



Dipartimento di Studi e Ricerche Aziendali
(Management & Information Technology)
Dottorato di ricerca in:
“Economia e Direzione delle Aziende Pubbliche”
XII Ciclo - (2010 - 2013)

Settore scientifico disciplinare SECS-P07

The construction of an new accrual accounting system Evidence from laboratory life: Campania region

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Irvine Lapsley

PROJECT SCHEDULE

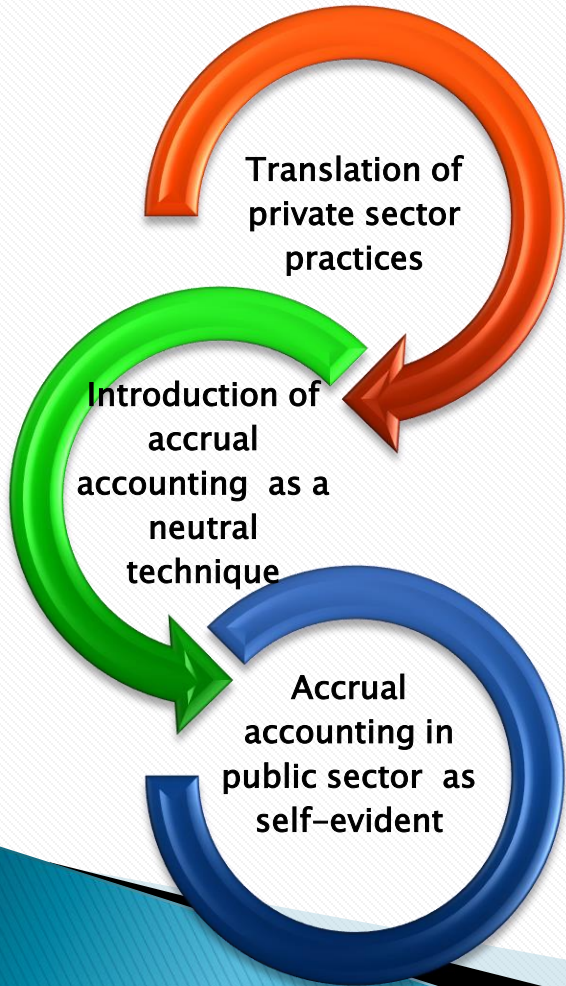
Schedule	Year 1				Year 2				Year 3			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Research process												
Literature review	■											
Advanced theoretical knowledge		■										
Qualitative school of research			■									
Definition of research problem				■								
Find contact and Access Data					■							
Submit to national academic expert in the field: professor Riccardo Mussari.					■							
Submit to National conference						■						
Submit to International conference							■					
Visiting scholar research in Edinburgh, submission to prof. Irvine Lapsley							■					
Traineeship to Campania Region									■			
Thesis writing									■			

AGENDA

- ▶ 1 Research objective
- ▶ 2 Literature review
- ▶ 3 Research question
- ▶ 4 Research approach
- ▶ 5 Adopted theory
- ▶ 6 Methodology
- ▶ 7 Results
- ▶ 8 Contribution and limitation

Research objective

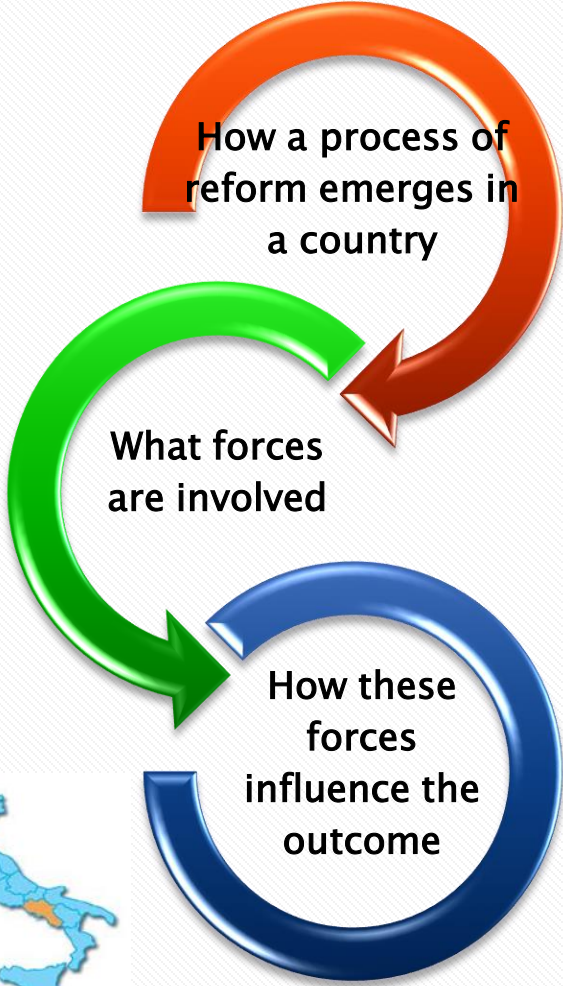
New Public Management public sector accounting reform



