



## HIGHLIGHTED PAPER

# Public sector accounting and accountability: a public value(s) perspective

Enrico Bracci<sup>a</sup>

## ABSTRACT

Public value is a well-established concept employed across various disciplines, including public management, public administration, and public policy. In the context of accounting, research on public value accounting has primarily concentrated on its instrumental aspects – specifically, how to measure, control, report, and manage public value. However, there have been relatively few efforts to advance the theoretical foundations of public value accounting or to explore how adopting a public value perspective might reshape the conceptualization and practice of accounting in the public sector. The purpose of this article is to propose a conceptual framework for understanding public sector accounting and accountability through the lens of public value. In doing so, it seeks to provide a foundation for both future academic inquiry and practical application. The study adopts an abductive research approach. First, it conceptualizes the core elements of public value accounting by drawing on relevant literature from accounting, public management, and public administration. Second, it applies the proposed framework through a document analysis of the Italian Ministry of University and Research. This paper contributes to the theoretical development of public value accounting within public services, aiming to stimulate further research and inform practice in this evolving field.

**Keywords:** Public value; Well-being; Outcomes; Impact; Co-production.

<sup>a</sup>Università degli Studi di Ferrara. E-mail address: [enrico.bracci@unife.it](mailto:enrico.bracci@unife.it)

*[This page is intentionally left blank]*

# Contabilidade e prestação de contas do setor público: uma perspectiva do(s) valor(es) público(s)

## RESUMO

O valor público é um conceito bem estabelecido, utilizado em várias disciplinas, incluindo na gestão pública, administração pública e políticas públicas. No contexto da contabilidade, a investigação sobre a contabilidade do valor público tem-se concentrado principalmente nos seus aspetos instrumentais – especificamente, como medir, controlar, relatar e gerir o valor público. No entanto, tem havido relativamente poucos esforços para avançar os fundamentos teóricos da contabilidade do valor público ou para explorar de que forma a adoção de uma perspectiva de valor público pode reconfigurar a conceptualização e a prática da contabilidade no setor público. O objetivo deste artigo é propor um quadro conceptual para compreender a contabilidade e a prestação de contas do setor público através da lente do valor público. Ao fazê-lo, procura fornecer uma base tanto para futuras investigações académicas como para aplicações práticas. O estudo adota uma abordagem de investigação abductiva. Primeiro, conceptualiza os elementos centrais da contabilidade do valor público, com base na literatura relevante sobre contabilidade, gestão pública e administração pública. Em segundo lugar, aplica a estrutura proposta por meio de uma análise documental do Ministério da Universidade e da Investigação de Itália. Este artigo procura contribuir para o desenvolvimento teórico da contabilidade do valor público nos serviços públicos, com o objetivo de estimular novas pesquisas e informar a prática neste campo em evolução.

**Palavras-Chave:** Valor público; Bem-estar; Resultados; Impacto; Coprodução.

*[This page is intentionally left blank]*

## 1. Introduction

In the past decade, the debate around the role of public service organizations has turned towards their capacity to address the societal challenges condensed in the UN sustainable development goals (SDGs) (Guarini et al., 2021). From an accounting perspective, this trend has resulted in overcoming the focus on efficiency and effectiveness by bringing the concept of publicness and public value as a driver to shape accounting and accountability practices (Bracci et al., 2021; Steccolini, 2019).

Public value is nowadays an established concept used in different fields, like in public management, public administration and public policy (Blaug et al., 2006; Moore, 1995a; O'Flynn, 2007; Stoker, 2006). Public value from an accounting point of view has mostly focused on its instrumental value on how to measure, control, report and manage public value (Bracci et al., 2014; Guthrie et al., 2014; Papi et al., 2018a; Spano, 2009; Gherardi et al., 2021). There have been few attempts to theoretically advance the concept of public value accounting and how adopting a public value perspective will mould the way accounting is conceptualized and practiced (Bracci et al., 2019, 2021).

Paradoxically, the accounting practice and profession seem to have engaged more with public value concept than from a theoretical perspective. As an example, the New Zealand government publishes its “Wellbeing” budget since 2019 (Moll et al., 2024); the OECD promotes the diffusion of the “Green budgeting” (Blazey & Lelong, 2022; OECD, 2024); the International Public Sector Accounting Standards Board (IPSASB) has launched the “Reporting Sustainability Program” to develop specific standards, even though contested (Morrison et al., 2025).

The aim of this article is to propose a conceptualisation of how public sector accounting and accountability can be framed from a public value perspective and in so doing providing a basis for developing future research as well as for practice. The paper follows an abductive approach where: first, public value accounting is conceptualised in its core elements, drawing on the accounting, public management and public administration literature; and second, a document analysis of the Italian Ministry of University and Research is used to apply the proposed public value accounting framework.

The paper aims at contributing to the theoretical development of public value accounting in public services, to foster future research and practice alike in this field.

The rest of the paper is structured as follows: the next section introduces the debated public value concept. The paper then proposes an accounting-based perspective on

public value and its implications for practice. Section 4 debates the public value framework in the light of the recent Italian public sector reforms that introduced a public-value based planning and monitoring tool. The paper concludes with some general reflections on how public value accounting can develop further to contribute both to theory and practice.

## 2. The public value kaleidoscope

Public value is nowadays a well-established field of interest both for academics and for practitioners, since the seminal work by Moore (1995). Public value, as a public management paradigm, is considered an alternative to the dominant New Public Management (NPM) approach in public sector reforms (Talbot, 2009).

The concept of public value has been defined in various ways by scholars. Moore (1995) defines public value as the value that public managers generate by delivering services that are beneficial to the public and by achieving outcomes that improve societal well-being. Meynhardt (2009) conceptualizes public value from a psychological perspective, suggesting that it emerges from individuals' experiences within social structures and relationships. He posits that public value serves as both a prerequisite and a resource for a successful life. Bozeman (2007) defines public value(s) as those providing normative consensus about: (1) the rights, benefits, and prerogatives to which citizens should (and should not) be entitled; (2) the obligations of citizens to society, the state, and one another; and (3) the principles on which governments and policies should be based. Deidda Gagliardo & Poddighe (2011) conceptualize public value as the aggregate of social, economic, tangible and intangible benefits exceeding associated sacrifices. From the citizens' perspective, social value reflects satisfaction with public services when social benefits surpass social sacrifices. From the public administration's viewpoint, economic value is achieved when economic benefits outweigh economic sacrifices. Intangible value arises when intangible benefits exceed intangible sacrifices, encompassing aspects like organizational structure, human resources, external relationships, and adaptability to change. Talbot (2006) and Benington (2009) describe public value as the combined view of the public about what they regard as valuable, while Faulkner & Kaufman (2018), in their systematic review, identify four key dimensions of public value: outcome achievement, trust and legitimacy, service delivery quality, and efficiency. Hartley et al. (2017) argued that public value has been conceptualised as what adds value to the public sphere (Benington, 2011); as the value created by public sector entities and public managers and it relates to the desired outcomes (Moore, 1995; Moore, 2003; Papi et al., 2018), or as a heuristic tool to explore how managers seek to balance its various dimensions (Moore, 1995; Hartley et al., 2015).

These definitions reflect the multifaceted nature of public value, encompassing aspects of societal benefit, individual experience, normative consensus, and organizational performance.

Public value was addressed by the literature adopting at least three distinct perspectives (Hartley et al., 2017). First, public value has been addressed as a paradigm of public management as a way to envisage a post-NPM world (Ang & Wickramasinghe, 2024; Wittbom & Häyrén, 2021). This was interpreted as a paradigm for strategy deployment and management (Benington & Moore, 2010), considering the networked era of public services and their governance (O’Flynn, 2007). Second, public value has been addressed as rhetoric to be used by bureaucrats and politicians as a normative justification of their decisions in the political domain (Chohan & Jacobs, 2018). Lastly, public value has been studied as a performance yardstick (Kelly et al., 2002), leading to the development of different models and methods of public value measurement for defining, measuring and evaluating public value (Cole & Parston, 1996; Moore, 2003; Papi et al., 2018).

