The United Nations' (UN) decision to adopt International Public Sector Accounting Standards (IPSAS)

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Abstract

Purpose – The purpose of this paper is to analyse and understand the UN System's adoption of IPSAS from a legitimacy perspective.

Design/methodology/approach – A content analysis of publicly accessible documents from the UN System archives was conducted. The analysis was framed through the broader lens of legitimacy theory, drawing attention to the rationalities of decisions taken.

Findings – This study illustrated how the need for accounting reforms was rationalised throughout the UN System of organisations. Decision-making processes were reflective of political concerns and the accompanying need to continually demonstrate accountability. The discursive strategies observed associated the need to improve accountability with the adoption of globally recognised accounting systems. However, such logic assumed that existing accountability deficits were intrinsically linked to accounting failures, which overemphasises accounting's role.

Social implications – The UN System's decision to adopt IPSAS in 2006 has been followed by a substantial increase in the number of Member States following suit. However, governments and other organisations considering IPSAS adoption should be aware of the historical context in which the UN System's decision was made.

Originality/value – This study addresses a lacuna in empirical studies providing an understanding of the role of accounting reforms within international organisations such as the UN System.

Keywords Reforms, United Nations, Legitimation, Public sector accounting, IPSAS

Paper type Research paper

> IPSAS furthermore is the only globally accepted standard and there is a global reform trend towards IPSAS. (Mr A. Makaronidis, Head of Eurostat, 2017, p. 157)

1. Introduction

The quote above from a senior European Union (EU) civil servant highlights the growing influence of International Public Sector Accounting Standards (IPSAS; a full table of all acronyms used is provided at the end of the paper) as an accounting-based reform programme for governments and international bodies worldwide. IPSAS is fast becoming the benchmark standard for reformers keen to see international harmonisation of public sector accounting standards. However, the standing or legitimacy of any accounting standard that claims global appeal is often contested, as can be seen by the fact that a number of leading reformist countries have chosen to develop their own competing systems. An example in this regard includes the US government, which does not use IPSAS at all, while the EU is developing an amended version called European Public Sector Accounting Standards (EPSAS) (Heald and Hodges, 2015; Aggestam Pontoppidan and Brusca, 2016).

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The year 2005 heralded a significant turning point, as the United Nations Organisation (UNO) as a standalone institution and the wider UN System of interlinked organisations (e.g. the World Food Programme (WFP)) decided to adopt IPSAS. This move was seen as "a logical next step" (UN, 2005c, para. 5) as the existing standard (United Nations System of Accounts (UNSAS)) was no longer "considered to meet the needs of modern financial reporting" (UN, 2005c). It was also the first time the UN System adopted an international accounting standard rather than allowing individual organisations within the UN System to develop their own systems. The move to IPSAS was said to reflect the UN System's stated aim to "achieve consistent, high-quality financial reporting across the System" (UN, 2005c).

The UN System's pre-eminent global leadership role means that the policies it adopts are often subsequently promoted and diffused to its Member States. Indeed, due to its extensive membership of more than 190 nation states, the UN System's decision can be seen as conferring significant legitimacy and prestige on IPSAS. Whilst at the time of writing only some countries (Switzerland and several smaller states, see Bergmann and Fuchs, 2017, p. 28; IFAC and CIPFA, 2018) have moved to IPSAS, a number of notable International Organisations (IOs) such as the Organisation for Economic Co-operation and Development (OECD), North Atlantic Treaty Organisation (NATO), International Criminal Police Organisation (Interpol) and the European Commission (EC) have adopted IPSAS prior to the UN System. Nevertheless, the UN System's embrace still represents a seemingly progressive and influential move by what is arguably the most prominent global institution.

Richardson and Eberlein (2011) suggested that once accounting standards reach a certain level of "global authority" (p. 221), normative pressures for other jurisdictions to follow suit increases. This was exemplified when other IOs (such as the World Bank and the International Monetary Fund (IMF)) mandated the adoption of recognised international accounting standards as a condition of their involvement with certain countries (e.g. Neu *et al.*, 2006; Neu and Ocampo, 2007). Such developments suggest that it is important to understand the UN System's adoption of IPSAS given its status as an IO accountable for the decisions it takes to all of its Member States. Given its longstanding presence as an IO, the lack of substantive research coverage on important UN decisions regarding its financial reporting mechanisms is surprising (Bergmann and Fuchs, 2017). This study goes some way to address this gap by developing a historical narrative of the decision-making process by drawing on a content analysis of publicly available documents from the UN and other archives. The rationalities that underpinned the decisions leading to IPSAS' adoption were analysed by framing them through the lens of discursive strategies for legitimation developed by Vaara *et al.* (2006).

