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Book review: Handbook of Accounting, Accountability and Governance, Edited by Garry D. Carnegie and Christopher J. Napier

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The "Handbook of Accounting, Accountability and Governance", Edited by Garry D. Carnegie - Emeritus Professor, RMIT University, Melbourne, Australia and Christopher J. Napier - Professor of Accounting, School of Business and Management, Royal Holloway, University of London, UK, is a comprehensive volume offering a critical and multidisciplinary examination of the complex interplay between accounting, accountability, and governance, placing them as interdependent and socially embedded practices rather than isolated technical mechanisms. The handbook is structured into five key thematic parts, each addressing different dimensions and evolutions of above-mentioned constructs in theory and practice, as follows:

I. Past and present perspectives on accounting, accountability and governance.
II. Mechanisms for accounting, accountability and governance.
III. Accounting, accountability and governance in diverse contexts and sectors.
IV. New perspectives on accounting, accountability and governance.
V. What lies ahead for accounting, accountability and governance?

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I. Past and present perspectives on accounting, accountability and governance

The study of accounting, accountability, and governance has long been characterized by fragmented approaches that treat each concept in isolation. However, contemporary scholarship increasingly emphasizes their interdependence, framing them as mutually reinforcing elements of organizational and social life. First part, *Past and present perspectives on accounting, accountability and governance*, provides complementary perspectives that, when read together, create a holistic understanding of how accounting functions as a social and moral practice, how governance has historically evolved in relation to accounting and accountability, and how these dynamics are operationalized through governance codes and board structures.

Carnegie and Napier (Chapter 1) establish a conceptual foundation by suggesting that accounting, accountability, and governance form a "three-sided triangle." Rather than depicting accounting as a neutral or purely technical function, they argue for its recognition as a moral and social practice (Carnegie *et al.,* 2021; Carnegie *et al.,* 2022) that shapes, and is shaped by, institutions and behaviours. In this framing, accountability serves as the critical mediator: accounting performs accountability, accountability nurtures governance, and governance presumes accounting. This interdependence underscores that governance structures are not ends in themselves but arise from the societal demand for accountability, operationalized and assessed through accounting practices (Roberts & Scapens, 1985; Sinclair, 1995; Dillard & Vinnari, 2019). The theoretical framework of Chapter 1 is enriched by Lai, Leoni, and Stacchezzini's historical perspective in Chapter 2. Governance is shown not simply as a managerial instrument but as a normative system deeply rooted in cultural and moral expectations across time. From early state administrations to modern corporations, governance structures have relied on accounting to achieve legitimacy, while accountability has ensured transparency and trust. The historical trajectory demonstrates that accounting and governance cannot be detached from their societal contexts; they are continuously redefined by prevailing cultural norms and institutional pressures.

Building on these foundations, Cuomo F. and Zattoni A. (Chapter 3) explore how governance principles have been codified, particularly since the landmark Cadbury Report (1992). Governance codes aim to formalize and standardize practices, enhancing accountability and stakeholder confidence. Yet, their effectiveness is contingent on contextual variables such as enforcement mechanisms, jurisdictional differences, and cultural factors. While the proliferation of governance codes represents an effort to embed accountability into organizational life, empirical evidence shows that their impact is uneven, often raising questions about whether they reflect substantive governance improvements or simply symbolic compliance.

The discussion culminates in Brennan and Kirwan's analysis of boards of directors in Chapter 4. Boards occupy a central position in governance frameworks, both symbolically and functionally. They embody accountability to stakeholders yet also reveal tensions between independence and control, oversight and managerial dominance. Board composition, regulatory settings, and internal culture profoundly influence whether boards genuinely support accountability or merely serve as symbolic representations of governance. Their findings resonate with Carnegie and Napier's claim that governance presumes accounting, as boards depend on accounting information to fulfil their oversight role, but also highlight the risk of boards functioning as ritualistic rather than substantive governance mechanisms.

Taken together, Part I highlights that accounting, accountability, and governance cannot be understood in isolation. The "triangle" proposed in Chapter 1 provides a unifying lens, enriched by historical insights, contextualized by the study of governance codes, and problematized by the examination of boards of directors. Across contexts, accountability emerges as the pivotal link, motivating governance structures and operationalized through accounting practices. Yet, the historical and empirical evidence cautions against overly formalist interpretations: governance mechanisms such as codes and boards often oscillate between substantive accountability and symbolic performance. Ultimately, the chapters collectively argue for a critical and holistic understanding of accounting as a technical, social, and moral practice that both reflects and shapes societal governance.