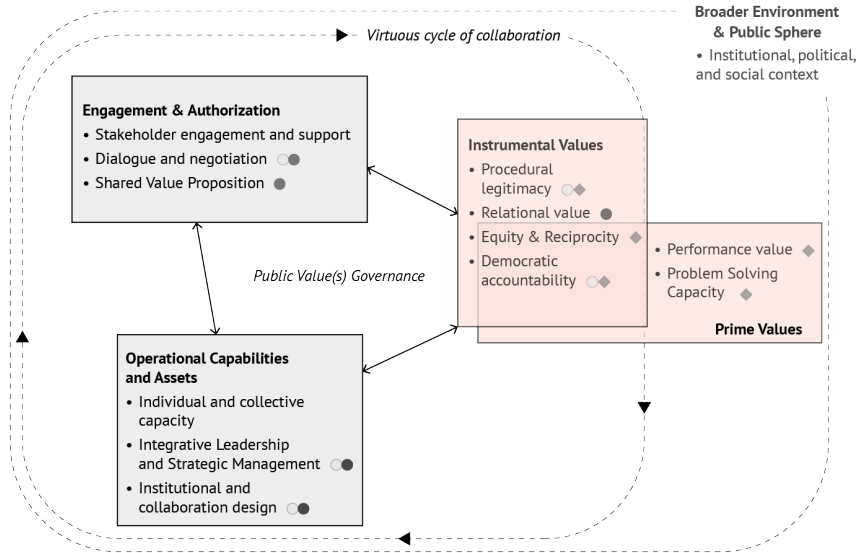
Public value management also generated a series of critiques (Alford & O’Flynn, 2009; O’Flynn, 2021). First of all, from a theoretical perspective, public value has been conceptualized either as an empirical or as a normative theory, or even as a hermeneutic device. Moving from the several definitions above, public value as a concept emerges as relative and often contested democratic practice (Benington, 2011). Besides, one of the major critiques relates to the relationship between public managers in pursuing public value and politics (Rhodes & Wanna, 2009). These critiques were directed to the risk of giving a political role to public managers, although Moore clearly maintains the ultimate role of elected officials as the arbiter of public value (Moore, 1995, p. 38).

More recently, Thabit et al. (2024) attempted to provide a comprehensive framework for understanding public value(s) governance in complex public service context, integrating Mark Moore’s strategic public value triangle with Bozeman’s policy-oriented public values approach (see Figure 1). The study advances theoretical and practical insights into public value governance, emphasizing collaborative, strategic, and multi-actor approaches. The “Engagement and authorization” dimension considers the need for public managers to activate an engagement with legal authorizers and relevant stakeholders to achieve legitimacy for their actions. In so doing, a shared set of values can also be achieved. The “Operational capacity and assets” dimension refers to the key capacity elements identified by collaborative governance frameworks. The operational capabilities and assets represent the resources needed to attain the strategic goals.

The framework innovates by identifying six key public values, categorized into instrumental values (process-oriented) and prime values (output-oriented). Instrumental values are those values that do not represent an end in themselves, but are precursors for the achievement of other values. In the pursuit of prime values, public managers are required to respect procedural legitimacy and to create trust and long lasting relationships and networks with stakeholders (i.e. relational value). The last two values are concurrently instrumental and prime values, as they are functional for the processes as well as an end. Democratic accountability is both necessary to build trust and relationships, but is a desired outcome to be achieved. The same reasoning applies for the equity and reciprocity value. Prime Values “are those that are pursued for their own sake, recognized as primary objectives for most collaborations” (Thabit et al., 2024, p.11) and considers the achievement of long-lasting impact (performance value), and the ability to address complex challenges (problem solving capacity).

While accounting and accountability appear in the model (democratic accountability and performance value), their role seems overlooked. In the next section, we attempt to start developing an accounting framework from a public value perspective.

**Figure 1.** Unifying framework for strategic public value(s) governance



**Modifications and integrations from existing theories:**

- Relocation of themes and concepts in the Public Value Governance Triangle (Bryson et al., 2017)
- ◆ Integration of additional themes linked to Public Value Creation by Cross-Sector Collaborations (Page et al., 2015)
- Integration of additional themes linked to Collaborative Governance (Ansell & Gash, 2008; Emerson et al., 2012)

Source: Thabit et al., 2024, p. 12.

### 3. Public value accounting – a framework of analysis

There is a growing debate around the need for reconsidering what accounting is, does, how it is used and its effects (Carnegie et al., 2021; Carnegie et al., 2024). Carnegie et al. (2021) reinvigorated the need to go beyond the view of accounting as a mere technical practice. Traditional accounting encompasses technical expertise, financial reporting, auditing, and regulatory compliance. These technical processes must also align with ethical standards and social responsibilities. Moreover, they are increasingly being reshaped by innovations in digital accounting, artificial intelligence, and automation. Therefore, accounting should not be viewed solely as a technical activity, but also as a moral and social practice (Carnegie et al., 2021). Accounting as a moral practice means considering accounting beyond numbers, since it has ethical implications in decision-making, it influences social justice, fairness, and responsibility in financial reporting and business conduct. Accountants must consider the broader consequences of their work, such as environmental and social impacts. Accounting as a social practice considers how it shapes and is shaped by societal norms, cultures, and institutional contexts, how it impacts public trust, governance, and accountability, and its role in addressing global challenges like sustainability and social inclusion.

In line with this reasoning, the public value concept has made accounting scholars reflect on the role of accounting in bringing the public back in (Steccolini, 2019). Moore (2014, p. 475) highlighted the importance of developing a public value accounting (PVA), recognizing the inherent difficulties in doing so, as it is “more contingent and particular than might seem ideal” and thus “*one can reasonably hope that, over time, different politics and different governments facing similar issues might gradually converge on a useful way to account for public value creation.*” The concept of public value accounting has been a focal point of scholarly debate, particularly concerning its definition, measurement, and practical application in the public sector.

Public value accounting aims to assess the value (co)created by public sector organizations for society. Bracci et al. (2021) emphasized the centrality of public values at individual, organizational, and societal levels, highlighting the need for interdisciplinary approaches to understand their interplay with accounting practices. Measuring public value is inherently complex due to its multifaceted nature. Papi et al. (2018) proposed a public value measurement model, demonstrating its feasibility through an Italian case study. They underscore the organizational implications when public value measures are made available to managers and policymakers. Despite such efforts, Bracci et al. (2019) note a scarcity of empirical research in this area, indicating a need for deeper exploration into public value conceptualization and

measurement within accounting scholarship. Given the challenges associated with quantitative measurement, some scholars advocate for alternative approaches. For instance, narratives have been proposed as a means to operationalize public value in higher education, offering a qualitative lens to assess and communicate value creation (Salemans & Budding, 2022). This approach suggests that storytelling can complement traditional performance indicators, providing a more comprehensive understanding of public value.

The practical application of public value accounting is further complicated by varying stakeholder perspectives. Different stakeholders may have conflicting assessments of performance measurements, leading to challenges in achieving consensus on what constitutes public value. Research indicates that these differing viewpoints necessitate a nuanced approach to performance measurement and management in public organizations (Höglund et al., 2023). Steccolini argued that a “focus on the public value side of accounting could contribute to emphasize its political, processual and dynamic aspects in reminding us of the role of participatory and political processes of deliberation for deciding on what is considered valuable by a community” (2019, p. 263). She continues by stimulating accounting scholars in providing a basis to make public value more operational, measurable and/or visible to the organization and society at large. From an emancipatory perspective, this may lead to shedding light on the unequal distribution of power and how it translates into the production or destruction of public value (Steccolini, 2019, p. 265).

A public value perspective of accounting highlights the importance of users not only in relation to why and how they use accounting information, but also in relation to how they can be involved in the construction of accounting information. Accounting has the potential to measure public value, to make it more visible, defining its boundaries. Accounting can also be a mediator between different stakeholders’ interests, and the ways in which public value is (co)defined, (co)created or destroyed. The role of accounting, however, may change in relation to the paradigm adopted and the values therein (see table below). This has also implications in the ways in which accountability is performed. In the traditional public administration framework, the values are concerned with ensuring a transparent resource allocation process, which allows to balance the budget and provide an authorizing environment to public managers. Accounting technologies are centred around the budget, the management of inputs and the formal control of authorized resources use. Consequently, accountability is vertically focused on a single organization and based on the accounts on the use of resources. The accountability tends to be primarily political aimed at achieving legitimacy from electors and/or tax-payers.

New Public Management (NPM) is underpinned by values such as competition, performance measurement through quantitative indicators, and a strong emphasis on financial control, all grounded in rational decision-making processes (Lapsley, 2008). The primary focus of NPM is on intra-organizational performance, aiming to enhance the efficiency and effectiveness of individual public sector organizations. Consequently, accountability mechanisms tend to be vertical, designed to assess the performance of discrete organizations and their managers. In this context, accounting technologies are employed to support managerial control and performance evaluation, by measuring organizational outputs against established financial and operational objectives.

In contrast, New Public Governance (NPG) emphasizes collaboration, cooperation, and the sharing of resources among public and private sector organizations (Wiesel & Modell, 2014). The focus shifts to inter-organizational relationships, with the aim of fostering joint outcomes by leveraging diverse competencies and resources. Accountability in NPG is more horizontal in nature, recognizing the contributions and performance of multiple actors engaged in collaborative efforts. Accordingly, accounting technologies evolve to transcend organizational boundaries, incorporating whole-of-government accounting approaches and multidimensional performance measurement systems.