While there is some emergent literature on the adoption of IPSAS at the WFP (Alesani *et al.*, 2012) and in academic discussions of the complexities faced by the UN System in its adoption of IPSAS (Bergmann, 2010; Bergmann and Fuchs, 2017), there is limited research that analyses the role of accounting reforms within the UN System, with Rahman (1998) being the notable exception. This study will contribute to the emergent, and hence still limited, literature from a legitimacy perspective, as well as extensive knowledge on how supranational organisations operate to promote and diffuse accounting practices (Neu *et al.*, 2006; Neu and Ocampo, 2007).

In brief, the study has been developed as follows: Section 2 reviews the extant literature on legitimacy and public sector accounting reforms. Section 3 develops an exposition of the theoretical framing used for the analysis and Section 4 details the data and methods used. In the analysis that follows, Section 5 explores the initial process by which the UN System established its internally developed accounting systems. This latter section also considers the impact of the oil-for-food scandal on subsequent accounting developments. Section 6 examines the re-establishment of an externally developed accounting standard in the form of IPSAS. The final section discusses the findings and concludes the paper.

2. Literature review

This review first considered the literature documenting the UN System's role in the development of other IOs adopting various global accounting standards, before reflecting on the wider body of literature dealing with the rationalities for accounting reforms. While this paper's principal focus is on the decision within the UN System to adopt IPSAS, the role of the UN System as a global pioneer of accounting standards is also considered in this literature review.

2.1 UN involvement in international accounting standards

The UN System has historically positioned itself as an advocate for the standardisation of financial reporting practices worldwide. During the late 1960s and early 1970s, the UN System was given its first international standard-setting role to deal with the growing power of transnational corporations (TNCs) and the impact that these organisations have on the economic affairs of many countries (Gray *et al.*, 1981), especially developing nations (Rahman, 1998). Many governments and trade unions responded, calling for improved levels of accountability and transparency over capital flows from TNCs (Rahman, 1998; Aggestam-Pontoppidan, 2005).

The OECD and the UN System both developed new accounting frameworks to regulate the financial conduct of these corporations. This was seen as necessary from a legitimacy standpoint to counter the perception that TNCs wielded unduly large influence on accounting standard-setting and appeared unaccountable with regard to their activities within the developing countries they operate in (Rahman, 1998). In 1976, the OECD published its guidelines on TNCs and in 1977, the UN Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (or simply the Working Group) published its "International Standards of Accounting and Reporting for Transnational Corporations".

In parallel with developments at the UN System, the 1970s and 1980s also heralded the formation of a number of independent global accounting institutions. The International Accounting Standards Committee or IASC (today International Accounting Standards Board (IASB)) was founded in 1973 as the first global accounting standard-setting body and it was primarily designed to promote Anglo-American perspectives on accounting (Hopwood, 1994). The International Federation of Accountants (IFAC, founded in 1977) established the Public Sector Committee or PSC (the precursor to the IPSAS Board (IPSASB)) in June 1986 to deal specifically with government accounting issues. The first meeting of the PSC was held in January 1987 in London, where its role was defined as "developing accounting and auditing standards and promoting their voluntary acceptance" (Dye, 1988, p. 17). The PSC received joint funding from the World Bank, IMF, Asian Development Bank and the UN Development Programme (UNDP), all of which expected their borrowers to use internationally recognised financial reporting standards (Humphrey and Loft, 2008).

In debating the inter-linkages between accounting and legitimacy, the UN System's primary focus was to develop the institutional capability to influence global financial reporting, a consequence of the many rival international bodies emerging at that time. These early deliberations on accounting harmonisation of the UN System's "own" accounting practices coincided with the establishment of the IASC. As Rahman (1998) pointed out, the UN System was seen as a (morally) legitimate body that represented the interests of developing (as well as rich) countries, whereas other emerging standard setters (e.g. IASC) were perceived as primarily serving the interests of wealthier and more capitalistic nations. It was not until approximately a decade later that the idea of coordinating international harmonisation for public sector accounting materialised. Both the UN System and IFAC's PSC recognised that public sector accounting could (and should) be globally harmonised and there was a growing awareness that little published financial data existed for public sector entities as well as governmental organisations despite the substantive funds they held and managed (Dye, 1988; Rocher, 2010).

