides specialized knowledge in digital

service delivery and cybersecurity. This enables the design of technology-driven solutions while safeguarding public data.

The ability to manage stakeholder engagement is equally critical. Effective communication and stakeholder engagement skills are also essential, fostering collaboration and trust among diverse groups involved in governance processes (Stoker, 2006). Communication skills are now intertwined with digital literacy, as public managers engage with citizens through participatory platforms and social media. Training programs in public engagement strategies help managers develop communication frameworks to foster trust and inclusivity. This prepares leaders to build stronger relationships with diverse stakeholders in a digital environment.

Emerging technologies like AI and IoT present ethical and governance challenges, requiring a nuanced understanding of their societal impacts. Specialized courses on AI governance provide frameworks for addressing issues of data privacy, algorithmic fairness, and regulatory compliance, empowering managers to adopt responsible and transparent technology practices. Interdisciplinary education in public administration bridges technical expertise with strategic insights.

Global curriculum shifts reflect the importance of interdisciplinary training in public administration. Programmes on *Public Innovation and Technology* combine technical expertise with organizational strategy, offering modules on agile governance and smart city planning. Such programs enable public managers to balance efficiency with the broader societal implications of their decisions. These innovative courses foster modern competencies, enabling

public managers to leverage technology while navigating the societal impacts of their decisions.

5.3 Role of Technology

Technological advancements have significantly transformed public value management, creating avenues for increased efficiency, transparency, and citizen engagement. Digital tools enable governments to address complex administrative challenges and streamline service delivery (Rukanova et al., 2023).

These innovations empower public administrators to optimize resources, foster accountability, and enhance trust.

In Nigeria, initiatives such as the Government Integrated Financial Management Information System (GIFMIS) demonstrate the transformative potential of technology. This system has improved financial transparency by providing real-time access to financial data across government ministries, departments, and agencies (MDAs). It facilitates budget tracking, expenditure monitoring, and revenue management, reducing inefficiencies and misappropriation of funds.

The National Identity Number (NIN) has revolutionized access to government services. Serving as a unique identifier, NIN allows citizens to apply for passports, driver's licenses, and other essential services. It ensures better service personalization while combating fraud and identity theft. This centralized system simplifies access to various government offerings and ensures inclusivity.

Platforms such as the Government Service Portal (GSP) have further enhanced the delivery of public services by providing a one-stop solution for citizens, businesses, and foreigners to access essential services. The platform eliminates bureaucratic bottlenecks and enables efficient interaction between the government and its stakeholders. Similarly, the Government

Contact Centre (GCC) provides an integrated solution for citizens to obtain government information and services via phone calls, fostering inclusivity, especially for those without internet access.

The Nigeria e-Government Interoperability Framework (Ne-GIF) is a notable initiative ensuring collaboration across MDAs. This framework facilitates the seamless exchange of information, enabling MDAs to deliver cross-portfolio services. For example, citizens can access integrated services, such as vehicle registration combined with tax assessments, under a unified interface. Such interoperability reduces redundancy and enhances user experience while maintaining data integrity and security.

Technologies like artificial intelligence, blockchain, and data analytics are further shaping governance. For instance, blockchain ensures secure and transparent transactions, while AI and analytics enable data-driven decision-making. These advancements address critical governance challenges such as fraud detection, service delivery optimization, and resource allocation. However, they also introduce complexities, including ethical concerns and implementation costs, underscoring the importance of strategic planning and capacity-building among public managers.

6. Practical Scenarios: Communicating Public Value in Nigeria

6.1 Financial Statements and Disclosures

Transparent financial statements and disclosures serve as a cornerstone for fostering accountability and public trust in governance. These documents provide insights into resource allocation, spending efficiency, and performance metrics, enabling citizens to assess whether government priorities align with societal needs. Such disclosures minimize information asymmetry between the government and its stakeholders, ensuring that decisions are scrutinized under the lens of public value.

6.2 Real-World Examples

1. The Nigerian Extractive Industries Transparency Initiative (NEITI): NEITI has set a benchmark for accountability in the oil and gas sector by publishing comprehensive reports on revenues, expenditures, and governance practices. This initiative ensures that revenue streams from the extractive industry are transparently tracked and effectively utilized for national development, mitigating corruption risks and strengthening public confidence in resource management.
2. Lagos State's Open Budget Initiative: The Lagos State government has embraced open governance through its open budget initiative. This practice involves publishing the state's budget online and organizing public consultations to involve citizens in the planning and allocation process. The approach fosters inclusivity and ensures that budgetary decisions reflect the needs of diverse stakeholders, enhancing the transparency of governance in one of Nigeria's most populous states.