Public Value Management (PVM) is founded on values such as participation, inclusiveness, collegiality, and cooperation, with a strategic emphasis on social and environmental sustainability (Bryson et al., 2014). The focus extends to the broader community, with stakeholder and citizen engagement regarded as central to achieving ambitious and meaningful outcomes. Accountability under PVM is characterized by horizontal and dialogical practices, aimed at recognizing the co-creation of public value. In this paradigm, accounting plays a role in managing and communicating outcomes through enriched reporting practices, including non-financial disclosures and narrative accounts of public value creation.

**Table 1.** Public management models: comparing elements

	<b>Traditional Public Administration</b>	<b>New Public Management</b>	<b>New Public Governance</b>	<b>Public Value Management</b>
<b>Values</b>	Balanced budget Authorizing spending	Competition Managing by numbers Financialization Control by managers Rational decision-making	Collaboration Resource-sharing Cooperation	Participation and inclusion Collegiality and cooperation Social and environmental sustainability

	<b>Traditional Public Administration</b>	<b>New Public Management</b>	<b>New Public Governance</b>	<b>Public Value Management</b>
<b>Focus</b>	Single-organization focus Balanced budget Legitimacy	Intra-organizational focus Improving the efficiency and effectiveness of the single organizations' public service delivery	Inter-organizational focus Improving the inter-organizational coordination and outcomes of a network of organizations with different competencies	Community-wide focus Improving stakeholders/ community involvement and outcomes
<b>Accountability dimensions</b>	Vertical performance of single organizations Accountability in terms of resource allocation and use	Vertical performance of single organizations Accountability in terms of results (outputs)	Horizontal performance of the network of organizations Accountability in terms of the outcome of the network	Horizontal and dialogical between public service organizations and the community Accountability in terms of outcomes (co)created value
<b>Accountability form</b>	Political accountability	Managerial accountability	Public accountability	Public, democratic and dialogical accountability
<b>Accounting</b>	Managing the inputs Financial reporting of single public organizations	Managing the outputs by assessing the objectives Financial reporting of single public organizations	Whole-of-Government Accounting and consolidated reporting	Managing the outcomes by assessing the objectives Reporting enriched with non-financial reports and narratives of public value created

Source: Adapted from Almquist et al., 2013, p. 483.

### 3.1. Accounting and public value(s)

In this subsection, we attempt to mesh the accounting perspective and the public value perspective to provide a tentative framework for public value accounting.

An accounting process can be distinguished in three major phases: allocation; management; and accountability (see Figure 2). The effective management of public resources requires a structured approach that aligns inputs with both strategic and operational goals. This process is facilitated through tools such as strategic planning and budgeting, which guide the allocation of funds based on predefined spending limits, political considerations, and organizational priorities. By ensuring that financial resources are distributed in accordance with overarching objectives, public entities can optimize their ability to deliver essential services and programs efficiently.

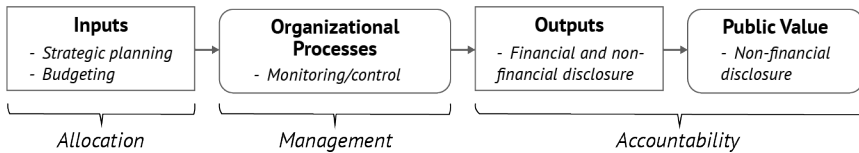
Once resources are allocated, their management involves continuous monitoring and control to track the advancement of spending, program execution, and the

achievement of objectives. This phase ensures that public funds are used effectively and that services are delivered as intended. Regular oversight mechanisms help maintain fiscal discipline and enhance the capacity of public organizations to respond to emerging challenges while staying aligned with their strategic missions.

An essential component of this process is the accountability of the outputs generated and the actual use of funds. Accountability can take multiple forms, including: financial accountability, which ensures compliance with budgetary constraints and proper financial reporting; managerial accountability, which focuses on operational efficiency and performance; and political or public accountability, which assesses how well public funds contribute to societal goals. The form of accountability adopted influences the nature of reporting, whether it is centred on outputs – such as services provided – or on broader measures of public value, including the long-term impacts generated by government interventions.

Ultimately, the strategic allocation, effective management, and transparent accountability of public resources are integral to fostering trust, ensuring efficiency, and maximizing the impact of public spending on societal well-being.

**Figure 2.** Accounting process: a simplified representation.



Source: Author's own elaboration.

The (co)production of public value requires four key principles (Douglas & Overmans, 2020):

1. a focus on achieving broad societal outcomes and not narrow short-term organizational goals;
2. an active engagement and collaboration with stakeholders;
3. a flexible and customized approach to maximize value;
4. an enduring form of democratic control and accountability.

Public value creation is fundamentally about prioritizing broad societal outcomes over narrow, short-term organizational goals. It is closely linked to generating positive environmental, social, and economic impacts for the community. Unlike immediate objectives that can be met within a limited timeframe, public value necessitates a long-term perspective and a broad analytical approach. This means

that the focus must extend beyond institutional mandates to address systemic and deeply embedded challenges that require sustained effort and commitment.

Another crucial element in determining and achieving public value is the active engagement and collaboration with stakeholders. Public organizations cannot unilaterally define what is valuable and desirable for society. Instead, legitimacy in public value creation arises from the collective agreement and participation of various actors, including governmental agencies, private organizations, civil society, and the public at large. This process ensures that resources are aligned effectively to generate shared capacity and that the resulting initiatives resonate with the needs and aspirations of the community (Geuijen et al., 2017). Without this broad coalition of stakeholders, public initiatives risk lacking the legitimacy and support necessary for meaningful impact.

Moreover, the pursuit of public value requires a flexible and customized approach tailored to specific contexts. Stakeholder collaboration and engagement inherently shape the identification of what is valuable, making it necessary to adapt strategies according to the particular circumstances of different communities and timeframes. There is no single, universally optimal method for creating public value; rather, approaches must be context-dependent and capable of evolving as societal needs and conditions change. The ability to adapt ensures that public interventions remain relevant and effective, even as external circumstances shift.

Ensuring an enduring form of democratic control and accountability is another essential pillar of public value creation. The determination of what is valuable for society and the evaluation of whether public value has been achieved are central to the public accounting process. To prevent policy capture and the misappropriation of public funds for the benefit of a select few, mechanisms of democratic oversight are necessary. Transparency in decision-making processes and robust feedback mechanisms for stakeholders can foster democratic control, ensuring that public interventions remain aligned with societal interests. Additionally, accountability must extend beyond traditional financial reporting to include broader assessments of impact and effectiveness. Alternative forms of accounting – such as social impact metrics and performance evaluations – can provide a more comprehensive view of whether public value objectives have been met.

Ultimately, the creation of public value is an ongoing, dynamic process that requires long-term commitment, stakeholder collaboration, adaptability, and robust democratic oversight. By prioritizing these principles, public organizations can ensure that their actions contribute meaningfully to societal well-being and maintain legitimacy in the eyes of the communities they serve.

By combining the accounting process phases with the public value co-production principles, a conceptualization of public value accounting is presented in Table 2.

The allocation processes, under a public value perspective, require that most of the resources are coherently allocated to the pursuit of societal challenges, while considering how the organization and stakeholders can contribute. In this process, public spending may not be enough and is necessary to complement it with other resources, including private, to maximise outcomes. As a consequence, the ways in which stakeholders are engaged and involved are key to increase resources as well as legitimation over policy interventions. Resource allocation needs to be more flexible, beyond the traditional incremental approach, as new challenges may emerge, while others may reduce their prominence. The authorizing environment remains important and public fund allocation will continue to require formal approvals by legislators, to conform to democratic standards and transparency.

Considering the allocation process, the management function of accounting needs some adaptations too. The use of shared resources requires forms of internal and external coordination between single public sector organizations' functions and the other actors. The traditional management function in public organizations is compartmentalised managing the tiny bit of allocated resources without seeing beyond. As a consequence, resource management should also consider involving stakeholders to optimize and leverage, as well as co-defining the way to assess a good performance through key performance indicators. While managing resources and collaborating with stakeholders, the need for variations may emerge and, as such, managers should adapt a flexible approach. The adaptation of the resources allocation to accommodate new opportunities as well as risks together with stakeholders becomes necessary. Transparency and formal due process remain core elements to grant democratic control and accountability.

Accountability under a public value perspective is required to go beyond the traditional financial accounts. Forms of non-financial reporting can complement financial performance, with impacts in terms of environmental and societal challenges. The accountability process needs to become more relational and dialogical (Dillard & Vinnari, 2019) to consider the role of stakeholders, not only in terms of engagement, but also in terms of co-production of reports. Dialogical accountability emphasizes mutual, communicative, and participatory forms of accountability rather than hierarchical, top-down mechanisms. It is rooted in dialogue, where all parties involved in an accountability relationship – such as organizations, stakeholders, and the public – actively engage in open, reflective, and inclusive communication.