Nevertheless, despite the UN System's early involvement in external standard setting, there was never a need to demonstrate its own accountability to its constituencies through formal accounting mechanisms. For example, prior to 1973, financial reporting as a practice to promote (internal) accountability was largely non-existent within the UN System and scrutiny was only possible on the basis of published budgetary information. However, developments in the transnational arena of standard-setting sparked debate on the UN Systems' own deficiencies in demonstrating accountability in order to secure its status as a credible participant in the global standard-setting project.

2.2 Rationalities for accounting reforms

Concurrently, the need for legitimacy and strategies of legitimation are also central themes that underpin the rationale for accounting reforms in the public sector (Ansari and Euske, 1987). Organisational changes driven by accounting-based reforms are not just triggered by economic rationales for improved decision making, but also by crises of legitimacy that necessitate restitution (Carpenter and Feroz, 1992). The remedy, so to speak, is often based on the rhetoric of rational accounting-based solutions to problems caused by organisational failures, particularly with respect to accountability.

However, the reliance on accounting to resolve issues of accountability can suffer from the embedded thinking of reformers who themselves are often trained in accounting and/or have extensive experience with accounting-based reforms (Christensen and Parker, 2010; Hyndman *et al.*, 2018) and struggle to think of (non-accounting) alternatives to the problems posed (Brunsson, 2006). For instance, it is not just opportunistic politicians or ambitious finance ministers, but also sophisticated users (Durocher and Gendron, 2011) who are taken in by the rhetoric of rationalising accounting change as a means to improve decision making and accountability within organisations. This can lead to situations where important critical questions are not raised, such as the suitability of adopting global accounting standards for an individual country or organisation.

Evidence of accounting reforms having resolved these organisational issues stemming from a lack of accountability is at best mixed. Bergmann and Fuchs (2017) as well as Moloney and Stoycheva (2018) found evidence that adopting international standards for IOs can bring some improvements in transparency. Both papers also found that standards adoption could prompt meaningful debates over existing financial reporting complexities. Bergmann and Fuchs (2017) noted the issues with IPSAS' revenue recognition standards in their analysis of the way in which UN System organisations reported on voluntary contributions, while Moloney and Stoycheva (2018) found that financial reporting practices of IOs were, generally speaking, more transparent than their budgetary processes.

However, in the context of government accounting reforms in the UK, Connolly and Hyndman (2006) found that claims for the introduction of accruals accounting were overly optimistic as costs were obfuscated and users struggled to articulate the benefits of the reforms. Wall and Connolly (2016) concluded that the introduction of (modified) IFRS to the devolved UK governments (i.e. Scotland, Northern Ireland and Wales) have had minimal impact on the decision-making processes of their real-world users. Chow *et al.* (2008) also found that reformers had retrospectively justified the implementation of consolidated "Whole of Government Accounting" reforms on the grounds that it is useful for catalysing further accounting reforms in the UK public sector.

Such disconnects between the user and the value of the reform can also be evidenced elsewhere. For example, Brusca *et al.* (2013) found that when the Spanish central government adopted IPSAS and moved to an accruals-based accounting system, the information produced was of little use because Spanish politicians and civil servants were still largely making decisions on the basis of cash based budgets. Kobayashi *et al.* (2016) discovered that Japanese local government officials do not use accruals accounting in a dual (cash and accruals) reporting system, despite being able to articulate the hypothetical benefits of making decisions on the basis of accruals. A recent review of the literature on the usefulness of accruals accounting reforms in the public sector by van Helden (2016) also reveals a similar picture. An interpretation of these findings is that these disassociations are possible because decisions to proceed with reforms were made without a clear idea of how the reform principles are to be operationalised as the reforms are primarily about legitimising the actions of reformers.

More generally, Humphrey *et al.* (1993) point to the congenitally failing nature of accounting-based reforms in real life to deal with accountability deficits. Humphrey *et al.*'s (1993) critique exposed the unyielding faith that reformers have in perceiving accounting reforms as a solution for problems caused by legitimacy deficiencies and/or weak management in the public sector. This is not only because recipients of such reforms are primarily attracted to the logical construction of reform principles (e.g. due to its characteristics such as inner consistency and clarity of argumentation; Brunsson, 2006, p. 110), but also as a result of the "self-evident" rationality of the reform principles (Lapsley *et al.*, 2009) that make it difficult for recipients (and others) to critique and resist (Brunsson, 2006, p. 166).