6.3 Lessons Learned

- **Comprehensive Disclosures Reduce Information Asymmetry:** The implementation of initiatives like NEITI demonstrates that detailed and timely disclosures empower citizens and stakeholders with the knowledge to hold governments accountable. This practice reduces the gap in understanding between policymakers and the public, enabling more informed dialogues about governance and resource allocation.
- **Public Participation Strengthens Accountability Frameworks:** Engaging citizens in governance processes, as seen in the Lagos State open budget initiative, enhances the accountability of government actions. Public involvement ensures that governance frameworks are responsive to the actual needs of communities, reducing the likelihood of mismanagement or policy misalignment.

References

- Adams, S., Tweedie, D., & Muir, K. (2021). Social impact reporting in the public interest: the case of accounting standardisation. *Qualitative Research in Accounting & Management*, 18(3), 390-416.
- Afandi, S. A. (2023). *Public Value Management* (No. 26v9e). Center for Open Science.
- Almquist, R., Grossi, G., van Helden, G. J., & Reichard, C. (2013). Public sector governance and accountability. *Critical Perspectives on Accounting*, 24(7-8), 479-487.
- Biondi, L., & Bracci, E. (2018). Sustainability, Popular and Integrated Reporting in the Public Sector: A Fad and Fashion Perspective. *Sustainability*, 10(9), 1-16.
- Bouckaert, G., & Halligan, J. (2007). *Managing performance: International comparisons*. Routledge.
- Bouckaert, G., & Peters, B. G. (2002). Performance measurement and management: The Achilles' heel in administrative modernization. *Public performance & management review*, 25(4), 359-362.
- Bouckaert, G., Peters B. G., & Verhoest, K. (2016). *Coordination of public sector organizations*. Basingstoke: Palgrave Macmillan.
- Chatzivgeri, E., Chew, L., Crawford, L., Gordon, M., & Haslam, J. (2020). Transparency and accountability for the global good? The UK's implementation of EU law requiring country-by-country reporting of payments to governments by extractives. *Critical Perspectives on Accounting*, 67, 102074.
- Chilunjika, A., Intauno, K., & Chilunjika, S. R. (2022). Artificial intelligence and public sector human resource management in South Africa: Opportunities, challenges and prospects. *SA Journal of Human Resource Management*, 20, 1972.
- Criado, J. I., & Gil-Garcia, J. R. (2019). Creating public value through smart technologies and strategies: From digital services to artificial intelligence and beyond. *International Journal of Public Sector Management*, 32(5), 438-450.
- Dallagnol, C. E., Portulhak, H., & Peixe, C. S. B. (2023). How is public value associated with accountability? A systematic literature review. *Public Money & Management*, 43(3), 251-258.
- da Silva Ribeiro, M. C. R., & Ferreira, A. D. C. S. (2020). Accountability Practices and Their Importance for the Management of Public Sector Entities: A Literature Review. *Tools, Strategies, and Practices for Modern and Accountable Public Sector Management*, 151-168.

- Dawes, S. S., & Helbig, N. (2010). Information strategies for open government: Challenges and prospects for deriving public value from government transparency. In *Electronic Government: 9th IFIP WG 8.5 International Conference, EGOV 2010, Lausanne, Switzerland, August 29-September 2, 2010. Proceedings 9* (pp. 50-60). Springer Berlin Heidelberg.
- Dellaportas, S., Ji, S., Siriwardhane, P., & Luo, D. (2024). Revisiting the concept of the public interest in accounting: A stakeholder analysis. *Accounting & Finance*.
- Donaldson, L., & Davis, J. H. (1991). Stewardship theory or agency theory: CEO governance and shareholder returns. *Australian Journal of Management*, 16, 1, 49-64.
- Dubnick, M. (2005). Accountability and the promise of performance: In search of the mechanisms. *Public Performance & Management Review*, 28(3), 376-417.
- Ekhtator, E. O. (2015). The impact of the African Charter on Human and Peoples' Rights on domestic law: a case study of Nigeria. *Commonwealth Law Bulletin*, 41(2), 253-270.
- Fagbadebo, O. (2019). An overview of legislative oversight and accountability mechanisms in Nigeria and South Africa. *Perspectives on the legislature and the prospects of accountability in Nigeria and South Africa*, 19-44.
- Giner, B., & Mora, A. (2021). Political interference in private entities' financial reporting and the public interest: evidence from the Spanish financial crisis. *Accounting, Auditing & Accountability Journal*, 34(7), 1581-1607.
- Giner, B., & Mora, A. (2024). The role of the public interest in shaping corporate reporting: challenges for accounting research. In *Research Handbook on Financial Accounting* (pp. 233-250). Edward Elgar Publishing.
- Guthrie, J., & Farneti, F. (2008). GRI Sustainability Reporting by Australian Public Sector Organizations. *Public Money & Management*, 28(6), 361-366.
- Guthrie, J., & Russo, S. (2014). Public value management: challenge of defining, measuring and reporting for public services. In *Public Value Management, measurement and reporting* (Vol. 3, pp. 3-17). Emerald Group Publishing Limited.
- Hjaltalin, I. T., & Sigurdarson, H. T. (2024). The strategic use of AI in the public sector: A public values analysis of national AI strategies. *Government Information Quarterly*, 41(1), 101914.
- Hope Sr, K. R. (2018). Institutions and the culture dimension of corruption in Nigeria. *Crime, Law and Social Change*, 70(4), 503-523.