**Table 2.** Public value principles and accounting

Public value principles	Allocation (Planning/Budgeting)	Management (Monitoring/Control)	Accountability (Reporting)
<b>Focus on achieving broad societal outcomes</b>	Coordination of public spending with other public and private resources to maximize outcomes	Internal and external coordination in managing shared resources	Reporting needs to consider more dimensions and societal outcomes. Non-financial disclosures
<b>Create public value by collaborating with stakeholders</b>	Resources allocation process needs to involve stakeholders	Resource management and performance assessment need to involve stakeholders	Stakeholders' engagement in reporting preparation
<b>Customized and flexible approach to maximize value</b>	Resource allocation requires more frequent updates	Resource management requires flexibility	Reporting needs to adapt to changing conditions
<b>Enduring need for democratic control and accountability</b>	Resource allocation requires legislator approval	Resource management requires transparency about the decisions	Reporting will continue to involve political disagreement between actors and interests Dialogical accountability

Source: Adapted from Douglas & Overmans, 2020, p. 629.

#### 4. Public value accounting: the case of the Italian Ministry of University and Research

In this section, we present the case of the Italian reform that through the Decree Law 80/2022 introduced the Integrated Organizational and Activity Plan (PIAO) for public sector entities, including central government, local government and public universities. The PIAO is a three-year strategic and operational plan through which public sector organizations have to define their public value goals and strategy, as well as the operational plan to achieve them.

The PIAO's innovative core is the "Public Value" dimension. The laws also defined public value as "*the level of economic, social and environmental well-being (co)created by a public sector entity*". The public sector entities are required to monitor and to account for the impact created and the objectives achieved.

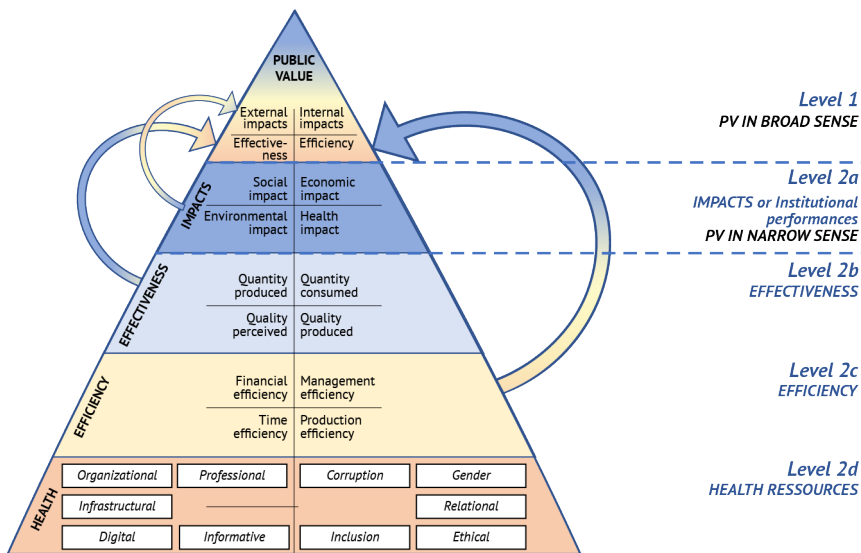
From a theoretical perspective, the PIAO follows the public value measurement pyramid (see Figure 3) (Bracci et al., 2014; Papi et al., 2018). The model is structured in two levels: the level of public value and the level of multidimensional performances. The first level considers the public value in broad sense measured as a weighted and normalised indicators of the impacts, effectiveness, efficiency and organizational health. The second level is composed by four sub-levels: the impacts in terms of social, environmental and other desired outcomes; the effectiveness of the processes/

services; the efficiency of processes/operations; and the level of organizational health as enabling factors in terms of ethical conduct, digitalisation, etc.

This framework (Figure 3) conceptualises the role of impacts as performance attractors of services’ effectiveness, efficiency and organizational health. The effectiveness dimension expresses the adequacy of the output delivered with respect to the expectations and needs of users (internal and external) and can be measured both in quantitative (e.g. the quantity of the service provided or used) and qualitative terms (e.g. the level of citizens’ satisfaction). The efficiency dimension measures the ability to use resources (inputs) in a sustainable and timely manner in the service delivery process (output) or, in other words, the ability to deliver services while minimizing the resources used.

The public value creation is enabled by the improvement of the quantity and quality of different types of Public Administration’s tangible and intangible assets, which therefore act as drivers to increase the capability to create public value (Deidda Gagliardo et al., 2023). The public value pyramid can help to conceptualize the public value dimensions as well as their relationship with the effectiveness of the organizational performances (Papi et al., 2018).

**Figure 3.** The public value measurement pyramid



Source: adapted from Deidda Gagliardo, 2015.

The structure and the core elements of the PIAO are organized in a “standard scheme” defined by the legislation, but leaving the single organization to develop its specific content. Figure 4 shows the contents and structure of the PIAO. With reference to Section 1 “Public Value, Performance, Anticorruption”, the “Public Value Objectives” subsection presents the goals in terms of general and specific public value objectives, planned in coherence with the financial planning documents, the processes and actions aimed at achieving full physical and digital accessibility to the administrations by citizens, as well as the processes to be simplified and reengineered. The administration selects some of the institution’s policies that are translated in terms of Public Value objectives (outcome/impacts), also with reference to the SDGs.

Within the “Organizational performance” subsection, the organizations plan the objectives and performance indicators of efficiency and effectiveness.

The “Anticorruption objectives” subsection is based on the strategic objectives regarding the prevention of corruption, formulated in a logic of integration with the specific objectives programmed and functional to the strategies of value creation. The essential elements of the subsection, aimed at identifying and containing corruption risks, are those indicated by the National Anti-corruption Authority. With reference to the “Organizational and Human Capital” section, it is composed by two sub-sections. The first (i.e. Organizational health) presents the organizational model adopted by the public entity (i.e. organization chart; levels of organizational responsibility; and the average number of employees). In particular, this sub-section contains: the enabling factors (i.e. technological platforms, professional skills), the objectives within the administration, and the contributions to improving performance, in terms of efficiency and effectiveness (i.e. perceived quality of smart working, reduction of absences).

Finally, in the “Professional health” sub-section, the administration presents the strategic planning of human resources, coherently aimed at improving the quality of services offered to citizens. Human capital training is also planned, by identifying strategic priorities in terms of requalification or strengthening of technical and transversal skills.

**Figure 4.** The PIAO’s structure

SECTION 1 PUBLIC VALUE, PERFORMANCE AND ANTICORRUPTION	
<b>Sub-SECTION 1.1</b> PUBLIC VALUE OBJECTIVES (e.g. Environmental impact KPIs, Social impact KPIs, Economic impact KPIs)	
<b>Sub-SECTION 1.2</b> ORGANIZATIONAL PERFORMANCE (e.g. Ouputs, Quality, Efficiency, KPIs)	<b>Sub-SECTION 1.3</b> ANTICORRUPTION OBJECTIVES (e.g. Risk maps, risk treatments, KRIs)
SECTION 2 ORGANIZATION AND HUMAN CAPITAL	
<b>Sub-SECTION 2.1</b> ORGANIZATIONAL HEALTH (e.g. Innovation KPIs, digitalization KPIs)	<b>Sub-SECTION 2.2</b> PROFESSIONAL HEALTH (e.g. Training plan KPIs, recruitment plan KPIs)

Source: Author’s own elaboration.

We now turn to analyse the case represented by the Ministry of the University and Research (MUR). The MUR has the responsibility of defining the policy direction of the university system and research through financing and control mechanisms. It employs some 574 employees and manages around 13 billion euros. It represents, therefore, a relevant case as its policies address important societal issues related to the economic, cultural, technological and social dimensions of society. The analysis was conducted on the official published PIAO documents of the MUR available in 2025.

Figure 5 represents an extract from the PIAO MUR. In particular, it is an example of the deployment of the public value objectives section, along the other subsections (i.e. Organizational performance section, Anticorruption section, Organization and Human Capital section). For each public value objective, the expected outcomes, the related strategies to be activated and the KPIs and targets to be achieved are identified. The strategies are deployed throughout the other sections in terms of organizational performance and anticorruption objectives. At the bottom of the table, the organisational and human capital objectives are defined and represent the enabling factors both for the improvement of performance, of anticorruption measures, and to achieve the public value goals. Figure 5 represents the application of the conceptual model depicted in Figure 4.