Lapsley *et al.* (2009) and Brunsson (2006) highlighted the seemingly unfounded yet taken-for-granted assumptions that accounting reforms in the public sector constitute an obvious rational solution to organisational legitimacy issues, especially given the lack of substantive evidence demonstrating that such solutions work. The effects of such ingrained thinking also appear to dominate thought processes at IOs such as the World Bank. Everett *et al.* (2007) illustrated the challenges faced to overcome this as organisations appear incapable of breaking away from the orthodoxy of accounting-based solutions to problems caused by crises of political legitimacy involving issues such as corruption. Therefore, the seemingly dominant rationalisation of economic efficiency alone (in the form of improved decision making from better quality accounting information) should not and cannot be the main or only reason for change (Ansari and Euske, 1987; Carpenter and Feroz, 1992).

Undeniably political and economic crises often serve as catalysts for accounting-based organisational change. Chua and Taylor (2008, p. 470) stated that it is important for politicians to be seen to be making calls for accounting reforms, even when there are uncertainties over the economic efficacy of the solutions proffered. For instance, Carpenter and Feroz (1992) found no compelling evidence to suggest that New York State's decision to adopt US Generally Accepted Accounting Practice (US GAAP) had led to significant changes and improvements in its financial management practices. Instead, the move to GAAP was simply seen as a way to shore up the state government's political legitimacy subsequent to a period in which the state's finances were badly managed.

The various institutional (and non-economic) rationales for accounting-based change described here increase demand for outsourcing the development of accounting standards that confer universal or global legitimacy (Chua and Taylor, 2008). This demand creates opportunities for organisations with aspirations to develop accounting standards that are universally appealing. For example, the construction of global standards reflects the increasingly successful work of institutions with global reach such as IFAC and its public sector counterpart, IPSASB. IFAC's success in building global financial infrastructure around business accounting and auditing can be attributed to the growing reliance on governance by experts (as opposed to governance by plebiscite) combined with the increasing reach of global accounting firms (Loft *et al.*, 2006; Humphrey *et al.*, 2009). Similarly, the rise and spread of global regulatory standards for the public sector, such as IPSAS, also represent an important development in the recognition of such demands, mimicking some of the reasons for the rise of IFRS in the commercial sector. However, the widespread adoption of global accounting standards by IOs exerts powerful mimetic pressure on its constituent bodies and nations to similarly harmonise their standards and practices. Lehman (2005) for instance notes how such mimesis can have a negative impact on democratic accountability, as it is the (private sector) accounting profession that determines global standards, but nations that bear the cost of disruptive capital flows arising from the use of those standards.

In synthesising the elements of the literature above, legitimacy appears to be a central motif for many accounting-based reforms in the public sector. Rational arguments based on economic efficiency are only one of many justifications used to legitimise the need for change despite their prominence. However, the extant literature is only beginning to develop an understanding of the role of accounting reforms such as IPSAS and issues of its suitability for IOs such as the UN System. Indeed, there is a perceptible lack of clarity regarding both the processes and rationale(s) impelling the processes in which new standards are adopted at IOs. In the next section, a framework based on Vaara *et al.*'s (2006) theory on discursive strategies used for legitimation is developed to analyse issues surrounding IPSAS. A section on the method and data used then follows this.

3. Discursive strategies for legitimation

Vaara *et al.* (2006) derived their model from Fairclough's (1997) critical discourse analysis, synthesising key discursive strategies used to legitimate industrial restructuring in the media. Their model identifies a typology of five strategies: normalisation, authorisation, rationalisation, moralisation and narrativisation (Vaara *et al.*, 2006, p. 804). Normalisation refers to legitimation by exemplarity or conformity. In the literature reviewed, the mimicry associated with a taken-for-granted (self-evident) acceptance (Lapsley *et al.*, 2009) of global accounting standards (Everett *et al.*, 2007; Durocher and Gendron, 2011) reflects the environmental conditioning of reformers who are generally professionally trained accountants with similar backgrounds and education (e.g. Christensen and Parker, 2010; Hyndman *et al.*, 2018).