- IFAC. (2014). International Framework: Good Governance in the Public Sector. Available [Online] at: <https://www.ifac.org/knowledge-gateway/contributing-global-economy/publications/international-framework-good-governance-public-sector>
- IFRS. (2025). About the International Accounting Standards Board (IASB). Available [Online] at: <https://www.ifrs.org/groups/international-accounting-standards-board/>
- IIRC. (2011). Discussion Paper “Towards Integrated Reporting – Communicating Value in the 21st Century”. Available [Online] at: https://integratedreporting.org/wp-content/uploads/2011/09/IR-Discussion-Paper-2011_spreads.pdf
- IIRC. (2013). International Framework. Available [Online] at: <http://integratedreporting.org/resource/international-ir-framework/>
- IIRC. (2016). Focusing on value creation in the public sector. Available [Online] at: http://integratedreporting.org/wp-content/uploads/2016/09/Focusing-on-value-creation-in-the-publicsector-_vFINAL.pdf.
- IPSASB. (2017). *Handbook of international public sector accounting standards*. Cols I and II. New York: IFAC.
- Jensen, M., & Meckling, W. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, 305-360.
- Kaplan, R. S. (2001). Strategic performance measurement and management in non-profit organizations. *Non-profit Management and Leadership*, 11(3), 353-370.
- Klijjn, E. H. (2012). Public Management and Governance: A Comparison of Two Paradigms to Deal with Modern Complex Problems in D. In L. Faur (Ed.), *The Handbook of Governance* (pp. 201–214). Oxford: Oxford University Press.
- Lufunyo, H. (2013). Impact of public sector reforms on service delivery in Tanzania. *Journal of Public Administration and Policy Research*, 5(2), 26-49.
- Manda, D. K., & Mwakubo, S. (2013). Institutions and service delivery in Africa: An overview. *Journal of African Economies*, 22(suppl_2), ii4-ii15.
- Manes-Rossi, F. (2017). Integrated Reporting and the Public Domain – Engagement with Practice, Foreword in *Towards Integrated Reporting: Accounting Change in the Public Sector*. In E. Katsikas, F. Manes-Rossi, & R. Orelli (Eds.), *Towards Integrated Reporting Accounting Change in the Public Sector*. Switzerland: Springer.
- Manes-Rossi, F., Nicolò, G., & Argento, D. (2020). Non-financial reporting formats in public sector organizations: a structured literature review. *Journal of Public Budgeting, Accounting & Financial Management*, 32(4), 639-669.

- Mappisabbi, F. (2024). Strengthening transparency and accountability in bureaucracy to enhance public trust. *ePaper Bisnis: International Journal of Entrepreneurship and Management*, 1(4), 101-112.
- McLaughlin, J. A., & Jordan, G. B. (2015). Using logic models. *Handbook of practical program evaluation*, 62-87.
- Meynhardt, T., & Bärö, A. (2019). Public value reporting: adding value to (non-) financial reporting. In *Public Value* (pp. 87-108). Routledge.
- Mikhaylov, S. J., Esteve, M., & Champion, A. (2018). Artificial intelligence for the public sector: opportunities and challenges of cross-sector collaboration. *Philosophical transactions of the royal society a: mathematical, physical and engineering sciences*, 376(2128), 20170357.
- Mwakolo, A., Siwandeti, M., Mahuwi, L., & Israel, B. (2024). Procurement of good governance as a strategic tool for achieving value for money in public construction projects. *LBS Journal of Management & Research*.
- Nicoletti, G., & Pryor, F. L. (2006). Subjective and objective measures of governmental regulations in OECD nations. *Journal of Economic Behavior & Organization*, 59(3), 433-449.
- Nigerian Extractive Industries Transparency Initiative. (2020). NEITI 5TH National Stakeholders Working Group (NSWG) 2021–2025. Available [Online] at: https://neiti.gov.ng/cms/wp-content/uploads/2023/05/NEITI-NSWG-Members-2_021-2025-2.pdf.
- Northcott, D., & Ma'amora Taulapapa, T. (2012). Using the balanced scorecard to manage performance in public sector organizations: Issues and challenges. *International Journal of Public sector management*, 25(3), 166-191.
- Nurfadilah, A., & Haliah, H. (2024). Public Sector Transformation: Increased Efficiency and Innovation in the Digital Economy. *International Journal of Humanities, Education, and Social Sciences*, 2(2), 127-143.
- Odia, J. O. (2014). Performance auditing and public sector accountability in Nigeria: The roles of supreme audit institutions (SAIS). *Asian Journal of Management Sciences and Education*, 3(2), 102-109.
- Ojeka, S., Adegboye, A., Adegboye, K., Umukoro, O., Dahunsi, O., & Ozordi, E. (2019). Corruption perception, institutional quality and performance of listed companies in Nigeria. *Heliyon*, 5(10), 1-10.