Explain



Research site



Literature review

It is possible to distinguish at the least two opposite streams of thought

Why the adoption is desirable

Managerial effectiveness from the move to accrual accounting (Hyndman & Connolly 2011; Ryan 1998)

Politically neutral mechanism for enhancing strategic decision making and for improved efficiency in evaluating performance and service costs (Guthrie 1998)

The complexity on the implementation

It is a fluid technique. A tricky issue: materiality. The discretion in the implementation (Nesbakk & Mellempvik 2011)

A phantom image of accrual accounting: the management consultants interpret what accrual accounting is or should be (Christensen & Parker 2010)

Divergences from private sector and at these practice and the time these changes differed from previous practice. The policy outcome is a mutation (Lapsley 2012)

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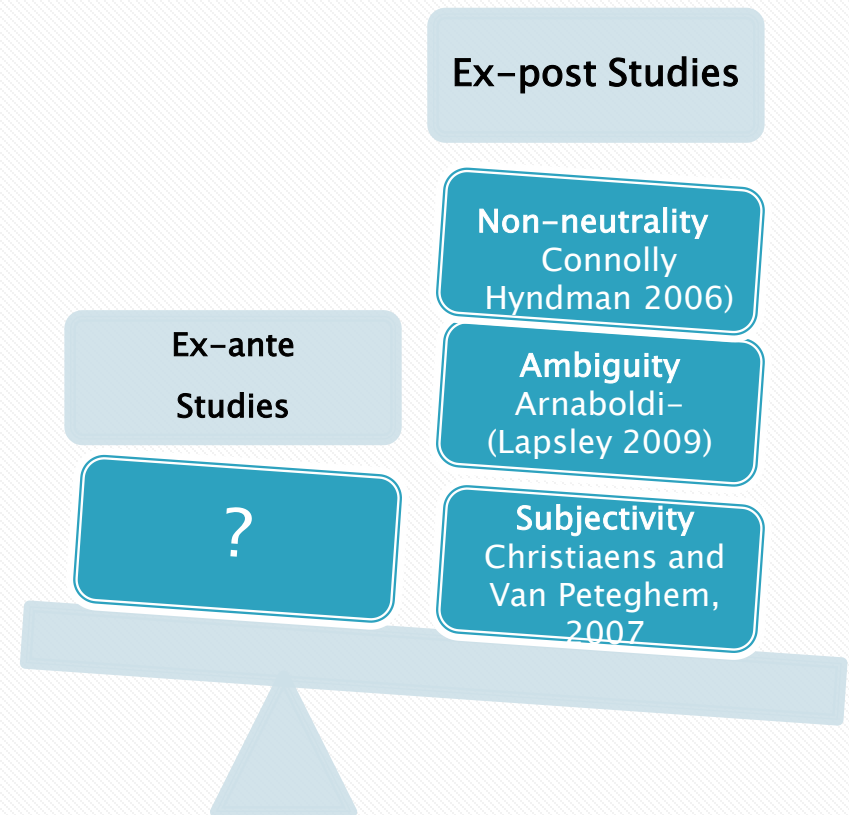
Accounting in action is a process in action, whereby something is being built