Authorisation refers to legitimation through an authority or individual with sufficient expertise and/or the right to confer legitimacy. The use of IPSAS confers legitimacy as it is developed by an institution (IPSASB) with global authority to develop public sector accounting standards. IOs, pioneering countries (e.g. UK, Australia and New Zealand) and global accounting firms (e.g. PricewaterhouseCoopers or PwC) also have similar abilities to confer authority, based on the significant expertise and/or experience with accounting reforms that they possess (Christensen, 2005; Neu *et al.*, 2006; Christensen and Parker, 2010; Free *et al.*, 2013).

Rationalisation refers to legitimation based on the logical construction of reform principles (Brunsson, 2006). Despite the logical basis, such rationalisations often have implicit (or even explicit) ideological underpinnings based on a neoliberal interpretation of economic ideas (Vaara *et al.*, 2006, p. 800; Christensen and Parker, 2010). Hopwood (1992, p. 136) demonstrates how such ideology operates with the public sector in many countries often transformed in the name of rational principles of economic efficiency and value-for-money, but without precisely defining what these are. Hopwood also notes that it can be difficult to critique the adoption of rationalised reforms when nobody wants to be seen refusing reforms that purportedly enhance efficiency and value-for-money (Hopwood 1992, p. 136).

Moralisation refers to the use of specific values in justifying reforms and is closely linked to the use of ideology in rationalisation, such as economic rationality, and/or the interests (rights) of certain groups such as nationalistic and humanistic claims (Vaara *et al.*, 2006). A crisis caused by corruption invokes the need for redemption through moralisation – to make right from wrong, as demonstrated by the decision to adopt GAAP standards by the Government of the State of New York (Carpenter and Feroz, 1992).

Narrativisation refers to the use of mythical story telling (mythopoesis) to create a perception and environment of acceptable, appropriate or preferential behaviour. In particular, the use of dramatic narratives portrays individuals and/or organisations as heroes, victims or villains to help legitimise (or de-legitimise) certain actions or behaviour. Lapsley *et al.*'s (2009) depiction of the narrative that the expansion of accruals accounting reforms is due to self-evident solutions to problems of organisational legitimacy serves as an illustrative example of how continuity with accruals based reforms are not only rational, but also form part of the wider story around the progressive nature of reforms. According to Vaara *et al.*, these strategies are not mutually exclusive but often "intertwine" or are used in combination to legitimise, de-legitimise or re-legitimise discourses. For example, they argue, "while narrativization served as an important legitimating strategy in its own right, it often provided an overall frame that supported the other types of legitimation" (p. 804).

4. Method and data

In this study, publicly accessible documents from the archives of UN System organisations and principal organs were reviewed. Official documents, such as minutes of meetings, decision and progress reports and recent policy papers, were collated. The scope of archival documents spanned the period from 1945 to 2016, but the most relevant documents are from a narrower range, namely 1979 to 2011. The final sample selected for analysis contained 58 publicly accessible documents such as UN reports, Joint Inspection Unit (JIU) reports, General Assembly Resolutions, the High-Level Committee on Management (HLCM) conclusions and various UN System progress reports. Biraud's report for the Joint Inspection Unit (JIU, 2010) published a post-decision analysis on the original recommendations (UN, 2005b, c, 2006b) and preparedness of UN System organisations for IPSAS. The process of accumulating relevant documents continued until 2016, as some of the post-decision documents have proven useful as a source of reflection, although due to space constraints, only documents cited in this study were referenced. The archive of documents also included those issued by non-UN actors, such as Congressional Research Service (CRS) reports issued by the US Government that address the accountability and/or accounting problems of the UN. As is indicated above, all sources cited are publicly accessible.

To review UN resolutions (i.e. formally agreed decisions that will be put into action), an online database of the UN Advisory Committee on administrative and budgetary questions was used. The following keywords were employed for the search: accounting, financial reporting, accountability, oil-for-food, UNSAS (UN System of Accounts) and IPSAS. A chronology of decisions that led to the decision that the UN System was to adopt IPSAS was constructed using content analysis (Malsch and Gendron, 2011) and key decisions are highlighted in Table I. The content analysis allowed for the identification and mapping of the main actors as well as their interactions and interrelationships in the accounting reforms at the UN System. Figure 1 outlines the hierarchy of key UN organisations such as the HLCM and the Task Force on Accounting Standards (referred to simply as the "Task Force" in this study). The HLCM, which is made up of senior administrative managers from the member organisations of the UN System, played a key role in authorising the reforms. The Task Force is an inter-agency group comprised of accountants from all UN System organisations (UN, 2005b) and which operates under the approval of the HLCM to facilitate and coordinate dialogue on accounting reform. Figure 1 also shows the relationship between the principal organs and a selection of UN System organisations. The following two sections present the results of the analysis.

