



PUBLIC SECTOR
FINANCIAL MANAGEMENT

Public Sector Financial Management for Sustainability and SDGs in Europe

Edited by

Marco Bisogno · Isabel Brusca

Eugenio Caperchione

Sandra Cohen · Francesca Manes-Rossi

palgrave
macmillan

Public Sector Financial Management

Series Editors

Sandra Cohen

Athens University of Economics and Business

Athens, Greece

Eugenio Caperchione

University of Modena and Reggio Emilia

Modena, Italy

Isabel Brusca

University of Zaragoza

Zaragoza, Spain

Francesca Manes-Rossi

University of Naples Federico II

Napoli, Italy

This series brings together cutting edge research in public administration on the new budgeting and accounting methodologies and their impact across the public sector, from central and local government to public health care and education. It considers the need for better quality accounting information for decision-making, planning and control in the public sector; the development of the IPSAS (International Public Sector Accounting Standards) and the EPSAS (European Public Sector Accounting Standards), including their merits and role in accounting harmonisation; accounting information's role in governments' financial sustainability and crisis confrontation; the contribution of sophisticated ICT systems to public sector financial, cost and management accounting deployment; and the relationship between robust accounting information and performance measurement. New trends in public sector reporting and auditing are covered as well. The series fills a significant gap in the market in which works on public sector accounting and financial management are sparse, while research in the area is experiencing unprecedented growth.

Marco Bisogno • Isabel Brusca
Eugenio Caperchione
Sandra Cohen • Francesca Manes-Rossi
Editors

Public Sector Financial Management for Sustainability and SDGs in Europe

palgrave
macmillan

Editors

Marco Bisogno
Department of Management and
Innovation Systems
University of Salerno
Fisciano, Italy

Isabel Brusca
Department of Accounting
and Finance
University of Zaragoza
Zaragoza, Spain

Eugenio Caperchione
Department of Economics
“Marco Biagi”
University of Modena and
Reggio Emilia
Modena, Italy

Sandra Cohen
Department of Business
Administration
Athens University of Economics and
Business
Athens, Greece

Francesca Manes-Rossi
Department of Economics,
Management, Institutions
University of Naples Federico II
Naples, Italy

ISSN 2946-5494

ISSN 2946-5508 (electronic)

Public Sector Financial Management

ISBN 978-3-031-55134-5

ISBN 978-3-031-55135-2 (eBook)

<https://doi.org/10.1007/978-3-031-55135-2>

© The Editor(s) (if applicable) and The Author(s), under exclusive license to Springer Nature Switzerland AG 2024

This work is subject to copyright. All rights are solely and exclusively licensed by the Publisher, whether the whole or part of the material is concerned, specifically the rights of translation, reprinting, reuse of illustrations, recitation, broadcasting, reproduction on microfilms or in any other physical way, and transmission or information storage and retrieval, electronic adaptation, computer software, or by similar or dissimilar methodology now known or hereafter developed.

The use of general descriptive names, registered names, trademarks, service marks, etc. in this publication does not imply, even in the absence of a specific statement, that such names are exempt from the relevant protective laws and regulations and therefore free for general use. The publisher, the authors and the editors are safe to assume that the advice and information in this book are believed to be true and accurate at the date of publication. Neither the publisher nor the authors or the editors give a warranty, expressed or implied, with respect to the material contained herein or for any errors or omissions that may have been made. The publisher remains neutral with regard to jurisdictional claims in published maps and institutional affiliations.

This Palgrave Macmillan imprint is published by the registered company Springer Nature Switzerland AG.

The registered company address is: Gewerbestrasse 11, 6330 Cham, Switzerland

If disposing of this product, please recycle the paper.

PREFACE

Public Financial Management (PFM) is an umbrella concept that covers all the activities carried out for the effective and efficient management of public resources and requires a continuous adaptation to changes in the economy and society. One challenge PFM faces at the moment is Sustainable Development, as public sector organisations must ensure services will be available to future generations to meet their own needs. In this realm, literature has to consider how governments can become more effective and efficient in service provision and at the same time cherish sustainability.

This book addresses a gap in PFM studies and literature by analysing the relevance of sustainability for public financial management systems, in an era where contributions are scarce and primarily focused on individual countries.

In this book, an effort to cover all topics linked with Sustainable Development in the public sector relevant to PFM in terms of sustainability, climate change and SDGs achievement has been sought. To do this, the book aims at describing the concepts, performing a literature review presenting the relevant advances at an international level, and showing the status quo of sustainability in PFM in several European countries.

The book adopts a comparative perspective. In this sense, while each chapter provides stand-alone information on a given topic, this is further enhanced with reference to the state of the art based on up-to-date empirical evidence.

In order to illustrate the situation in each country, the authors contacted reputable academics, all having a deep knowledge of the different

governmental levels of their home country. They were asked to contribute to the book with a synopsis of the current situation and the main advances of the different initiatives and tools adopted to promote sustainable development in the different levels of government in the relevant country.