Gap in the literature

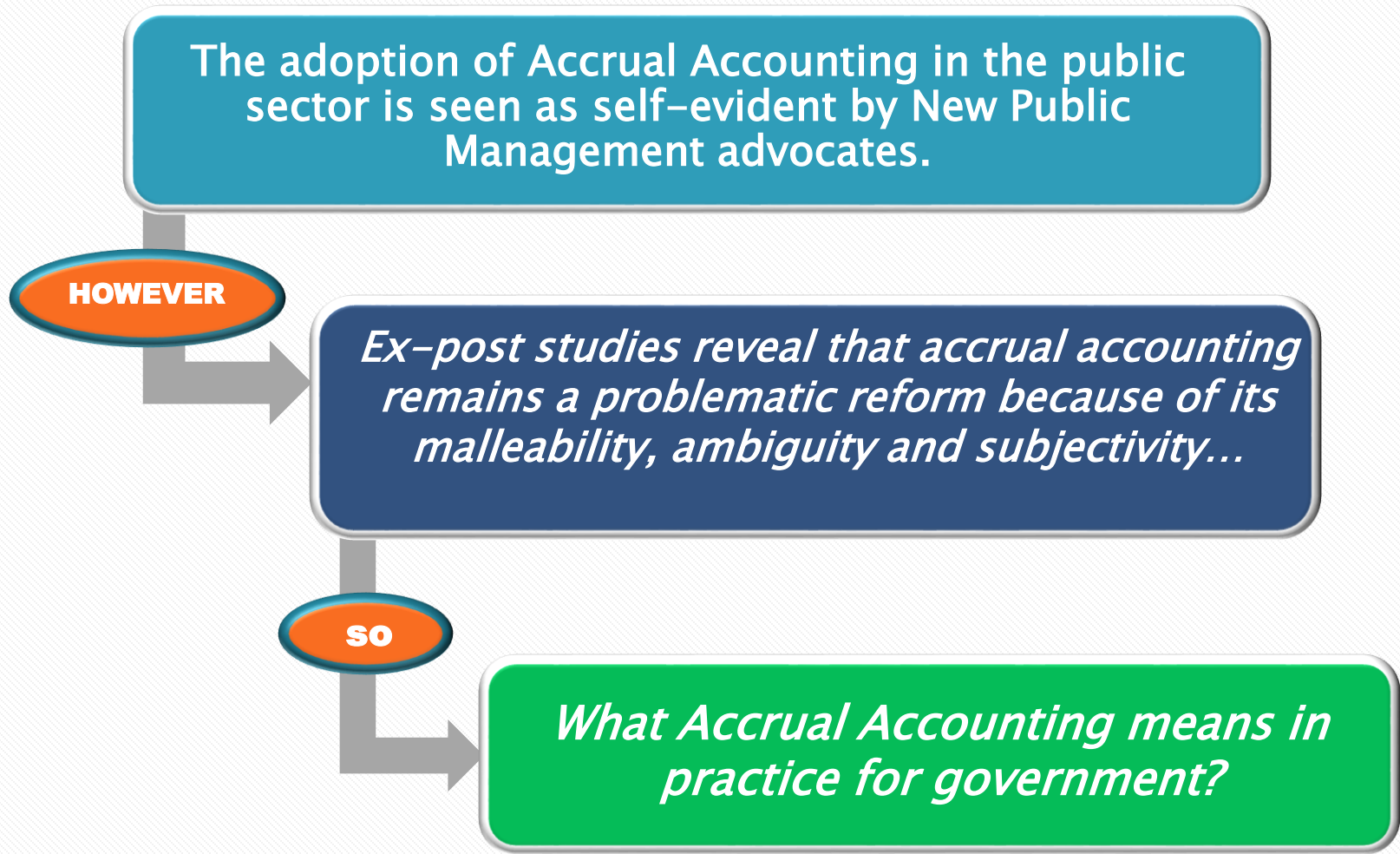
This research differs from the existing literature by undertaking analysis which is both ex-ante and processual

This perspective has been deployed in studies of accounting in action :

- Miller 1991, the failure in the translation of the Discounted Cash flow
- Preston et al. 1992 investigates the translation of budgeting and accounting into hospital management
- Briers & Chua 2001 the implementation of Activity based costing in the public sector



Research question



Research approach

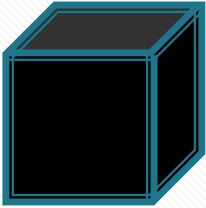
	Positivism	Social constructionism
The observer	Must be independent	It is part of what is being observed
Explanations	Must demonstrate causality	Aim: to increase general understanding of the situation
Research process through	Hypotheses and deductions	Gathering rich data from ideas that are induced
Units of analysis	Should be reduced to simplest terms	May include the complexity of whole situations
Generalizations throughout	Statistical probability	Theoretical abstraction

Research approach

	Social constructionism	This research
The observer	It is part of what is being observed	Non participant observation in the trial
Explanations	Aim: to increase general understanding of the situation	Increase the general understanding about the the process of accrual accounting system implementation during the first stage of development.
Research process through	Gathering rich data from ideas that are induced	Collecting data about the implementation of accrual accounting.
Units of analysis	May include the complexity of whole situations	Case study: Italy, Campania region and video-conference call.
Generalizations throughout	Theoretical abstraction	Accrual accounting is not neutral, is a subjective technology, is a fabrication.

