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Strengthening the Foundations of the Accountability Profession

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Editor's Note: During the 2005-2006 program year, then-AGA National President Sam M. McCall, suggested the formation of an empirical research program within AGA that would reflect the goals outlined in his theme "Reporting on Accountability with a Citizen Focus." With the support of AGA Executive Director Relmond Van Daniker, and Sridhar Ramamoorti, McCall established a task force within AGA's National Executive Committee (NEC) to move this effort forward. NEC member, Wendy Comes, CGFM, led the task force that established the bylaws and clarified the governance structure. The NEC approved the initial funding for the Academy for Government Accountability, which is operating as a 501(c)(3) separate from the Association itself. Ramamoorti agreed to chair the Academy and has since worked with the AGA leadership to form a Board of Trustees to provide stewardship. This article is intended to inform the AGA membership about how the Academy fits into the current accountability landscape and what it hopes to accomplish in the years to come.

The Foundations of the Accountability Profession

What is Government Accountability?

Since he took office in 1998, Comptroller General of the United States David M. Walker has asserted that the accounting profession is better characterized as the "accountability profession." Indeed, it is this belief that led him in 2004 to spearhead changing the name of the General Accounting Office to the Government Accountability Office (GAO). After all, merely providing an accounting is drastically less onerous than being held accountable. We commend Walker for initiating this change, which is more than merely semantic, as it recognizes accountability professionals as the gatekeepers of financial integrity and stewardship in government today. We also welcome the entrée into the emerging discipline of accountability and accountability professionals that the Academy for Government Accountability will promote and support in the coming years.

Government accountability needs to be about stewardship, transparency, accountability and citizen-centric government. Such an enlightened public service orientation is necessary to maintain public trust and confidence. The Governmental Accounting Standards Board (GASB) stated this year, "For governments, information necessary to make political and social decisions is as important as information necessary to make economic decisions in shaping accounting and financial reporting objectives." Further, the exposure draft of the revised *Yellow Book* (Government Auditing Standards) charges government officials entrusted with public resources as being responsible for carrying out public functions efficiently, economically, effectively, **ethically, equitably** and legally (emphases added).

With the rising prominence of the term "accountability" in federal, state and local government contexts, it is important that as a nation we educate and train a whole new generation of accountability professionals. This article will briefly explore the conceptual foundations of the accountability profession, and describe the role of AGA's newly resurrected Academy for Government Accountability in strengthening the accountability profession through research and education initiatives.

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Accounting, Accountability and Government Financial Management

Accounting as an academic discipline typically gets characterized as a subfield of economics. Despite the fact that the father of modern economics, Adam Smith, was a professor of moral philosophy at the University of Glasgow, contemporary economics has largely eschewed "equity considerations" to focus almost exclusively on efficiency. Efficiency-oriented economics and ethics do not mix very well. The focus on efficiency does allow some economists to claim that economics is a "value-free," "value-neutral" or an amoral science. In contrast, as accountability professionals we are not just dealing with problems of fact and efficiency, we are also constantly grappling with problems of value as well as values. For instance, as Mautz & Sharaf point out, the function of auditing within government financial management, which is closely related to evaluating accountability, emphasizes proof in reviewing measurements and communications of accounting for propriety. As such, they further assert, auditing has its principal roots, not in accounting, which it reviews, but in logic on which it relies heavily for ideas and methods. We need to take a broader, interdisciplinary view of the accountability discipline and profession.

Given this backdrop, if accountability professionals are to be credible they must shift their perspective from looking narrowly at "economic value" to looking at a broader notion that includes "democratic, ethical and societal values." They must embrace concepts such as the triple bottom

line that encompasses economic, social and environmental measures of performance. In other words, accountability professionals of the future need to be educated in the liberal arts, well grounded in moral and social philosophy, as well as possess the technical expertise (accounting, finance, technology, for example) relevant to the rapidly evolving practice of government financial management.

The Academy for Government Accountability

The Academy for Government Accountability has the primary charge of advancing research and education initiatives in government financial management. The Academy seeks to become the premier source of thought leadership in bringing transparency and accountability to government financial management. To achieve its goals, Academy leaders will forge relationships among industry, government, academe and interested others. Governed by a prestigious Board of Trustees (see listing on page 37), the Academy has already awarded two inaugural Mortimer A. Dittenhofer Ph.D. dissertation awards. Presentations were made in August 2006 at the annual meeting of the American Accounting Association in Washington, D.C.

One area of emerging interest to the Academy is service efforts and accomplishments (SEA) reporting in state and local governments. We believe that the purpose of SEA reporting is to report on democracy itself, and how efficient our democracy is. Perhaps if there has been a mistake in SEA reporting, it could very well be that we have too often relied solely on accountants to carry the torch.