Figure 5. The Ministry of University's PIAO: an extract

MAPPA DEL VALORE P.U. SEZIONE DI VALORE PUBBLICO, PERFORMANCE Sottosezione 1 (+ VALORE P.U.)				Public value objectives section				PROGETTI, POLITICHE Lavori e servizi erogati da 1 piano Pluriennale			
OBIETTIVO DI VALORE PUBBLICO				INDICATORE SINTETICO DI VALORE PUBBLICO				INDICATORI ANALITICI DI VALORE PUBBLICO			
INDIRIZZO DI SOGGERE				DESCRIZIONE				DESCRIZIONE			
TABELLA DI SOGGERE ZIONOMI COPRIAMARIA				DESCRIZIONE				DESCRIZIONE			
Anno	Divisione OES 3	Divisione OES 3	Divisione OES 3	Indicatore Sintetico di Valore Pubblico	Unità di Misura	Target	Target	Target	Target	Target	Target
2024	01.000.000.000	01.000.000.000	01.000.000.000	1	Indicatore Sintetico di Valore Pubblico	100%	100%	100%	100%	100%	100%
2025	01.000.000.000	01.000.000.000	01.000.000.000	1	Indicatore Sintetico di Valore Pubblico	100%	100%	100%	100%	100%	100%
2026	01.000.000.000	01.000.000.000	01.000.000.000	1	Indicatore Sintetico di Valore Pubblico	100%	100%	100%	100%	100%	100%
OBIETTIVI ANALITICI CLASSE				STRATEGIE				INDICATORI ANALITICI DI VALORE PUBBLICO			
VP_01	DANNO PREVENZIONE - AGENZIONI	3 Strategie di riduzione del danno/prevenzione per l'INTELLIGENZA	3 Strategie di riduzione del danno/prevenzione per l'INTELLIGENZA	1	Indicatore Sintetico di Valore Pubblico	100%	100%	100%	100%	100%	100%
VP_02	INTELLIGENZA E INNOVATION	3 Strategie di espansione del R&D/INNOVATION/INTELLIGENZA e crescita della R&D/INNOVATION/INTELLIGENZA	3 Strategie di espansione del R&D/INNOVATION/INTELLIGENZA e crescita della R&D/INNOVATION/INTELLIGENZA	1	Indicatore Sintetico di Valore Pubblico	100%	100%	100%	100%	100%	100%
VP_03	INTELLIGENZA E INNOVATION	3 Strategie di espansione del R&D/INNOVATION/INTELLIGENZA e crescita della R&D/INNOVATION/INTELLIGENZA	3 Strategie di espansione del R&D/INNOVATION/INTELLIGENZA e crescita della R&D/INNOVATION/INTELLIGENZA	1	Indicatore Sintetico di Valore Pubblico	100%	100%	100%	100%	100%	100%
VP_04	INTELLIGENZA E INNOVATION	3 Strategie di espansione del R&D/INNOVATION/INTELLIGENZA e crescita della R&D/INNOVATION/INTELLIGENZA	3 Strategie di espansione del R&D/INNOVATION/INTELLIGENZA e crescita della R&D/INNOVATION/INTELLIGENZA	1	Indicatore Sintetico di Valore Pubblico	100%	100%	100%	100%	100%	100%
OBIETTIVI DI PERFORMANCE				OBIETTIVI DI PERFORMANCE				OBIETTIVI DI PERFORMANCE			
FUNZIONALI AL VP_01				FUNZIONALI AL VP_01				FUNZIONALI AL VP_01			
FUNZIONALI AL VP_02				FUNZIONALI AL VP_02				FUNZIONALI AL VP_02			
FUNZIONALI AL VP_03				FUNZIONALI AL VP_03				FUNZIONALI AL VP_03			
FUNZIONALI AL VP_04				FUNZIONALI AL VP_04				FUNZIONALI AL VP_04			
FUNZIONALI AL VP_05				FUNZIONALI AL VP_05				FUNZIONALI AL VP_05			
FUNZIONALI AL VP_06				FUNZIONALI AL VP_06				FUNZIONALI AL VP_06			
FUNZIONALI AL VP_07				FUNZIONALI AL VP_07				FUNZIONALI AL VP_07			
FUNZIONALI AL VP_08				FUNZIONALI AL VP_08				FUNZIONALI AL VP_08			
FUNZIONALI AL VP_09				FUNZIONALI AL VP_09				FUNZIONALI AL VP_09			
FUNZIONALI AL VP_10				FUNZIONALI AL VP_10				FUNZIONALI AL VP_10			
FUNZIONALI AL VP_11				FUNZIONALI AL VP_11				FUNZIONALI AL VP_11			
FUNZIONALI AL VP_12				FUNZIONALI AL VP_12				FUNZIONALI AL VP_12			
FUNZIONALI AL VP_13				FUNZIONALI AL VP_13				FUNZIONALI AL VP_13			
FUNZIONALI AL VP_14				FUNZIONALI AL VP_14				FUNZIONALI AL VP_14			
FUNZIONALI AL VP_15				FUNZIONALI AL VP_15				FUNZIONALI AL VP_15			
FUNZIONALI AL VP_16				FUNZIONALI AL VP_16				FUNZIONALI AL VP_16			
FUNZIONALI AL VP_17				FUNZIONALI AL VP_17				FUNZIONALI AL VP_17			
FUNZIONALI AL VP_18				FUNZIONALI AL VP_18				FUNZIONALI AL VP_18			
FUNZIONALI AL VP_19				FUNZIONALI AL VP_19				FUNZIONALI AL VP_19			
FUNZIONALI AL VP_20				FUNZIONALI AL VP_20				FUNZIONALI AL VP_20			
FUNZIONALI AL VP_21				FUNZIONALI AL VP_21				FUNZIONALI AL VP_21			
FUNZIONALI AL VP_22				FUNZIONALI AL VP_22				FUNZIONALI AL VP_22			
FUNZIONALI AL VP_23				FUNZIONALI AL VP_23				FUNZIONALI AL VP_23			
FUNZIONALI AL VP_24				FUNZIONALI AL VP_24				FUNZIONALI AL VP_24			
FUNZIONALI AL VP_25				FUNZIONALI AL VP_25				FUNZIONALI AL VP_25			
FUNZIONALI AL VP_26				FUNZIONALI AL VP_26				FUNZIONALI AL VP_26			
FUNZIONALI AL VP_27				FUNZIONALI AL VP_27				FUNZIONALI AL VP_27			
FUNZIONALI AL VP_28				FUNZIONALI AL VP_28				FUNZIONALI AL VP_28			
FUNZIONALI AL VP_29				FUNZIONALI AL VP_29				FUNZIONALI AL VP_29			
FUNZIONALI AL VP_30				FUNZIONALI AL VP_30				FUNZIONALI AL VP_30			
FUNZIONALI AL VP_31				FUNZIONALI AL VP_31				FUNZIONALI AL VP_31			
FUNZIONALI AL VP_32				FUNZIONALI AL VP_32				FUNZIONALI AL VP_32			
FUNZIONALI AL VP_33				FUNZIONALI AL VP_33				FUNZIONALI AL VP_33			
FUNZIONALI AL VP_34				FUNZIONALI AL VP_34				FUNZIONALI AL VP_34			
FUNZIONALI AL VP_35				FUNZIONALI AL VP_35				FUNZIONALI AL VP_35			
FUNZIONALI AL VP_36				FUNZIONALI AL VP_36				FUNZIONALI AL VP_36			
FUNZIONALI AL VP_37				FUNZIONALI AL VP_37				FUNZIONALI AL VP_37			
FUNZIONALI AL VP_38				FUNZIONALI AL VP_38				FUNZIONALI AL VP_38			
FUNZIONALI AL VP_39				FUNZIONALI AL VP_39				FUNZIONALI AL VP_39			
FUNZIONALI AL VP_40				FUNZIONALI AL VP_40				FUNZIONALI AL VP_40			
FUNZIONALI AL VP_41				FUNZIONALI AL VP_41				FUNZIONALI AL VP_41			
FUNZIONALI AL VP_42				FUNZIONALI AL VP_42				FUNZIONALI AL VP_42			
FUNZIONALI AL VP_43				FUNZIONALI AL VP_43				FUNZIONALI AL VP_43			
FUNZIONALI AL VP_44				FUNZIONALI AL VP_44				FUNZIONALI AL VP_44			
FUNZIONALI AL VP_45				FUNZIONALI AL VP_45				FUNZIONALI AL VP_45			
FUNZIONALI AL VP_46				FUNZIONALI AL VP_46				FUNZIONALI AL VP_46			
FUNZIONALI AL VP_47				FUNZIONALI AL VP_47				FUNZIONALI AL VP_47			
FUNZIONALI AL VP_48				FUNZIONALI AL VP_48				FUNZIONALI AL VP_48			
FUNZIONALI AL VP_49				FUNZIONALI AL VP_49				FUNZIONALI AL VP_49			
FUNZIONALI AL VP_50				FUNZIONALI AL VP_50				FUNZIONALI AL VP_50			
FUNZIONALI AL VP_51				FUNZIONALI AL VP_51				FUNZIONALI AL VP_51			
FUNZIONALI AL VP_52				FUNZIONALI AL VP_52				FUNZIONALI AL VP_52			
FUNZIONALI AL VP_53				FUNZIONALI AL VP_53				FUNZIONALI AL VP_53			
FUNZIONALI AL VP_54				FUNZIONALI AL VP_54				FUNZIONALI AL VP_54			
FUNZIONALI AL VP_55				FUNZIONALI AL VP_55				FUNZIONALI AL VP_55			
FUNZIONALI AL VP_56				FUNZIONALI AL VP_56				FUNZIONALI AL VP_56			
FUNZIONALI AL VP_57				FUNZIONALI AL VP_57				FUNZIONALI AL VP_57			
FUNZIONALI AL VP_58				FUNZIONALI AL VP_58				FUNZIONALI AL VP_58			
FUNZIONALI AL VP_59				FUNZIONALI AL VP_59				FUNZIONALI AL VP_59			
FUNZIONALI AL VP_60				FUNZIONALI AL VP_60				FUNZIONALI AL VP_60			
FUNZIONALI AL VP_61				FUNZIONALI AL VP_61				FUNZIONALI AL VP_61			
FUNZIONALI AL VP_62				FUNZIONALI AL VP_62				FUNZIONALI AL VP_62			
FUNZIONALI AL VP_63				FUNZIONALI AL VP_63				FUNZIONALI AL VP_63			
FUNZIONALI AL VP_64				FUNZIONALI AL VP_64				FUNZIONALI AL VP_64			
FUNZIONALI AL VP_65				FUNZIONALI AL VP_65				FUNZIONALI AL VP_65			
FUNZIONALI AL VP_66				FUNZIONALI AL VP_66				FUNZIONALI AL VP_66			
FUNZIONALI AL VP_67				FUNZIONALI AL VP_67				FUNZIONALI AL VP_67			
FUNZIONALI AL VP_68				FUNZIONALI AL VP_68				FUNZIONALI AL VP_68			
FUNZIONALI AL VP_69				FUNZIONALI AL VP_69				FUNZIONALI AL VP_69			
FUNZIONALI AL VP_70				FUNZIONALI AL VP_70				FUNZIONALI AL VP_70			
FUNZIONALI AL VP_71				FUNZIONALI AL VP_71				FUNZIONALI AL VP_71			
FUNZIONALI AL VP_72				FUNZIONALI AL VP_72				FUNZIONALI AL VP_72			
FUNZIONALI AL VP_73				FUNZIONALI AL VP_73				FUNZIONALI AL VP_73			
FUNZIONALI AL VP_74				FUNZIONALI AL VP_74				FUNZIONALI AL VP_74			
FUNZIONALI AL VP_75				FUNZIONALI AL VP_75				FUNZIONALI AL VP_75			
FUNZIONALI AL VP_76				FUNZIONALI AL VP_76				FUNZIONALI AL VP_76			
FUNZIONALI AL VP_77				FUNZIONALI AL VP_77				FUNZIONALI AL VP_77			
FUNZIONALI AL VP_78				FUNZIONALI AL VP_78				FUNZIONALI AL VP_78			
FUNZIONALI AL VP_79				FUNZIONALI AL VP_79				FUNZIONALI AL VP_79			
FUNZIONALI AL VP_80				FUNZIONALI AL VP_80				FUNZIONALI AL VP_80			
FUNZIONALI AL VP_81				FUNZIONALI AL VP_81				FUNZIONALI AL VP_81			
FUNZIONALI AL VP_82				FUNZIONALI AL VP_82				FUNZIONALI AL VP_82			
FUNZIONALI AL VP_83				FUNZIONALI AL VP_83				FUNZIONALI AL VP_83			
FUNZIONALI AL VP_84				FUNZIONALI AL VP_84				FUNZIONALI AL VP_84			
FUNZIONALI AL VP_85				FUNZIONALI AL VP_85				FUNZIONALI AL VP_85			
FUNZIONALI AL VP_86				FUNZIONALI AL VP_86				FUNZIONALI AL VP_86			
FUNZIONALI AL VP_87				FUNZIONALI AL VP_87				FUNZIONALI AL VP_87			
FUNZIONALI AL VP_88				FUNZIONALI AL VP_88				FUNZIONALI AL VP_88			
FUNZIONALI AL VP_89				FUNZIONALI AL VP_89				FUNZIONALI AL VP_89			
FUNZIONALI AL VP_90				FUNZIONALI AL VP_90				FUNZIONALI AL VP_90			
FUNZIONALI AL VP_91				FUNZIONALI AL VP_91				FUNZIONALI AL VP_91			
FUNZIONALI AL VP_92				FUNZIONALI AL VP_92				FUNZIONALI AL VP_92			
FUNZIONALI AL VP_93				FUNZIONALI AL VP_93				FUNZIONALI AL VP_93			
FUNZIONALI AL VP_94				FUNZIONALI AL VP_94				FUNZIONALI AL VP_94			
FUNZIONALI AL VP_95				FUNZIONALI AL VP_95				FUNZIONALI AL VP_95			
FUNZIONALI AL VP_96				FUNZIONALI AL VP_96				FUNZIONALI AL VP_96			
FUNZIONALI AL VP_97				FUNZIONALI AL VP_97				FUNZIONALI AL VP_97			
FUNZIONALI AL VP_98				FUNZIONALI AL VP_98				FUNZIONALI AL VP_98			
FUNZIONALI AL VP_99				FUNZIONALI AL VP_99				FUNZIONALI AL VP_99			
FUNZIONALI AL VP_100				FUNZIONALI AL VP_100				FUNZIONALI AL VP_100			