Adopted theory

The creation of Science and Technology



*How the black box come into being?
(Latour 1987)*

Science
made

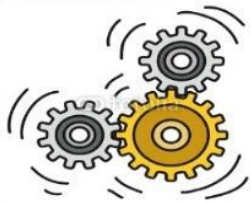


Science in
the Making

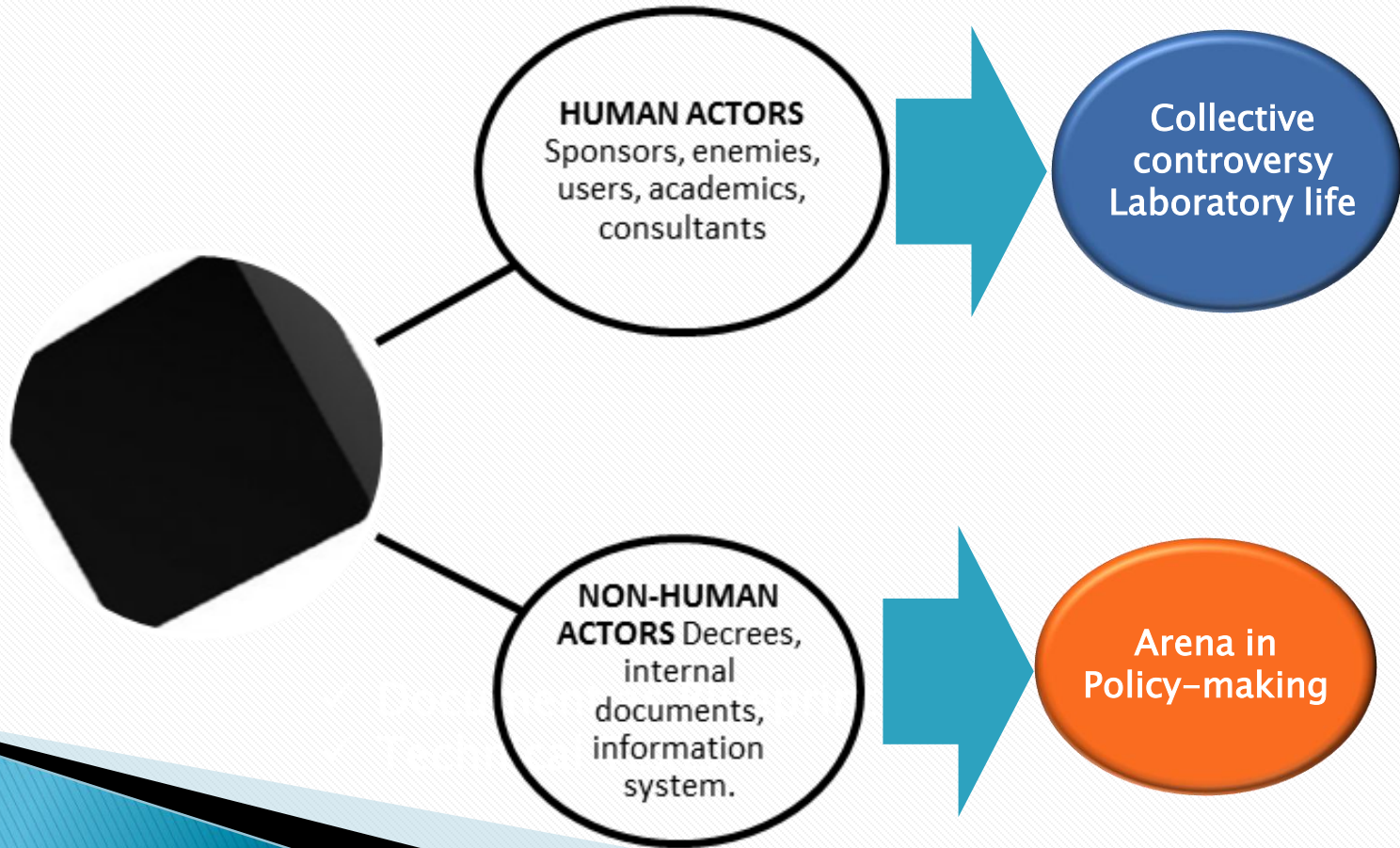
Critical perspective

Science
In
Action

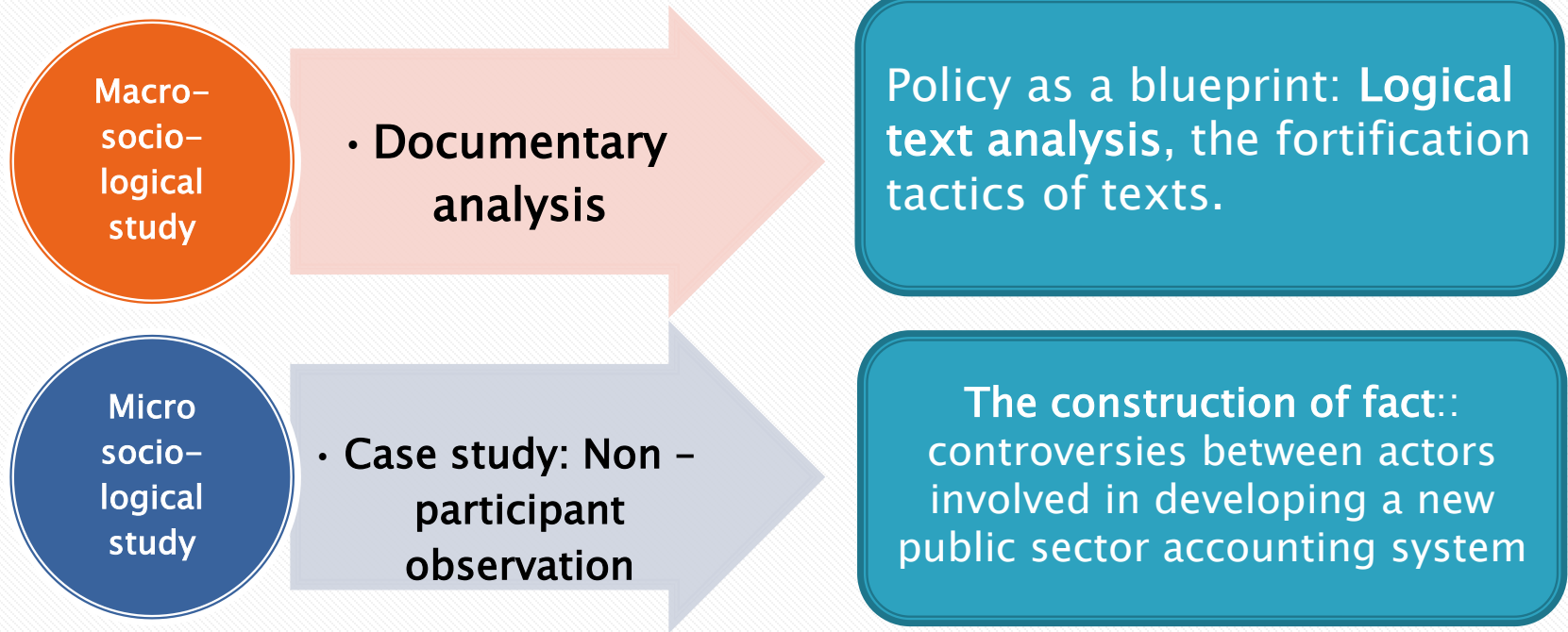
Adopted theory



Accrual accounting translation as a construction of a new technology

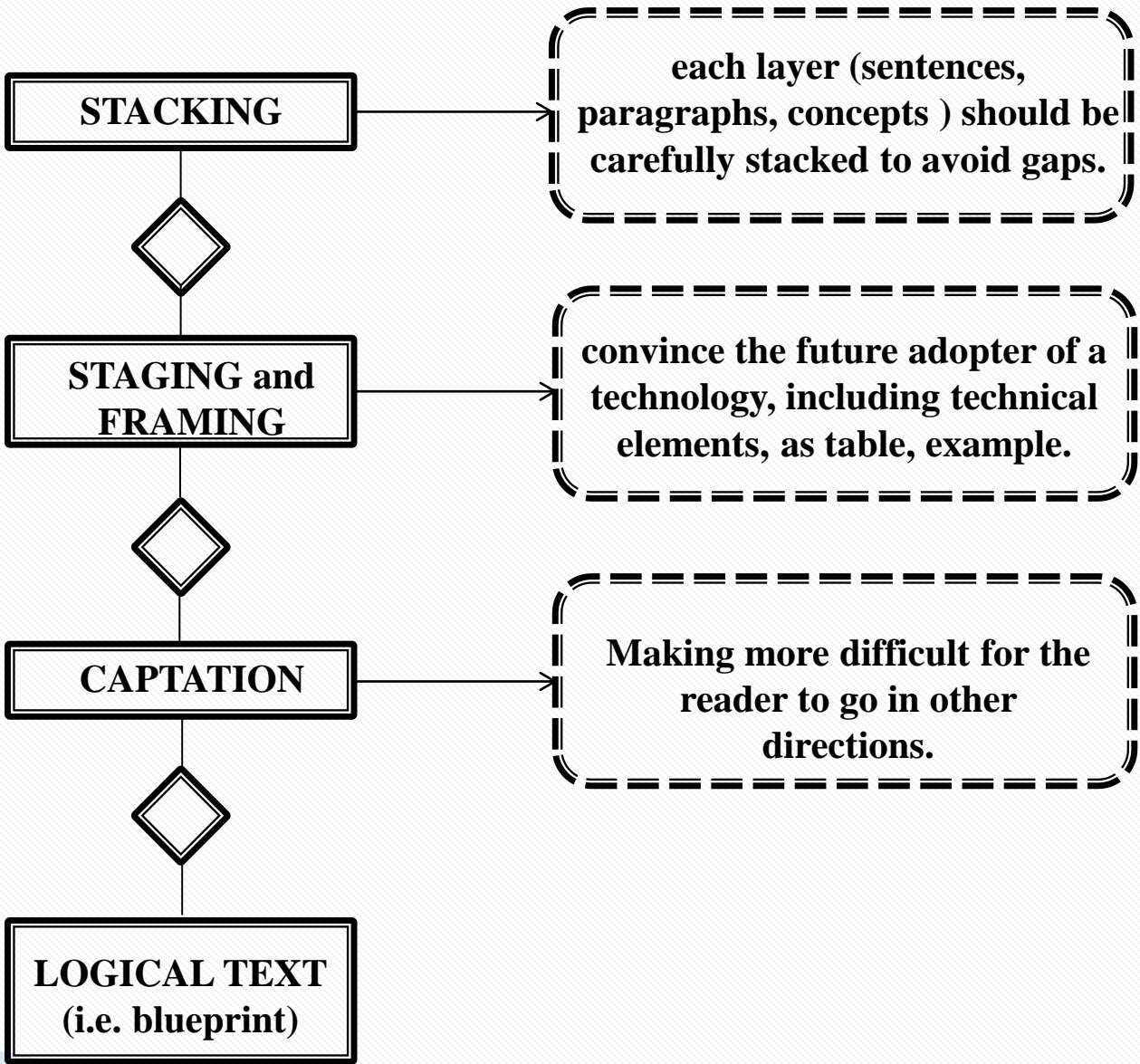


Methodology



