

The Relationship between Transparency and Accountability in Public Accounting

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Abstract

In this paper, the relationship of accountability, responsiveness and transparency will be reviewed and more transparency and public scrutiny, of clarity, transparency and fraud, and their relationship is investigated. After about budget transparency and accountability and transparency rules explained in the public sector, following another topic. Finally, we come to the issue of transparency in government accounting and financial transparency under the headings theory funds, on accounting and transparency, financial reporting and transparency are discussed. In the end, the conclusion is done.

Keywords: Transparency, accountability, budget transparency, transparency rules.

Introduction

In societies where the people will respond and follow up on their rights of action, the decisions and actions of officials from the public and in the future there is nothing hidden from the people they affect. Because officials are trying to answer and thus, systems and processes to occur, such as a new public accounting in America to promote the role of government accountability have been significant changes. Accountability and transparency are one, ie if the breakdown in response is not required to prove what you are looking for. Officials with transparency and make the case that people have access to information and decisions taken by the authorities, also have their own accountability and public confidence and maintain. Officials at different levels such as strategy, planning, performance, processes, commitment and legitimacy should be held accountable and how people can have more access to information and decisions adopted in the five levels of play, There is more transparency and because officials know if the behavior of the people are under the magnifying glass, will try to answer.

1. Transparency and public oversight

Transparency means the free flow of information and its availability to all those who are connected with the decisions. Transparency is meant to empower citizens to become millions of auditors in society and the right to expression and access to a free press. In contrast, the lack of transparency means that every person working as a senior, public institutions, mainly to prevent access to information or provide false information. The cause was the lack of transparency of information asymmetry between the people and the officials of the community and expand the field to corruption. Studies show that lack of transparency led to the formation of the financial crisis, administrative and policy-making and transparency in the public sector, less corruption and better governance and economic performance. Also, the public scrutiny of decision-making and public sector performance and participation in the affairs of a balance and an important tool to fight corruption and improve governance. This makes the process transparent for the people and the powers of the state to play an active role as citizens.

2. Species Transparency

Transparency has been divided into 3 categories. The first type, "clear information" is, which means that people should be aware of the actors and government decisions and have access to government information. The second type, "transparent partnership", which means that all people should be able to personally or through their representatives to take clear political decisions. The third type, "clear answer", ie, the government or any agency decision-makers, regulators, and so on, in violation of the law or when it has a serious impact on the interests of the people, The judicial system and the public opinion is clearly accountable for their performance. The general public, especially the media can help people to function properly recognize the government's actions, Participation in political decisions and ultimately found, officials strive to meet. Lack of transparency in the public sector will be very small circle of decision-making. More mistakes by the authorities as much as possible to maintain their defensive shell sink. Therefore, the decisions they make in private. Thus the circle is smaller, resulting in a decline in the quality of decision-making will be. Accounting fraud has been used from the earliest times, but the new terms of accounting transparency. The two terms have been developed through academic research, but also through newspapers and other mass media have been common. For example, accounting transparency as a generic term was used first, then the main objective academic research and later became a different species was defined by various researchers. Transparency means the quality or state of being transparent, as "the ability to provide accounting information so that (content) is clearly visible in the creek" is

defined (Heritage, 2007). Fraud is an intentional deceptive practices in order to profit illegally or unfairly (Heritage, 2007). Many frauds, especially those that lead to severe social consequences are deliberate process insight and illegal accounting practices for specific profits occur. Therefore, accounting fraud cases often refers to people as they have committed intentional. Are transparency and fraud with their relationship?

Terms of fraud and transparency to refer the situation is quite the opposite. When the accounting information will be provided as they are economic units, accounting fraud related issues will not appear. But if the work is intentional illegal acts, it will be difficult to achieve transparency of accounting information. According to a slightly different approach, accounting fraud and transparency as possible to the positive and negative comments concerning the accuracy of the interpretation of events and similar transactions. In a reporter character, is much more transparency, less ambiguous response to demand accountability and reduce fraud.