This book can offer a valuable contribution useful for research, educational and professional applications, as well as a basis for developing proposals for standardising or harmonising sustainability reporting in the public sector.

Fisciano, Italy
Zaragoza, Spain
Modena, Italy
Athens, Greece
Naples, Italy

Marco Bisogno
Isabel Brusca
Eugenio Caperchione
Sandra Cohen
Francesca Manes-Rossi

ACKNOWLEDGEMENTS

A unique characteristic of this book is that it is informed by the state-of-the-art of the way sustainability has been embedded in the PFM in 16 European countries. This would not have been achieved without the generous support of 25 colleagues who complemented our work. Therefore, we would like to acknowledge the support of the academic contributors for their valuable input and for their help with the filling in country tables and the provision of summaries about the regulations and the initiatives in the different levels of government. Some of this information has been included in the book chapters in the form of boxes focusing on country examples. These boxes contain information that is considered relevant and of special interest to showcase the situation of a research topic in a country.

The contributors of the country information (in countries' alphabetic order) are the following:

Austria

Iris Saliterer, *Full Professor at the University Freiburg, Department Public and Nonprofit Management, Faculty of Behavioral and Economic Sciences. Freiburg, Germany*

Sanja Korać, *Professor, Head of the Department of Public Management at the German University of Administrative Sciences Speyer*

Croatia

Gorana Roje, *Head of Strategic planning Unit at the Ministry of Physical Planning, Construction and State Assets, Croatia*

Vesna Vašiček, *Full professor at the University of Zagreb, Faculty of Economics and Business, Department of Accounting. Zagreb, Croatia*

Finland

Lotta-Maria Sinervo, *Senior Lecturer of Public Financial Management, at the Faculty of Management and Business, Tampere University. Tampere, Finland*

Elina Vikstedt, *Doctoral researcher at the Faculty of Management and Business at Tampere University. Tampere, Finland*

France

Céline du Boys, *Institute of Public Management and Territorial Governance, Aix-Marseille University. Aix-en-Provence, France*

Germany

Peter C. Lorson, *Chair of Accounting, Management Control and Auditing, Executive Director of the Center for Accounting and Auditing at the University of Rostock, Germany*

Ellen Haustein, *Lecturer at the Chair of Accounting, Management Control and Auditing at the University of Rostock, Germany*

Greece

Sandra Cohen, *Professor of Accounting at the Athens University of Economics and Business. Athens, Greece.*

Sotirios Karatzimas, *Assistant Professor of Accounting at the Athens University of Economics and Business. Athens, Greece.*

Italy

Francesca Manes-Rossi, *Full Professor of Accounting at the Università degli Studi di Napoli Federico II, Department of Economics, Management, Institutions, Naples, Italy.*

Marco Bisogno, *Associate Professor of Accounting at the University of Salerno, Department of Management and Innovation Systems, Salerno, Italy.*

Malta

Josette Caruana, *Associate Professor at the Faculty of Economics, Management & Accountancy of the University of Malta, Malta.*

Norway

Veronika Vakulenko, *Associate Professor at the Business School of Nord University. Bodø, Norway.*

Portugal

Susana Jorge, *Associate Professor at the Faculty of Economics of the University of Coimbra. Coimbra, Portugal.*

María Teresa Carvalho Ferreira, *Auditor at the Portuguese Court of Auditors, Portugal.*

Spain

Isabel Brusca, *Full Professor at the Faculty of Economics and Business of the University of Zaragoza, Spain.*

Sweden

Pierre Donatella, *Associate Professor at the School of Public Administration, University of Gothenburg, Sweden.*

Switzerland

Andreas Bergmann, *Full Professor at ZHAW School of Management and Law. Winterthur, Switzerland*

The Netherlands

Tjerk Budding, *Full Professor at the School of Business and Economics, Vrije Universiteit Amsterdam, Amsterdam, the Netherlands.*

André Mol, *PhD student at the School of Business and Economics, Vrije Universiteit Amsterdam, the Netherlands.*

UK

Alvise Favotto, *Senior Lecturer at the Adam Smith Business School, University of Glasgow, Scotland, UK.*

Lynn Bradley, *Senior Lecturer at the Adam Smith Business School, University of Glasgow, Scotland, UK.*

John Mc Kernan, *Professor at the Adam Smith Business School, University of Glasgow, Scotland, UK.*

Ukraine

Veronika Vakulenko, *Associate Professor at the Business School of Nord University. Bodø, Norway.*

Ivan Derun, *Department of Accounting and Audit, Faculty of Economics, Taras Shevchenko National University of Kyiv.*

Nataliia Drozd, *Department of Finance, Faculty of Economics, Taras Shevchenko National University of Kyiv.*

Iryna Drozd, *Center of Advanced Training, Institute of Postgraduate Education, Taras Shevchenko National University of Kyiv.*

Nataliia Miedviedkova, *Department of Finance, Faculty of Economics, Taras Shevchenko National University of Kyiv.*

We are deeply grateful for their contribution to the book. Still, the sole responsibility of the content and the writing of the book remains with the authors.