Policy as a blueprint

- ✓ Policy Document as Blueprint
- ✓ Technical Texts



Results: Non linearity in the decision path

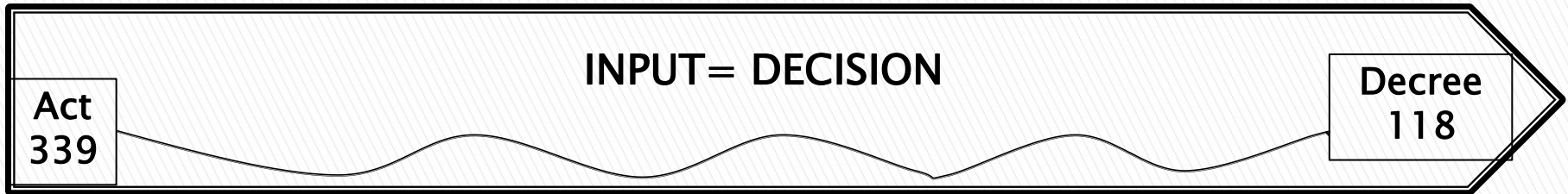
January

March

May

June

December



Ministry of
Economy
and
finance

First draft of the text

United
conference
State-
Regions

Approval

Committee for
fiscal federalism

The Text is evasive on crucial points; ambiguity about the mandatory nature of accrual accounting system.