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Accountability mechanisms must encompass accountants as well as other professionals, preferably those with a liberal education with wide reading in philosophy and the humanities. It is critical that we produce a whole generation of well-qualified "accountability professionals" to carry a torch that is illuminated by their acting in the capacity of "representative citizens." That torch lights the way to transparency and democracy.

Democracy, Private Values and Public Policy

In his 1986 State of the Union address, President Ronald Reagan said, "Private values must be at the heart of public policy." Twenty years later, this observation presents a useful way to understand the goals of "citizen-centric government" in public policy formulation, implementation and accountability. From a stewardship and measurement perspective, the public policy orientation in any democracy must be firmly rooted in ethics² and accountability.³

Value conflicts arising from class versus mass can be usefully recast in the form of comparing reasoned "public judgment" versus mere "mass opinion." Nevertheless, one of the keys to securing future peace and prosperity, as well as for making democracy viable and resilient, is to match the federal, state and local government policies to the values of the people. This sets the stage for carefully devised accountability metrics and mechanisms to operate effectively.

In contemporary democracies, the problem of personal conduct is so intertwined with social conditions, that Dewey & Tufts powerfully formulate the essential ethical/

moral dilemma as follows: "What attitude shall I adopt towards an issue which concerns many persons whom I do not know personally, but whose action along with mine will determine the conditions under which we all live?" The one all-encompassing phrase that captures this attitude, deriving from the desire and honorable intention to do one's best for all humanity, is concurrence with the enlightened notion of taking responsibility, of "being held accountable." Such private acts in the public interest⁴ for a better world (can be called "trusteeship in society") apply equally for ordinary citizens, for politicians, for leaders, as well as for government financial management or accountability professionals.

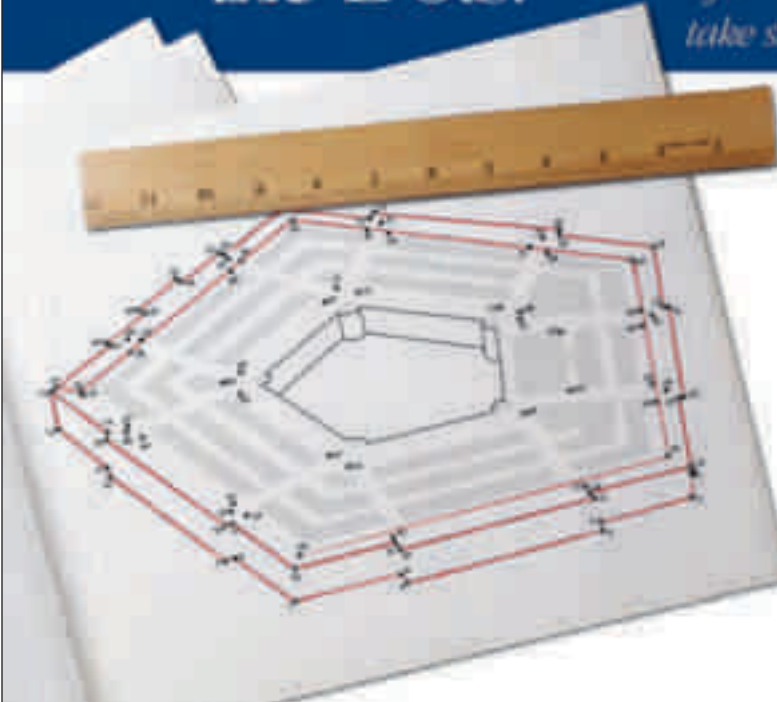
Preserving Democracy Through Stewardship and Accountability

Abraham Lincoln, having defined democracy as "a government of the people, by the people, and for the people," stated that the purpose of government is to do for a group of people what they cannot do for themselves. Woodrow Wilson stated that the purpose of government is to decide first what it can and should do and then do those things with the least exertion of energy and resources.

Our nation is beset with significant social and economic problems—many of them arising from financial constraints and resource allocation issues, a classic "guns versus butter" scenario. One needs to look only at the scope of reform required in the areas of continuing promised Social Security payments, universal health care coverage, pension

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liability commitments, and educating current and future citizens to cope with a changing, complex and uncertain world. The magnitude of the challenge is apparent for government accountability professionals and others. Moreover, as global competition intensifies, the threat of terrorism and political instability around the world becomes cause for alarm, impending climate change and weather patterns dictate advance planning, the future of an aging America requires careful consideration by policy experts,⁵ taking into account the views of citizens. In the final analysis, we must accept that the formulation of dynamic policies as solutions to deal with the truly daunting issues of today can be found in the *political will of the many rather than the technical cleverness of the few*. (Yankelovich & Harman, 1988, italics added).