3. Budget transparency and accountability and transparency rules

In the public sector financial reporting, budgeting is essential and the budget performance report, prepared with the aim of responding governments. Transparency for this report is a qualitative features. The information presented in a way that can be understood by observing the actual performance of state and government activities to be evaluated. Budget transparency, accountability and strengthen the political risk associated with insisting on the policy against the national interest, and thus increases the amount of credit increases as well as budget support for macroeconomic policies to make public. In contrast, non-transparent management of the funds may be instability, inefficiency or exacerbate inequality lead. In the global village, the budget crisis in one country could potentially spread to other countries. Because of the subject in question is of international importance. International organizations have been curious to know the technical and economic assistance they used to be at the right place and by people who are competent and policy administration. For this reason, they have attempted to formulate the terms of the transparency of the budget. The standard by the International Monetary Fund to increase transparency in the public sector is provided; The government should form part of a system of national accounts or the terms of the International Monetary Fund for financial data determined under the government's financial reporting systems. All policies are appropriate under different rules, even if the results remain the same, the content of the information that is obtained by the people is different. Rules, more information from politicians that this information may also be used in a better choice. Discussions continue with two questions: first, whether simple laws for the welfare of citizens can be expected to lead to complex rules be? Second, if the maximum of well-being, the simple rule is to choose? The answer to both questions is yes. Because of complex rules, bad governments can more easily show themselves as good government. In contrast, the simple rule makes a bad state before the election to disclose their own. So simple rules act as a filter for citizens This warning may result in low efficiency advantage of up simple rules for citizens, even if they are expected to maximize the welfare of the state. Simple rules even if it leads to low efficiency due to greater transparency may be preferred, because it is simple to expose more balance (Bordignon & Minelli, 2001). Massimo paper "rules of transparency and political accountability," argues that: "However, due to political choices in the information gap between policy makers and citizens on the other hand, due to the high rate is not a perfect tool to discipline politicians, is very important. We found impose the use of simple rules is desirable, although the efficiency is low. In short, content is more important actions have been observed. However, the balance between accountability and efficiency may not be limited to the relationship between government and citizens. "

4. Based accounting and financial transparency

Based accounting, the recognition of income and expenses to determine. By comparing the cash accounting and accrual accounting as the two ends of a spectrum, and a guide to action in the state, we find cash basis (recognition of revenues and expenses during the exchange of cash) in the past years simply because it has been used to understand and use is. But over time the cash basis because it did not provide any information about how to manage the government's assets and liabilities, accrual basis of accounting has moved to the new government. On the basis of accrual accounting costs and revenues generated in or tolerated at school or realization, recognition. At this point, the actual revenues and expenses reported for each period is appropriate. Thus, it is claimed that the use of accrual accounting can be expected to improve financial transparency, integrity and reliability of the financial information reported also be upgraded. The nature of the asset management integrated accrual accounting system, a significant increase in the level of supervision of assets, and by increasing the transparency of government activities, corruption and fraud will be reduced.

5. Financial reporting, financial transparency

According to the information gap between government and people in democratic systems, mechanisms thought that people as the real owners of the property, they can inform their decisions and the results of the activities and the government. Governmental accounting and financial reporting, perhaps the most important mechanisms of transparency and pave the official information to the public, if transparency is defined as a condition where

people can have access to the government's decisions and activities (Relly & Sabharwal, 2009). In the last two decades of the twentieth century, America countries, Australia, Canada, fundamental changes occurred in public sector financial reporting to provide greater transparency in the public sector. Changes like to consider the government as an entity, using the full accrual basis, a full report with analysis and forecasting of future assets and liabilities and the government has tried To increase transparency and provide more information to the public, rather than accountability and public support for the government's activities. Financial Reporting America state and local governments include: 1) analysis, management, 2) basic financial statements, including financial statements and financial statements of individual accounts, and 3) the notes to the financial statements. The purpose of these financial statements required to clear the assets, liabilities and net worth of the government as well as the proceeds and consumption of resources and most importantly, compliance with the approved budget. The full accrual basis, lack of proper reporting of assets and liabilities and face.

6. Theory of funds and financial transparency

Transparency and accountability are two basic concepts in the last two decades in the field of accounting and financial reporting literature is considered. Accounting and financial reporting aspects of the theory in the transparency of information on the one hand and on the other hand, needed to achieve and improve public accountability and responsible society's elite. According to vatter (Vatter, 1974) using the theory of limited funds and the assets and liabilities related to a specific field or area of operation and identify the areas of accounting and preparing financial reports as to the scope or region, the transparency in the provision of financial information respect for justice and fairness to all stakeholders is information. Theoretical aspects play an important role in promoting the transparency of financial information and the realization of financial accountability.

Conclusion

Right to know, one of the fundamental human rights in Article 19 of the Declaration of Human Rights emphasized that all countries have accepted it. Transparency of information and the provision of adequate and appropriate forms of understanding and trust the information presented by mass media. In other words, honesty and transparency in the conduct of the general public led to the reality. Important result of transparency, improve the quality of decisions taken, increasing circles of decision-making, reduce corruption and abuse of position for personal or partisan interests and inform the public of the decision-making processes are regulated. In a reporter's personality is much more transparent, accountable ambiguous answer calls for less and reduce fraud. Lack of transparency in the public sector will be very small circle of decision-making. More mistakes by the authorities as much as possible to maintain their defensive shell sink. Therefore, the decisions they make are confidential. Thus, the smaller the ring, resulting in a decline in the quality of decision-making will be.

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