in order to a better quality of text, the government should carry out a formal review of the overall scheme

Supreme Audit
of Account

the accrual basis of accounting, is formulated in terms lexically confused and there is lack of logical consistency.

Research
Department
of the Senate
of the Republic

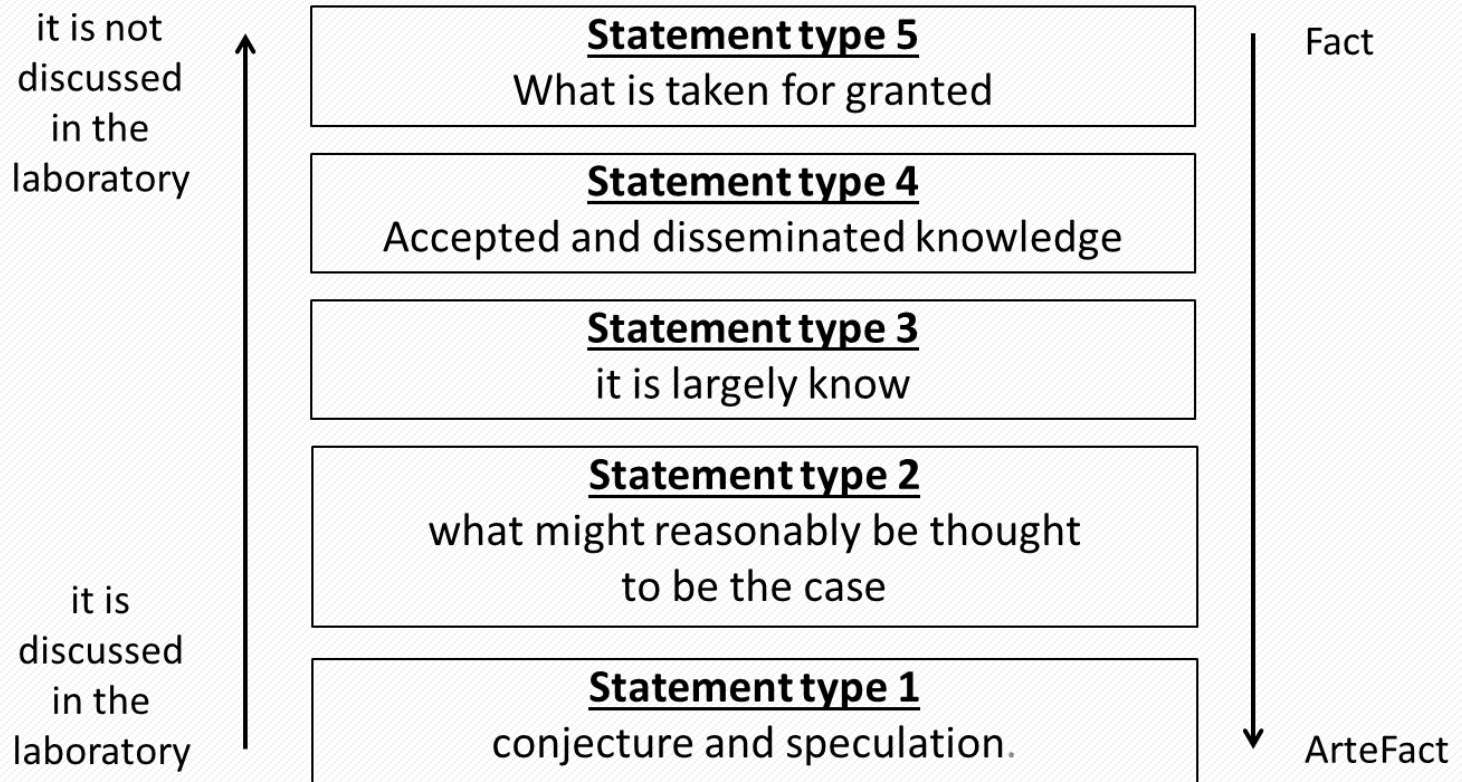
there is an high level of discretion in this evaluation method. It requires a decisive "cultural" change in public sector,