II. Mechanisms for accounting, accountability and governance

The evolution of accounting has consistently reflected society's shifting priorities regarding accountability and governance. From its origins as a stewardship mechanism to its modern roles in valuation, organizational control, and sustainability, accounting continues to serve as a crucial mediator between organizations and stakeholders. Part II of this Handbook, *Mechanisms for accounting, accountability and governance*, collectively trace this progression, emphasizing the tensions and transformations that define contemporary accounting practice. Together, they reveal that, while accounting remains central to governance, its functions are neither static nor neutral, but rather challenged, political, and socially embedded.

Pelger C. (Chapter 5) provides a critical lens on the shifting role of financial reporting. Historically rooted in stewardship, ensuring accountability for entrusted resources, financial reporting has gradually shifted toward valuation usefulness, reflecting the growing dominance of investor-focused frameworks promoted by the IASB and FASB. The author argues that this transition is more than a technical adjustment; it represents a reorientation of accounting's purpose. Whereas stewardship emphasizes reliability, verifiability, and the conservation of resources, valuation usefulness privileges forward-looking and market-oriented information. This shift has significant implications for governance. When stewardship is subordinated to valuation, the accountability of managers to stakeholders' risks being diluted in favour of capital markets participants. Analytical models (Gjesdal, 1981; Lambert, 2001) and empirical evidence (Bushman *et al.,* 2006; Aust *et al.,* 2021) demonstrate that information useful for managerial accountability does not always relate with information relevant to valuation. Moreover, the replacement of "reliability" with "faithful representation" in Conceptual Framework for Financial Reporting (IASB, 2018) underscores the move away from stewardship values. Pelger's critique is particularly timely as emerging domains such as sustainability reporting also appear dominated by investor-focused narratives, raising concerns about whether broader accountability objectives are being neglected. Where financial reporting provides external accountability, management accounting serves as a key internal mechanism of governance.

Major M., Conceição A., and Clegg S. (Chapter 6) highlight how tools such as budgeting, performance measurement, and auditing create structures of organizational control that align actions with stakeholder expectations. These mechanisms enhance transparency, facilitate resource stewardship, and promote ethical and efficient use of resources. Yet, as the authors argue, management accounting is not merely a neutral, technical framework. It is embedded in power relations and organizational politics, which can misrepresent its role in governance. Performance measures, for instance, may reinforce managerial dominance rather than accountability, depending on how they are designed and enforced. Furthermore, contemporary demands for sustainability and ethical responsibility are reshaping the scope of management accounting. Organizations increasingly face pressures to integrate environmental and social considerations into their control systems, challenging traditional financial-centric models. Thus, management accounting emerges not only as a tool for efficiency, but also as a contested practice where competing priorities, financial, ethical, and social, interconnect.

Chapter 7, prepared by Carrera, N., Trombetta, M. and Wilford A., *Mechanisms of accountability and governance: audit, assurance, and internal control,* introduces the idea of assurance as an overarching concept that unites audit and internal control within governance frameworks. Assurance is presented not simply as a technical process but as a broader system of practices that provide confidence to stakeholders about the reliability and integrity of organizational operations. By situating assurance as an umbrella concept, the chapter emphasizes its role in reinforcing accountability and transparency across multiple layers of governance. The discussion highlights that audit and internal control, while distinct, function as complementary mechanisms within assurance. Audits provide independent evaluations of financial and operational information, while internal controls establish ongoing processes that safeguard resources, ensure compliance, and promote ethical conduct. Together, these practices form an interdependent system that enhances trust and reduces risks. Importantly, the chapter stresses that assurance extends beyond procedural compliance. It embodies a relational and moral dimension, requiring organizations to demonstrate responsibility not only to regulators, but also to broader stakeholder groups. By framing assurance in this holistic way, the authors argue that governance becomes more robust, as it integrates ethical accountability with technical rigor. Ultimately, Chapter 7 positions assurance as a cornerstone of governance, one that aligns audit and internal control with the broader goal of sustaining organizational legitimacy and public trust. The rise of social and environmental accountability represents the latest frontier in accounting's evolution.