Source: Italian Ministry of University and Research (2024).

Considering the public value principles defined beforehand, it is possible to observe their coherence with the PIAO practice, considered a form of resources allocation and planning. As it is possible to observe in Table 3, the PIAO developed by the MUR is substantially coherent with the public value principles. The PIAO fully addresses the need to focus on broad societal outcomes, as it defines explicitly the public value goals, strategies and the outcome-based KPIs and related targets.

What is absent is the collaboration with stakeholders in the construction of the PIAO, particularly external stakeholders. While the internal structure of the MUR is involved in the process, most stakeholders are not. This represents a significant limitation to create a stronger legitimization around what is to be considered public value and the most viable strategies to pursue it.

On the other hand, the PIAO can be considered a flexible strategic planning tool and process, as the law does prescribe only the core elements and principles, leaving each organization free to build its structure and contents. As a result, the PIAO is a flexible document to allow for personalisation, as well as for adaptation for changes during the year.

The democratic control and enduring accountability is granted due to the requested Ministry approval on the PIAO. The PIAO, therefore, has to incorporate the Ministry political directives in terms of public value. Besides, a monitoring system is present to account for the results achieved both internally and externally to assure public and political accountability.

An important aspect of the MUR case is represented by the level of digitalization in managing the PIAO. The whole process is managed through an integrated information system, making the process transparent as well as efficient. This way, the MUR is capable of involving internal and external stakeholders to achieve trust and legitimacy. This is in line with the debate in the literature, considering digitalization as a driver for participatory governance, fostering greater accountability, and enabling collaborative decision-making. As such, the information management systems allow robust data governance to protect privacy and ensure equitable access to information (Agostino et al., 2022; Otia & Bracci, 2022).

**Table 3.** The public value principles and the PIAO

<i>Public value principles</i>	<b>MUR – PIAO</b>
<b>Focus on achieving broad societal outcomes</b>	Yes – The PIAO includes clear public value objectives measured in terms of societal, environmental and economic well-being indicators
<b>Create public value by collaborating with stakeholders</b>	No – The PIAO does not explicitly consider stakeholders and the MUR did not involve external stakeholders in the process
<b>Customized and flexible approach to maximize value</b>	Yes – The PIAO is a flexible document to allow for personalisation as well as for adaptation for changes during the year. It is required to be updated at least yearly.
<b>Enduring need for democratic control and accountability</b>	Yes – The PIAO needs the approval of the Ministry that defines the political priorities. A monitoring system is present to account both internally and externally

## 5. Discussion and conclusions

Public value is a dynamic and evolving concept, shaped by societal needs, governance frameworks, and the engagement of diverse stakeholders. Accounting plays a pivotal role in the definition, appropriation, and valuation of public value, by offering structured mechanisms for measurement and reporting. While traditional financial accounting has predominantly emphasized monetary valuation and the logic of quantification, often in support of market creation (Bracci et al., 2024), the concept of public value encompasses broader dimensions, including social equity, environmental sustainability, and citizen well-being.

Incorporating public value considerations into accounting systems enables policymakers and public managers to allocate resources more strategically, justify

public expenditures, and ensure that public services are aligned with societal priorities. However, significant tensions can emerge regarding what constitutes public value, as stakeholders may hold divergent and sometimes conflicting interpretations. These tensions underscore the importance of inclusive decision-making processes and deliberative governance to mediate competing perspectives.