Ministry of
Economy
and
finance

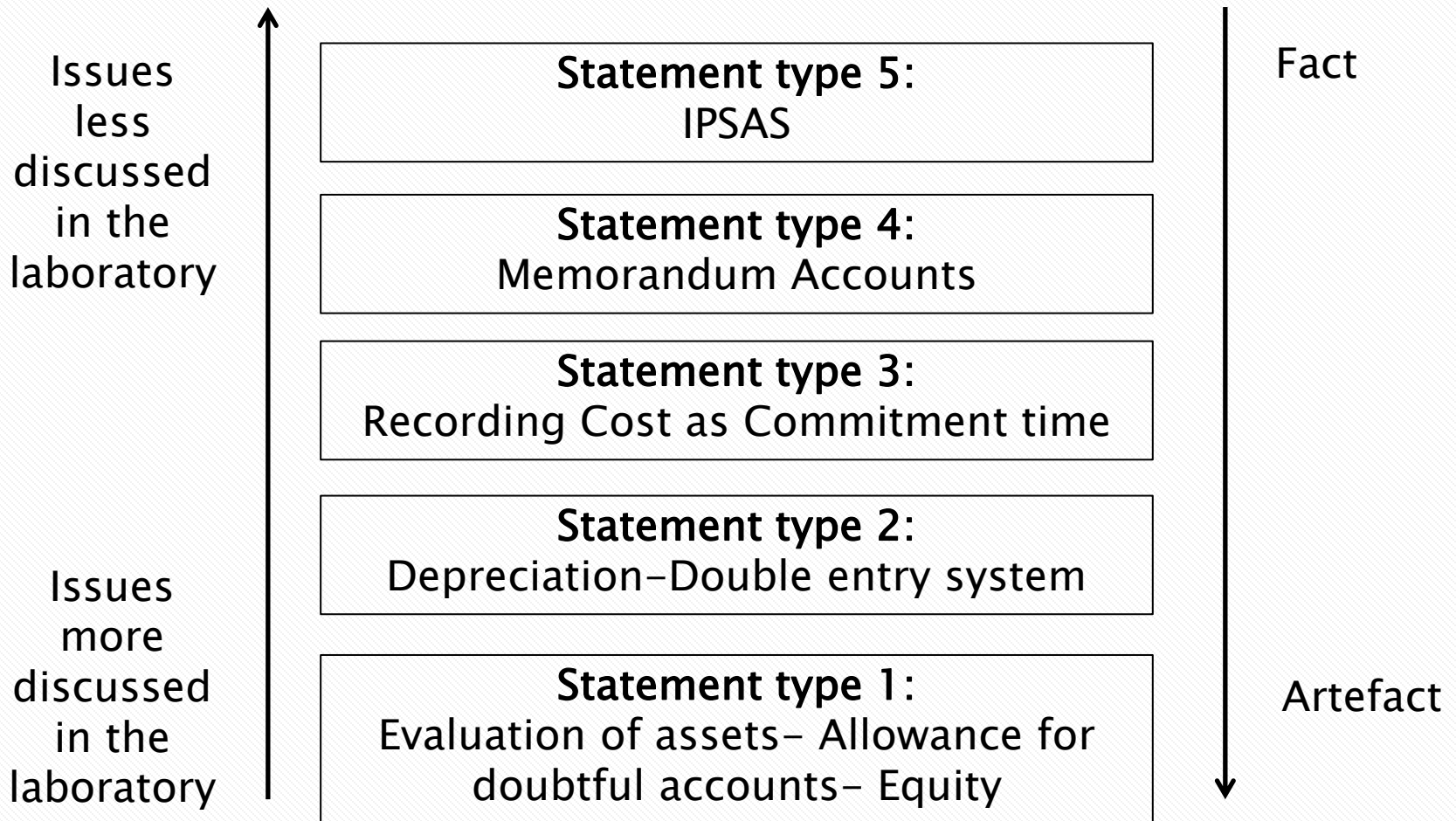
the text is launched by the Ministry without any modifications