Atkins J. and McBride K. (Chapter 8) examine whether this development suggests a genuine paradigm shift or a superficial adaptation aimed at legitimacy. With growing societal attention to climate change, inequality, and corporate responsibility, organizations are increasingly expected to disclose and manage their broader impacts. However, Atkins and McBride raise critical concerns about the depth and sincerity of these practices. The risk of "greenwashing" reveals large, as some organizations adopt sustainability reporting more as a reputational shield than a driver of substantive change. The lack of standardized frameworks and the subjective nature of social and environmental metrics further complicate accountability in this domain. While these initiatives promise to expand governance beyond narrow financial metrics, their impact depends on whether organizations embed accountability into their culture and decision-making or treat it as symbolic compliance. This chapter draws attention to the need to discern clearly between social and environmental accountability and social and environmental accounting.

As a final point, Part II *Mechanisms for accounting, accountability and governance* emphasizes the expanding and challenged roles of accounting in accountability and governance. Pelger's critique of the shift from stewardship to valuation usefulness underscores the dangers of neglecting accountability in financial reporting. Major *et al.* exploration of management accounting demonstrates how accountability is operationalized within organizations, yet shaped by politics and evolving stakeholder demands. Atkins and McBride's discussion of social and environmental accountability reveals both the promise and pitfalls of broadening accounting's scope to address pressing societal challenges. Taken together, these perspectives reveal that accounting is far from a neutral practice. It is a deeply social, political, and moral activity that both reflects and shapes governance structures. The challenge for the future lies in balancing its dual roles: supporting efficient capital markets, ensuring internal accountability and control, and fostering straightforward responsibility toward society and the environment.

III. Accounting, accountability and governance in diverse contexts and sectors

The scope of accounting, accountability, and governance extends far beyond corporate boardrooms. Part III, *Accounting, accountability and governance in diverse contexts and sectors*, illustrates how these practices are shaped by institutional contexts ranging from junior stock markets and emerging economies to higher education, the public sector, non-governmental organizations (NGOs), and hybrid organizations. Despite contextual variations, a common thread emerges: the need for robust and context-sensitive accountability mechanisms to foster transparency, legitimacy, and trust. Together, the chapters of this part reveal both the opportunities and the persistent challenges of embedding accountability and governance across diverse organizational settings.

Shah N. (Chapter 9) underscores the governance challenges unique to junior stock markets. While these platforms play a critical role in providing capital to emerging firms, their smaller scale and lighter regulatory oversight expose them to risks of weak accountability and information asymmetry. Financial disclosures, auditing, and regulatory frameworks thus become essential tools for ensuring transparency and investor confidence. However, governance structures in junior markets must strike a delicate balance: enabling entrepreneurial growth while safeguarding against manipulation and misconduct. Shah accentuates that tailored governance mechanisms are essential to strengthen credibility and foster sustainable development in these markets.

Expanding this discussion to national contexts, in Chapter 10, *Accounting, accountability and governance in emerging economies: a development perspective*, Arun,T., Ashraf, J., Jayasinghe, K and Soobaroyen, T. examine accounting and governance in emerging economies. These economies often face fragile institutional structures, weak regulatory enforcement, and cultural complexities that delay consistent reporting and accountability. Yet, the chapter point out the transformative potential of adopting international accounting standards and consolidation governance systems to attract investment and stimulate development. Importantly, the authors argue against one-size-fits-all models, advocating instead for adaptive approaches that accept local realities while advancing transparency. Collaborative reforms involving governments, regulators, businesses, and civil society are presented as key to creating sustainable accountability systems that contribute to long-term growth.

Parker L. and Kaifala G. (Chapter 11) shift the focus to the education sector in Sierra Leone, showing how higher education institutions struggle with governance in contexts of resource scarcity, political interference, and socio-economic pressures. While mechanisms such as financial reporting and stakeholder engagement can enhance transparency, they are often undermined by corruption and weak institutional capacity. The chapter stresses the importance of context-sensitive governance frameworks that build local capacity and foster collaborative oversight among governments, universities, and civil society. Effective accountability in higher education is framed not only as an administrative necessity but also as a cornerstone of national development and social progress.