Accounting and accountability mechanisms are integral to the governance of public value (co)creation, contributing to transparency, legitimacy, and responsibility in public decision-making. Instruments such as performance audits, cost-benefit analyses, and impact assessments generate data essential for evaluating public sector initiatives. Furthermore, accountability structures – including citizen audits and participatory budgeting – enhance democratic engagement by facilitating the inclusion of diverse voices in setting public service priorities. Governance models that promote collaborative partnerships among government, private sector actors, and civil society further support the co-creation of public value by aligning financial management practices with collectively defined social objectives.

Public financial management and accounting serve as dialogical processes by facilitating dialogue among stakeholders and making public value more visible and actionable. The participatory nature of budgeting and accounting allows governments to co-develop financial strategies that reflect community interests. By incorporating qualitative indicators, such as social impact metrics and sustainability measures, accounting systems can translate abstract notions of public value into concrete, operable frameworks.

Digital platforms and open data initiatives further support this process by increasing accessibility and fostering informed discussions on public resource allocation. This aspect has been scarcely approached. Digitalization is a transformative force in public value accounting, enabling more efficient, transparent, and inclusive governance. Emerging technologies such as blockchain, artificial intelligence, and big data analytics enhance financial reporting accuracy, minimize fraud risks, and facilitate real-time monitoring of public expenditures. Digital platforms also promote participatory governance by providing citizens with direct access to budgetary information, fostering greater accountability, and enabling collaborative decision-making.

However, the implementation of digital accounting systems must be accompanied by robust data governance frameworks to protect privacy and ensure equitable access to information (Agostino et al., 2022; Otia & Bracci, 2022). Emerging digital technologies offer considerable potential to advance public value accounting by improving data accessibility, enhancing transparency, and enabling real-time monitoring. Nevertheless, the benefits of such innovations are contingent on ethical

implementation and meaningful stakeholder participation (Bracci, 2023). A balanced approach that integrates transparency, citizen engagement, and technological innovation is essential to realizing the transformative potential of public value accounting.

While public value accounting holds significant promises for enhancing transparency and accountability, it also presents the risk of being co-opted for rhetorical purposes – a phenomenon often referred to as “public value-washing”. This occurs when organizations adopt the language of public value without substantively embedding these principles into their operations or decision-making processes. For instance, institutions may emphasize sustainability in strategic plans or budgetary documents, while simultaneously engaging in practices that contradict long-term environmental and social objectives. To mitigate the risk of public value-washing, accounting frameworks must incorporate rigorous, standardized evaluation criteria alongside mechanisms for independent verification. Such measures are essential to ensure that public value claims are grounded in demonstrable efforts and measurable outcomes rather than symbolic gestures.

The rise of populist governance further complicates efforts to uphold democratic accountability. Populist regimes frequently prioritize short-term political gains and majoritarian appeal over the pursuit of long-term public value (Rose, 2017). In this context, public value accounting can serve as a corrective mechanism by embedding participatory and transparent practices into financial governance. For example, enhanced financial disclosure, expanded public deliberation in budgetary processes, and the reinforcement of institutional checks and balances can serve to counteract tendencies toward centralized control and opacity.

Moreover, performance-based reporting systems that explicitly assess policy impacts in relation to democratic values – such as inclusiveness, equity, and sustainability – can provide a counterweight to populist narratives. By foregrounding evidence-based decision-making and aligning performance metrics with normative democratic principles, public value accounting can help protect governance systems from politicization and foster a more accountable and value-driven public sector.

Public value accounting plays a critical role in aligning financial management with democratic principles and the broader goal of societal well-being. When integrated effectively into governance processes, accounting can facilitate informed decision-making, enhance the legitimacy of public services, and support value-driven resource allocation. However, to avoid instrumentalization or rhetorical appropriation, accountability mechanisms must remain robust, inclusive, and adaptable to complex and evolving governance landscapes.

Importantly, public value accounting and accountability practices must be context-sensitive. Standardized or “one-size-fits-all” frameworks risk neglecting the unique institutional, cultural, and political conditions that shape public sector operations. A more nuanced approach, sensitive to specific governance environments, is required to ensure that accounting practices are truly reflective of local needs and priorities.

The main contribution of this paper is the proposal of a framework to conceptualise public value accounting and accountability. In so doing, it answers to the call to (re)examine existing public value accounting practices and their influence on the articulation and realization of public value(s) (Bracci et al. 2019; Bracci et al., 2021; Steccolini 2019). Traditional models, with their predominant focus on financial metrics, often fail to capture the multidimensional nature of public value, which includes social justice, environmental stewardship, and ethical governance. This calls for the development of broader evaluative frameworks that align accounting practices with public service missions and community expectations. A key aspect of this realignment involves the explicit embedding of public values within accounting reforms. For instance, if sustainability is embraced as a foundational value, public accounting systems should incorporate environmental indicators, long-term impact assessments, and transparent reporting mechanisms. Reforms must be guided by the values they intend to uphold, ensuring that accounting systems measure success in terms of societal benefit rather than financial efficiency alone. To enhance the credibility and legitimacy of public governance, public sector accounting must be reoriented to clearly define, monitor, and report on intended public value outcomes. This entails developing accountability frameworks capable of linking policy objectives to measurable results, thereby reinforcing institutional trust and public confidence. By aligning public sector accounting with strategic public values, future governance practices can become more responsive, equitable, and impactful, fostering a renewed sense of accountability and trust in public institutions.

Moving from the proposed conceptual framework, future research should explore methodologies for integrating qualitative dimensions of public value into accounting systems, assess the role of digital platforms in democratizing financial information, and investigate how different governance contexts mediate the implementation of value-oriented accounting reforms. Furthermore, researchers should also attempt to apply the framework to refine and advance it, as well as designing new practices. Comparative studies across jurisdictions, longitudinal analyses of reform outcomes, and participatory approaches to framework development could significantly contribute to advancing this emerging field.

### **Acknowledgements**

The paper is based on a keynote speech held at the University of Brasilia (Brazil), Department of Accounting, during the 10th UnB Conference on Accounting and Governance, September, 25th to 27th, 2024. Special thanks to the Conference organizers and the participants for inviting me and giving me the opportunity to develop this topic.

## References

- Agostino, D., Bracci, E., & Steccolini, I. (2022). Accounting and accountability for the digital transformation of public services. *Financial Accountability & Management*, 38(2), 145–151. <https://doi.org/10.1111/faam.12314>
- Alford, J., & O’Flynn, J. (2009). Making sense of public value: Concepts, critiques and emergent meanings. *International Journal of Public Administration*, 32(3–4), 171–191. <https://doi.org/10.1080/01900690902732731>
- 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. <https://doi.org/10.1016/j.cpa.2012.11.005>
- Ang, S. Y., & Wickramasinghe, D. (2024). Cultivating Public Value and Accountability Beyond NPM: A Non-Western Perspective. *Financial Accountability & Management*. <https://doi.org/10.1111/faam.12426>
- Benington, J. (2009). Creating the public in order to create public value? *International Journal of Public Administration*, 32(3–4), 232–249. <https://doi.org/10.1080/01900690902749578>
- Benington, J. (2011). From private choice to public value? In J. Benington & M. Moore (Eds.), *Public Value: Theory and Practice*, pp. 31–51. Palgrave Macmillan.
- Benington, J., & Moore, M. H. (2010). Public Value in Complex and Changing Times. In J. Benington & M. H. Moore (Eds.), *Public Value: Theory and Practice*, pp. 1–30. Palgrave Macmillan.
- Blaug, R., Horner, L., & Lekhi, R. (2006). Public value, politics and public management. *A Literature Review*. London: Work Foundation, March, 1–62.
- Blazey, A., & Lelong, M. (2022). Green budgeting: A way forward. *OECD Journal on Budgeting*, 22(2), 1–19. <https://doi.org/10.1787/dc7ac5a7-en>
- Bracci, E. (2023). The loopholes of algorithmic public services: an “intelligent” accountability research agenda. *Accounting, Auditing & Accountability Journal*, 36(2), 739–763. <https://doi.org/10.1108/AAAJ-06-2022-5856>