Stewardship presumes an ethical obligation to be realistic about consequences of specific actions as we assess and take stock of the situation. In this regard, Yankelovich & Harman offer wise counsel in saying, "Reaching judgments through a resolution of clashes of values is hard work, especially if sacrifices are needed. If trusted leaders deny the need for choices and tell the American people that they can have it all—a defense buildup *and* reduced taxes *and* a balanced budget (emphasis in original)—then people will avoid reality until they are obliged to face it. The result is a failure to resolve inherent value conflicts."

As for the jockeying for power and influence that occurs among the conservatives, the liberals and the radicals, this is mostly a political affair. The primary contestants, the Republicans and the Democrats, appeal to the public in their political campaigns with their respective agendas for the country. Accountability professionals can play a significant role in ensuring that the American public has access to the right information to make accurate choices about political candidates. They should also have the moral courage to stand up and challenge attempts to massage or manipulate decision-relevant information. In other words, the government financial management (accountability) professionals' principled behavior only reflects the public's expectations for the level of trust, of integrity and credibility from such professionals. Hence, when the public trust is betrayed by a large number of instances of "unaccountable behavior" (for example, egregious instances of fraud, waste and abuse), the accountability profession comes under the harsh glare of scrutiny and loses its prestige and legitimacy.

The Academy's Anticipated Contributions

One of the biggest evolutions to occur since the 1930s when Dewey & Tufts wrote their influential essay, *Ethics*, is the emergence of public-private partnerships⁶ in the delivery of goods and services to citizens. Such arrangements are common in the 21st century and show no signs of abating.

Recognizing this emerging need for developing key accountability metrics, AGA's Academy for Government Accountability intends to provide resources to conduct research so that a common body of knowledge can be developed to educate and train future accountability professionals. The common body of knowledge will place significant emphasis on the design, development, deployment and implementation of reliable and valid accountability metrics, as well as for outcomes assessment in the context of public-private partnerships. Eventually, a battery of such carefully vetted accountability metrics, akin to SEA reporting, would ideally provide a transparent and understandable scorecard on our

democratic system and its functioning, allowing citizens to (re)elect appropriate representatives for federal, state and local government positions.

Accountability professionals have a key role in preserving democratic values and maintaining the public trust in the context of citizen-centric government. So, in a larger sense, it is through the Academy for Government Accountability that we will strive to address the ultimate risk to democracy itself so eloquently raised by Decimus Juvenal, "*sed quis custodiet ipso custodes?*" But who will guard the guards themselves?

In future issues of The Journal, we will report on the Academy's progress and publish articles summarizing research results. ▮



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Sam M. McCall, MPA, CGFM, CPA, CIA, CGAP, a member of AGA's Tallahassee Chapter, is AGA's Immediate Past National President, and a board trustee for the Academy for Government Accountability. He is the city auditor, City of Tallahassee, FL.



Relmond P. Van Daniker, DBA, CPA, is AGA's Executive Director and an ex-officio board trustee of the Academy for Government Accountability.

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End Notes

1. Consider the remarks of Broudy (1981): "Credibility reintroduces the moral dimension to knowledge. For credibility has to do with motives, and motives are not true or false, but good or bad...Thus motives, banished from epistemological and logical relevance by impersonal reason in the name of objectivity, return to raise the problem of 'truth' about motives." The use of the term credibility thus transports us into the domain of moral philosophy. And what good is an accountability professional who has no credibility?

2. The term "ethics" is derived from the Greek "ethos" (=customs, habitual conduct, usages, and later, character); the term "morals" is derived from the Latin "mores" (=customs or habits).

3. Accountability, as an operationalization of an ethical stance in politics, is an important factor in securing good governance and, thus, the legitimacy of public power. Accountability differs from transparency in that it only enables negative feedback *after* a decision or action (outcomes assessment), while transparency also enables negative feedback *before or during* a decision or action. Accountability constrains the extent to which elected representatives and other office-holders can willfully deviate from their theoretical responsibilities, thus reducing corruption. The relationship of the concept of accountability to related concepts like the rule of law or democracy, however, still awaits further elucidation. Nevertheless, colloquial expressions such as "the buck stops here" (used by President Harry Truman) are useful in further delineating the meaning of accountability, including the willingness to be held to account for critical tasks and responsibilities. [adapted from the Wikipedia narrative available on the www.wikipedia.org]

4. Reminiscent of President John F. Kennedy's stirring words, "Ask not what your country can do for you, ask what you can do for your country." Obviously, he meant exerting oneself to the fullest, recognizing one's responsibility to others.

5. It should be noted that it is conformity with a higher ethical and moral standard that differentiates a member of a technical profession (for example, government financial management or accountability professional) from someone who is merely an *expert*. Clearly, since the mid-1990s, with the formal development of the Certified Government Financial Manager (CGFM) designation by the AGA, government financial management has ascended to the status of a profession.

6. Research on accountability metrics associated with the assessment and evaluation of the success from public-private partnerships is one of the priority topics that is sought to be funded by the Academy for Government Accountability. See www.agacgfm.org for further details.

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