Going further, Liguori M. and Kelly M. (Chapter 12) trace the evolution of accountability in the public sector from a focus on performance measurement to performance governance. Traditional systems of quantifying outputs have often encouraged short-termism and narrow target compliance. In response, performance governance integrates measurement with broader values of responsiveness, fairness, and sustainability. This shift reframes accountability as a collective and strategic practice, requiring collaboration between governments, citizens, and stakeholders. While challenges remain, such as institutional resistance and resource limitations, the move toward performance governance reflects a more holistic and democratic vision of accountability in the public sphere.

Goddard A. underscores that NGOs must balance multiple and sometimes conflicting accountability demands from donors, beneficiaries, regulators, and the public (Chapter 13). Transparent financial reporting and governance structures such as boards and audits are vital for credibility, yet limited resources and diverse operating environments cause difficulties in implementation. Moreover, NGOs are increasingly expected to demonstrate social impact alongside financial responsibility. This dual demand calls for innovative accountability practices that capture qualitative outcomes, ensuring that NGOs remain aligned with their mission-driven goals while maintaining public trust.

In chapter 14, Bracci and Pencle scrutinize hybrid organizations, which straddle the boundaries of for-profit and nonprofit models. Their dual objectives, achieving financial sustainability while pursuing social or environmental missions, require accounting systems capable of integrating both financial and non-financial performance. Governance in hybrid organizations must manage tensions between investor expectations and social beneficiaries, navigating conflicts that arise from competing accountabilities. Transparency, inclusive decision-making, and adaptive governance frameworks are highlighted as essential to maintaining legitimacy. Bracci and Pencle, in this chapter, *Accounting, accountability and governance in hybrid organizations* emphasize the importance of flexible, innovative approaches to ensure hybrid organizations can balance their dual missions effectively.

Part III Accounting, Accountability and Governance in Diverse Contexts and Sectors demonstrate that accounting, accountability, and governance are highly contextual, taking on different forms and challenges across markets, economies, sectors, and organizational models. Junior stock markets and emerging economies highlight the importance of institutional development and tailored regulatory frameworks. Higher education and public-sector cases reveal how accountability must adapt to resource constraints and political dynamics. NGOs and hybrid organizations underscore the complexity of balancing diverse and sometimes conflicting stakeholder demands. Despite these differences, the chapters converge on a central theme: accountability is not merely technical, but deeply social, political, and moral. Effective governance depends on designing mechanisms that are both context-sensitive and inclusive, fostering legitimacy and trust while advancing broader developmental and societal goals.

IV. New perspectives on accounting, accountability and governance

Part IV *New perspectives on accounting, accountability and governance* explores alternative perspectives, critical challenges, and emerging trends in accounting, accountability, and governance. Collectively, Part IV demonstrates that accounting is not simply a technical practice but a deeply social and ethical activity shaped by competing values, cultural frameworks, and historical trajectories. From Islamic accounting to counter accounts, spotlight reporting, and critiques of international standards, the discussion highlights both the limitations of conventional systems and the transformative potential of new approaches.

Almulhim, A., Alomair, M., and Napier, C. (Chapter 15) present Islamic accounting as a framework rooted in Shariah law and religious ethics. Unlike conventional systems that prioritize profit maximization, Islamic accounting emphasizes justice, transparency, and social responsibility. Governance is ensured not only through regulators but also through Shariah supervisory boards, creating a dual accountability structure. This reflects a broader conception of accountability, one that integrates ethical and spiritual obligations alongside economic concerns. As Islamic finance continues to expand globally, this model highlights the possibility of developing accounting systems that align financial practices with moral and social justice objectives, though challenges remain in terms of standardization and interpretation across diverse contexts.

Himick, D. and Vinnari, E. (Chapter 16) turn to counter accounts, which challenge mainstream financial reporting by amplifying marginalized voices and alternative values. Emerging from social movements, activist groups, and communities, counter accounts describe the environmental and social costs often obscured by conventional accounting. While their influence within formal governance structures is limited, counter accounts expand accountability by contesting dominant narratives and questioning deep-rooted power relations. They illustrate how accounting can serve as a democratic tool, broadening what counts as legitimate knowledge and whose interests are recognized.

Accounting as an innovative approach to enhance organizational transparency is investigated in chapter 17 by Bayerlein, L. and Perkiss, S. By tailoring disclosures, the authors encourage dialogue and responsive governance. However, spotlight accounting raises challenges of selective reporting and credibility, requiring precautions to ensure that the focus on certain issues does not obscure broader responsibilities. Nonetheless, the model reflects growing stakeholder demand for more relevant and meaningful accountability.