- Bracci, E., Deidda Gagliardo, E., & Bigoni, M. (2014). Performance Management Systems and Public Value Strategy: A Case Study. In J. Guthrie, G. Marcon, S. Russo, & F. Farneti (Eds.), *Public Value Management, Measurement and Reporting*, 3, 129–157). <https://doi.org/10.1108/s2051-66302014000003006>
- Bracci, E., Firtin, C. E., & Weichselberger, G. K. (2024). Markets in absence of pricing and qualification mechanisms: past, present and future warnings. *Journal of Public Budgeting, Accounting & Financial Management*. <https://doi.org/10.1108/JPBAFM-10-2023-0194>
- Bracci, E., Papi, L., Bigoni, M., Deidda Gagliardo, E., & Bruns, H.-J. (2019). Public value and public sector accounting research: a structured literature review. *Journal of Public Budgeting, Accounting & Financial Management*, 31(1), 103–136. <https://doi.org/10.1108/JPBAFM-07-2018-0077>
- Bracci, E., Saliterer, I., Sicilia, M., & Steccolini, I. (2021). Accounting for (public) value(s): reconsidering publicness in accounting research and practice. *Accounting, Auditing & Accountability Journal*, 34(7), 1513–1526. <https://doi.org/10.1108/AAAJ-06-2021-5318>
- Bryson, J. M., Crosby, B. C., & Bloomberg, L. (2014). Public Value Governance: Moving Beyond Traditional Public Administration and the New Public Management. *Public Administration Review*, 74(4), 445–456. <https://doi.org/10.1111/puar.12238>
- Carnegie, G. D., Gomes, D., Parker, L. D., McBride, K., & Tsahuridu, E. (2024). How accounting can shape a better world: framework, analysis and research agenda. *Meditari Accountancy Research*, 32(5), 1529–1555. <https://doi.org/10.1108/MEDAR-06-2024-2509>
- Carnegie, G., Parker, L., & Tsahuridu, E. (2021). It's 2020: What is Accounting Today? *Australian Accounting Review*, 31(1), 65–73. <https://doi.org/10.1111/auar.12325>
- Chohan, U. W., & Jacobs, K. (2018). Public value as rhetoric: a budgeting approach. *International Journal of Public Administration*, 41(15), 1217–1227. <https://doi.org/10.1080/01900692.2017.1373673>
- Cole, M., & Parston, G. (1996). *Unlocking Public Value*. John Wiley & Sons.

- Deidda Gagliardo, E. (2015). *Il valore pubblico, la nuova frontiera delle performance*. RIREA.
- Deidda Gagliardo, E., & Poddighe, F. (2011). The system of creation and measuring of the public local value. Empirical evidence and support for the governance of the territory. In R. Mussari & E. Borgonovi (Eds.), *Collaborating and competing for a responsible and fair market. Government, non-profit organizations, foundations, cooperatives, social enterprises*. Il Mulino.
- Dillard, J., & Vinnari, E. (2019). Critical dialogical accountability: From accounting-based accountability to accountability-based accounting. *Critical Perspectives on Accounting*, 62, 16–38. <https://doi.org/10.1016/j.cpa.2018.10.003>
- Douglas, S., & Overmans, T. (2020). Public value budgeting: propositions for the future of budgeting. *Journal of Public Budgeting, Accounting and Financial Management*, 32(4), 623–637. <https://doi.org/10.1108/JPBAFM-05-2020-0066>
- Gherardi, L., Linsalata, A. M., Gagliardo, E. D., & Orelli, R. L. (2021). Accountability and Reporting for *Sustainability* and Public Value: Challenges in the Public Sector. *Sustainability*, 13(3), 1097. <https://doi.org/10.3390/su13031097>
- Guarini, E., Mori, E., & Zuffada, E. (2021). Localizing the Sustainable Development Goals: a managerial perspective. *Journal of Public Budgeting, Accounting & Financial Management* (ahead-of-print), 181–196. <https://doi.org/10.1108/JPBAFM-02-2021-0031>
- Guthrie, J., Marcon, G., & Russo, S. (2014). *Public Value Management, Measurement and Reporting*. Emerald Group Publishing Ltd.
- Hartley, J., Alford, J., Knies, E., & Douglas, S. (2017). Towards an empirical research agenda for public value theory. *Public Management Review*, 19(5), 670–685. <https://doi.org/10.1080/14719037.2016.1192166>
- Höglund, L., Mårtensson, M., & Nylinder, P. (2023). Public value accounting and the use of performance measurements as a management tool in a context of various assessments. *Journal of Accounting and Organizational Change*, 19(4), 603–621. <https://doi.org/10.1108/JAOC-12-2021-0186>

- Kelly, G., Mulgan, G., & Muers, S. (2002). *Creating public value: an analytical framework for public service reform*. Discussion paper prepared for the Cabinet Office Strategy Unit, United Kingdom. London: Strategy Unit, UK Cabinet Office.
- Lapsley, I. (2008). The Npm Agenda: Back To the Future. *Financial Accountability & Management*, 24(February), 77–96. <https://doi.org/10.1111/j.1468-0408.2008.00444.x>
- Moll, J., Ang, S. Y., Kuruppu, C., & Adhikari, P. (2024). Towards a wellbeing economy: reflections on wellbeing budgeting in New Zealand and Australia. *Journal of Public Budgeting, Accounting and Financial Management*, vol. ahead-of-print. Emerald Publishing. <https://doi.org/10.1108/JPBAFM-11-2023-0197>
- Moore, M. H. (1995). *Creating public value: strategic management in government*. Harvard University Press.
- Moore, M. H. (2003). *The Public Value Scorecard*. The Hauser Center for Nonprofit Organizations - Working Paper no. 18, Issue May.
- Moore, M. H. (2014). Public value accounting: Establishing the philosophical basis. *Public Administration Review*, 74(4), pp. 465–477. <https://doi.org/10.1111/puar.12198>
- Morrison, L. J., Alshamari, A., & Arora, M. P. (2025). Stakeholder perceptions of public sector sustainability reporting – views from IPSASB consultations. *Sustainability Accounting, Management and Policy Journal*, 16(4), 1134–1164. <https://doi.org/10.1108/SAMPJ-02-2024-0121>
- OECD. (2024). *Green Budgeting in OECD Countries 2024*. OECD Publishing. <https://doi.org/10.1787/9aea61f0-en>
- O’Flynn, J. (2007). From new public management to public value: Paradigmatic change and managerial implications. *Australian Journal of Public Administration*, 66(3), 353–366. <https://doi.org/10.1111/j.1467-8500.2007.00545.x>
- O’Flynn, J. (2021). Where to for Public Value? Taking Stock and Moving On. *International Journal of Public Administration*, 44(10), 867–877. <https://doi.org/10.1080/01900692.2021.1884696>

- Otia, J. E., & Bracci, E. (2022). Digital transformation and the public sector auditing: The SAI's perspective. *Financial Accountability & Management*, 38(2), 252–280. <https://doi.org/10.1111/faam.12317>
- Papi, L., Bigoni, M., Bracci, E., & Deidda Gagliardo, E. (2018). Measuring public value: a conceptual and applied contribution to the debate. *Public Money & Management*, 38(7), 503–510. <https://doi.org/10.1080/09540962.2018.1439154>
- Rhodes, R. a. W., & Wanna, J. (2009). Bringing the Politics Back in: Public Value in Westminster Parliamentary Government. *Public Administration*, 87(2), 161–183. <https://doi.org/10.1111/j.1467-9299.2009.01763.x>
- Rose, N. (2017). Still ‘like birds on the wire’? Freedom after neoliberalism. *Economy and Society*, 46(3–4), 303–323. <https://doi.org/10.1080/03085147.2017.1377947>
- Salemans, L., & Budding, T. (2022). Operationalizing public value in higher education: the use of narratives as an alternative for performance indicators. *Journal of Management and Governance*, 26(2), 337–363. <https://doi.org/10.1007/S10997-021-09596-4>
- Spano, A. (2009). Public value creation and management control systems. *International Journal of Public Administration*, 32(3–4), 328–348. <https://doi.org/10.1080/01900690902732848>
- Steccolini, I. (2019). Accounting and the post-new public management: Re-considering publicness in accounting research. *Accounting, Auditing & Accountability Journal*, 32(1), 255–279.
- Stoker, G. (2006). Public Value Management: A New Narrative for Networked Governance? *The American Review of Public Administration*, 36(1), 41–57. <https://doi.org/10.1177/0275074005282583>
- Talbot, C. (2009). Public Value – The Next “Big Thing” in Public Management? *International Journal of Public Administration*, 32(3–4), 167–170. <https://doi.org/10.1080/01900690902772059>
- Thabit, S., Sancino, A., & Mora, L. (2024). Strategic public value(s) governance: A systematic literature review and framework for analysis. *Public Administration Review*, 85(3), 885–906. <https://doi.org/10.1111/puar.13877>

- Wiesel, F., & Modell, S. (2014). From New Public Management to New Public Governance? Hybridization and Implications for Public Sector Consumerism. *Financial Accountability & Management*, 30(2), 175–205. <https://doi.org/10.1111/faam.12033>
- Wittbom, E. E., & Häyrén, A. I. (2021). Post-NPM gender accounting – can public value management enhance gender mainstreaming? *Public Money and Management*, 41(7), 507–515. <https://doi.org/10.1080/09540962.2021.1929432>

*[This page is intentionally left blank]*