- Olaoye, F. O., & Adedeji, A. Q. (2019). Performance audit and public sector budgetary efficiency in Southwest Nigeria. *Journal of Accounting, Business and Finance Research*, 5(1), 17-22.
- Overesch, M., & Wolff, H. (2021). Financial transparency to the rescue: Effects of public Country-by-Country Reporting in the European Union banking sector on tax Avoidance. *Contemporary accounting research*, 38(3), 1616-1642.
- Palmer, P. D. (2013). Exploring attitudes to financial reporting in the Australian not-for-profit sector. *Accounting & Finance*, 53(1), 217-241.
- Pratiwi et al. (2024). The influence of transparency, governance, and financial accountability in managing financial reporting in the public sector. *International Journal of Education and Life Sciences (IJELS)*, 2(10), 1165-1180.
- Pontoppidan, C. A., & Sonnerfeldt, A. (2020). The rise of integrated reporting in the public sector: An analysis of transnational governance interactions. *New Trends in Public Sector Reporting: Integrated Reporting and Beyond*, 15-34.
- Rana, T., Steccolini, I., Bracci, E., & Mihret, D. G. (2022). Performance auditing in the public sector: A systematic literature review and future research avenues. *Financial Accountability & Management*, 38(3), 337-359.
- Rukanova, B., Van Engelenburg, S., Ubacht, J., Tan, Y. H., Geurts, M., Sies, M., Molenhuis, M., Slegt, M., & Van Dijk, D. (2023). Public value creation through voluntary business to government information sharing enabled by digital infrastructure innovations: a framework for analysis. *Government Information Quarterly*, 40(2), 101786.
- Sam, A. A. R., Haliah, H., & Kusumawati, A. (2024). Disclosure of Transparency, Accountability and Value for Money Concept in Public Sector Financial Management: A Systematic Literature Review. *International Journal of Economic Research and Financial Accounting*, 3(1).
- Sari, R., & Muslim, M. (2023). Accountability and Transparency in Public Sector Accounting: A Systematic Review. *Amkop Management Accounting Review (AMAR)*, 3(2), 90-106.
- Silva, d.- D. R., & Filho, d.- S. P. F. (2021). Gestão pública com foco nos conceitos de accountability Public management focusing on accountability concepts. *Brazilian Journal of Development*, 7(10), 98004-98020.
- Stapenhurst, R., Jacobs, K., & Olaore, O. (2016). Legislative oversight in Nigeria: an empirical review and assessment. *The Journal of Legislative Studies*, 22(1), 1-29.
- Stenka, R., & Grossi, G. (2015). For the public without the public. Available [Online] at: <https://centaur.reading.ac.uk/45492/>

- Stoker, G. (2006). Public value management: A new narrative for networked governance? *The American review of public administration*, 36(1), 41-57.
- Tavares, J. F. (2024). Transparency and accountability in public management. *Accounting and Management Review/ Revista de Contabilidade e Gestão*, 28(1).
- Van Dooren, W., Bouckaert, G., & Halligan, J. (2015). *Performance management in the public sector*. Routledge.
- Vluggen, R., Kuijpers, R., Semeijn, J., & Gelderman, C. J. (2020). Social return on investment in the public sector. *Journal of Public Procurement*, 20(3), 235-264.
- Wirtz, B. W., Weyerer, J. C., & Geyer, C. (2019). Artificial intelligence and the public sector—applications and challenges. *International Journal of Public Administration*, 42(7), 596-615.