CONTENTS

1	Spreading the Sustainability Puzzle Pieces on the Table	1
	Isabel Brusca, Marco Bisogno, Eugenio Caperchione, Sandra Cohen, and Francesca Manes-Rossi	
2	Gender Budgeting	9
	Sandra Cohen	
3	Green Budgeting	27
	Eugenio Caperchione	
4	SDGs Budgeting and Reporting	45
	Francesca Manes-Rossi	
5	Environmental Reporting	65
	Marco Bisogno	
6	Sustainability Reporting	83
	Marco Bisogno	
7	Popular Reporting	99
	Sandra Cohen	

- 8 Assurance and Auditing of Sustainability and Non-Financial Reporting** 111
Isabel Brusca
- 9 All That Glitters Is Not Gold: The Sustainability Puzzle and the Pieces in Place** 127
Francesca Manes-Rossi, Marco Bisogno, Isabel Brusca, Eugenio Caperchione, and Sandra Cohen

NOTES ON CONTRIBUTORS

Marco Bisogno is an Associate Professor of Accounting in the Department of Management & Innovation Systems at the University of Salerno. He received his PhD from the University of Naples “Federico II”. He is the guest-contact editor of the *Public Money & Management—CIGAR* annual issue, associate editor of the *Journal of Public Affairs*, and a member of the Editorial Board of the *Journal of Public Budgeting, Accounting and Financial Management*.

Bisogno is the author of several articles in ranked journals such as *International Public Management Journal* and *Public Management Review*. His research interests lie in the field of international public sector accounting standards, earnings management, and financial sustainability of public sector entities.

Isabel Brusca is a Professor in Accounting in the Department of Accounting and Finance at the University of Zaragoza. Her research and professional interest is focused on public sector accounting and management. She has participated in numerous research projects in this field and is the author of several books and papers in prestigious journals, such as *International Review of Administrative Sciences or Local Government Studies*. She has been consultant of the Committee on Local and Regional Democracy (CDLR) of the Council of Europe. She has participated in the study designing the basic guidelines for the reform of the budgetary and accounting system of the European Commission. She is co-chair of the XII Permanent Study Group of the European Group of Public Administration (EGPA).

Eugenio Caperchione, PhD, is a Professor in Public Management and Public Sector Accounting at the University of Modena and Reggio Emilia, where he also served as the Head of the Business Management Department and as the Dean of the Faculty of Economics.

His main research area is public sector accounting, and he privileges the comparative approach. He has written extensively on this subject, and has worked intensively at CIGAR network (Comparative International Governmental Accounting Research—<http://www.cigar-network.net>), where he served as the Chairman of the Board from 2009 to 2019.

He is a member of the Italian Standard Setter Board (overseen by the State General Accounting Department) since 2020.

Caperchione is a Co-chair of the EGPA Permanent Study Group XII “Public Sector Financial Management”, a member of the Editorial Advisory Board of PMM, *Public Money & Management*, and a referee for several academic journals.

He has been an invited speaker and has presented papers in several international conferences and workshops. He has been a visiting professor in Cracow, Klagenfurt, Poitiers, Lima, Kristianstad, and Malta.

Sandra Cohen is a Professor of Accounting in the Department of Business Administration at Athens University of Economics and Business. Her research interests lie in the fields of Public Sector Accounting, Management accounting and Intellectual Capital. Her research work has been published in several ranked journals and has been presented at several international conferences.

For several years, she has been a member of the Hellenic Accounting and Auditing Standards Oversight Board (Greek National Accounting Standards Setter). She is a Co-chair of the XII Permanent Study Group “Public Sector Financial Management” of the European Group of Public Administration (EGPA) and the Vice-Chair of the Comparative International Governmental Accounting Research (CIGAR) Network Executive Board. She is a co-author of many books in Greek and is author of several chapters in international books. She has participated in several consulting projects for both the private sector and the public sector. She has been a member of the research team in several EC funded projects and she has worked as an expert for projects of the Council of Europe, Expertise France and the World Bank. She is a member of the Editorial Board in five reputable academic journals. She has been the guest co-editor in several special issues in academic journals. She is also the co-editor of two books in English and the co-editor in the Public Sector Financial Management Book Series published by Palgrave.

Francesca Manes-Rossi, PhD, is Professor of Accounting at the University of Napoli Federico II, where she teaches and conducts research on accounting and auditing. She has also trained government officials in Italy and has been active in providing consulting services to public sector entities. Her research interests include performance measurement in local government and cultural organisations, intellectual capital, sustainability and integrated reporting, auditing and accounting standards in both the private and public sectors. She has participated in the study designing the basic guidelines for the reform of the budgetary and accounting system of the European Commission. She has developed special skills in the field of IAS/IFRS and IPSASs and is co-chair of the XII Permanent Study Group of EGPA.