The construction of fact

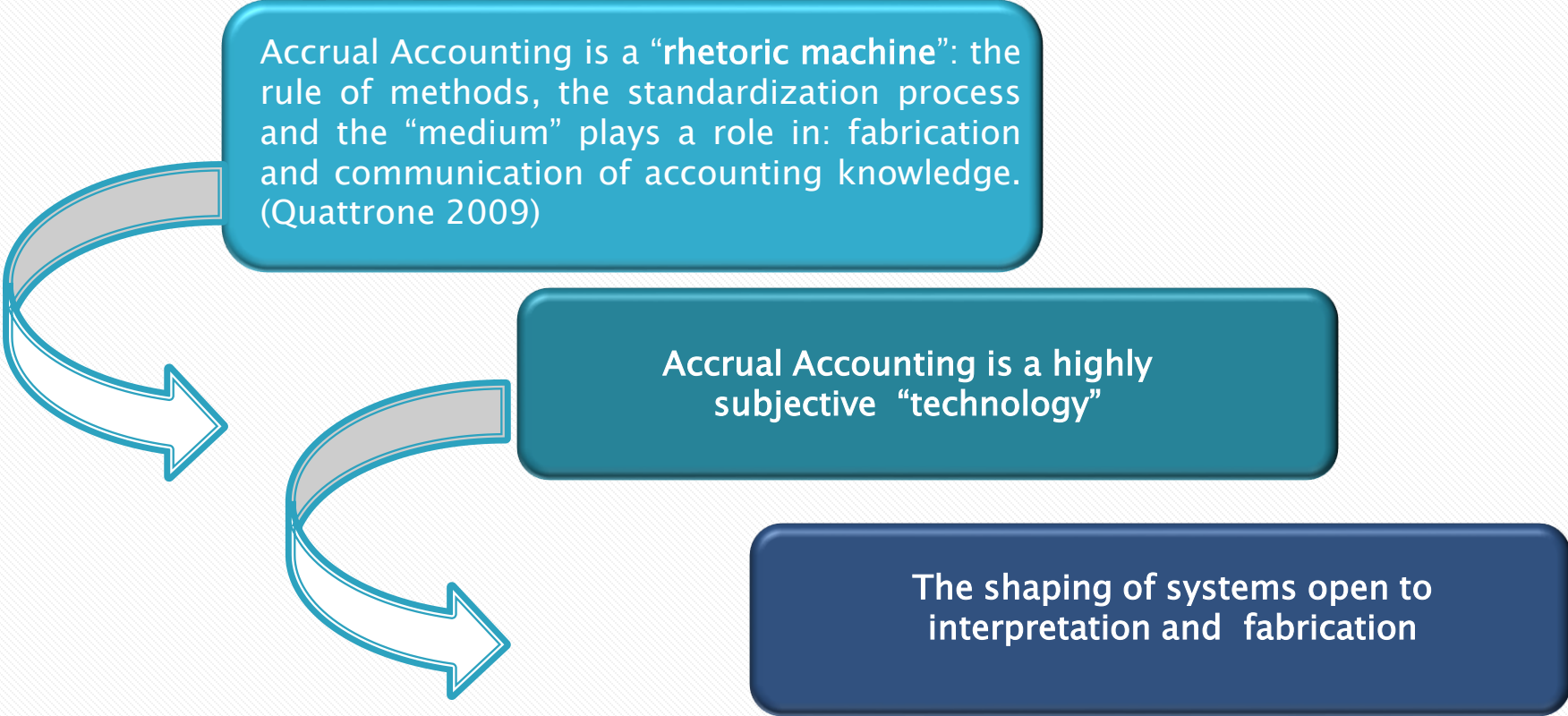
The facticity diagram



Results: the facticity diagram.



Conclusion



Accrual Accounting is a “rhetoric machine”: the rule of methods, the standardization process and the “medium” plays a role in: fabrication and communication of accounting knowledge. (Quattrone 2009)

Accrual Accounting is a highly subjective “technology”

The shaping of systems open to interpretation and fabrication

Contribution and further research

1

Understand the process of accrual accounting system implementation during the first stage of development.

2

Illustrate how an accrual accounting system is introduced during an ongoing accounting reform.

3

Discuss the process in context with regional authorities. This offers unique evidence because intermediate level government has received little attention in comparison to local and national government