Chapter 18 authored by Frandsen, A.C. and Hoskin, K. positions accounting within a historical and critical framework, showing how it has shaped individuals as “governing subjects.” Accounting systems discipline behavior through mechanisms of measurement, surveillance, and reporting, producing self-regulating individuals aligned with organizational and societal norms. This historical perspective underscores that accounting is not merely neutral but deeply implicated in shaping power relations, identities, and social order. Recognizing this dimension encourages a more critical understanding of accountability and governance as processes that influence subjectivity and behavior. Frandsen and Hoskin, through their diachronic lens, have shown how accounting and accountability have been embedded in human thinking and acting in different patterns of interaction for over five millennia.

This Part illustrates that the future of accounting, accountability, and governance lies in expanding beyond narrow financial metrics toward more inclusive, ethical, and socially responsive models. Islamic accounting demonstrates the potential of value-based frameworks; counter and spotlight accounts highlight the importance of amplifying marginalized concerns; and historical critiques reveal the role of accounting in shaping subjectivity and power.

V. What lies ahead for accounting, accountability and governance?

The chapter O*pportunities for deficient accountability through IFRS group accounting requirements* (Egan, M., Ji, K. and Ram, R.) critique the International Financial Reporting Standards (IFRS) group accounting framework, identifying opportunities for deficient accountability. Flexibilities such as consolidation exemptions can obscure the financial realities of subsidiaries, undermining transparency and stakeholder trust. While IFRS aims to enhance comparability, ambiguities risk enabling misrepresentation and weakening governance mechanisms. The chapter calls for stronger oversight and reform to ensure group financial reporting accurately reflects organizational realities, balancing flexibility with integrity.

Tharapos, M., O'Connell, B., Beatson, N., and de Lange, P. analyze how COVID-19 disrupted accounting and governance, accelerating the need for resilience and adaptability. The pandemic expanded accountability expectations: stakeholders required not only financial transparency but also insight into organizational resilience, ethics, and social responsibility. Remote governance, digital auditing, and real-time reporting became essential, highlighting both vulnerabilities and opportunities for innovation. The crisis thus acted as a catalyst, prompting organizations to rethink governance systems and embrace more flexible, socially attuned accountability practices.

Napier, C. and Carnegie, G. conclude by examining the future of accounting, accountability, and governance. Technological innovations such as Artificial intelligence, Blockchain, and Big data present opportunities to enhance transparency and efficiency but also pose ethical and governance challenges. At the same time, the rise of sustainability and integrated reporting reflects a shift toward broader accountability that incorporates environmental and social impacts. The authors stress the importance of adaptive governance frameworks and education to prepare specialists for this evolving landscape, where trust, ethics, and stakeholder engagement will remain central. Looking ahead, technological innovation and sustainability imperatives demand new approaches that balance efficiency with ethical responsibility. Accounting is not an impersonal practice but a contested field of knowledge, where competing models and future directions will continue to shape global governance.

This handbook debates the tension between traditional financial reporting and emerging demands for transparency, ethics, and inclusivity, highlighting accounting's dual role as a tool of control and a potential driver for empowerment. The volume underscores that the future of accounting lies in expanding its scope beyond financial performance to incorporate environmental, social, cultural, and ethical dimensions, supported by governance frameworks that are adaptive, responsive, and globally relevant.

To wrap up, this volume is relevant to academics, practitioners, regulators, and students interested in studying the intersections of accounting, accountability, and governance. For scholars, it provides critical perspectives and research pathways that challenge conventional assumptions and open space for further inquiry into the socio-political dimensions of accounting. For practitioners, including accountants, auditors, and managers, it offers practical insights into how reporting, control, and governance systems can be designed to balance financial, ethical, and social responsibilities. Regulators and standard-setters will find the chapters useful for reflecting on policy implications and the consequences of existing frameworks, especially in light of global challenges such as sustainability, crises, and technological transformation. Finally, for students, the book serves as an accessible yet critical guide to the evolving debates in accounting thought and practice, equipping them with broader perspectives that go beyond technical skills. In this sense, the volume is not only useful for academic study, but also for shaping future-oriented practice and policy in organizations worldwide.

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