5. Legitimation and de-legitimation of internally developed systems

5.1 Legitimising accounting reforms through normalisation and rationalisation

Prior to 1980, the UN System's accounting and financial reporting practices were not based on any common set of standards. The UN System founded the Consultative Committee on

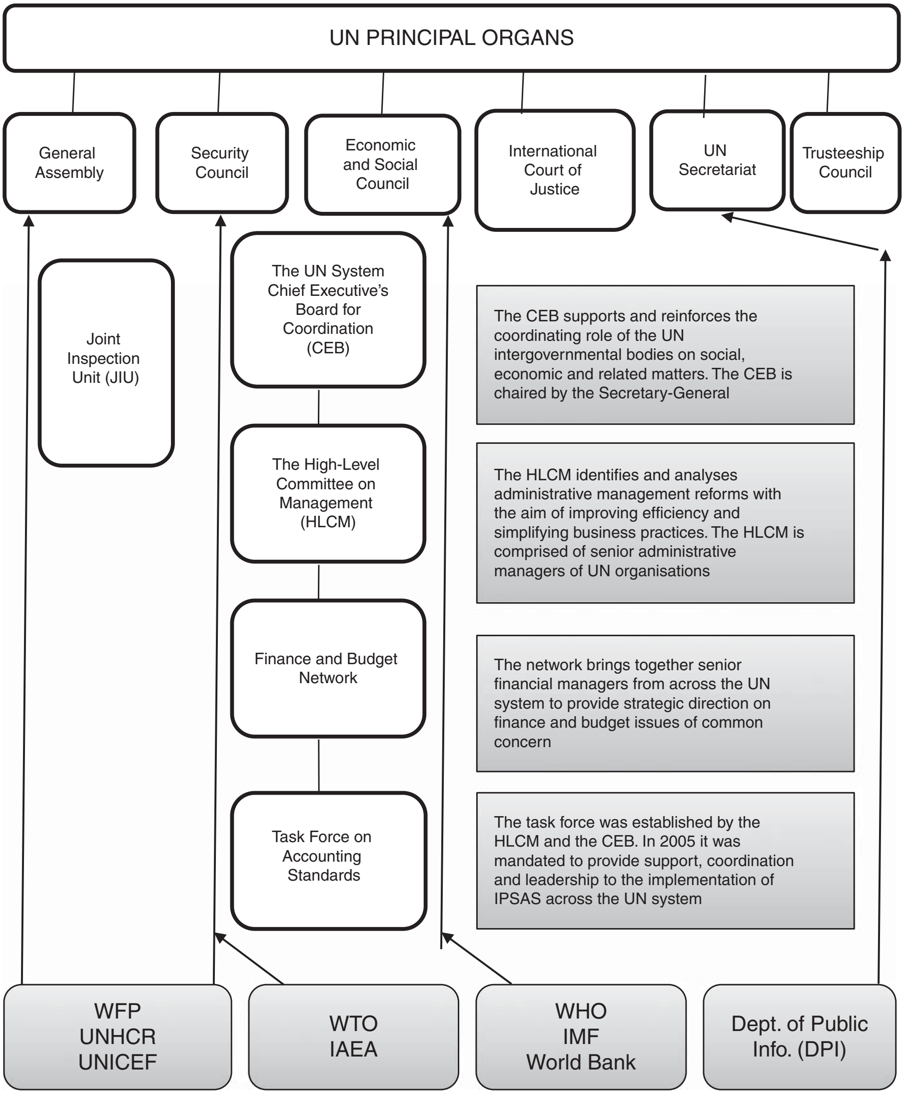
Table I. Timeline of major events regarding UN system accounting reforms (1973–2008)

Year	Event
1973	Proposal to harmonise accounting practices for the treatment of assets
1980	Establishment of a working party on the harmonisation of financial statements of the UN system. IASC recommendations to serve as guidelines for UN accounting
1981	UN adopted several US GAAP standards
	Disclosure of accounting policies made mandatory
1991	Panel of External Auditors commented that IAS inappropriate for UN
	Proposal for common UN accounting standards
	Accounting Standards Committee established
1993	Launch of UN System Accounting Standards (UNSAS)
2002	A new Task Force on (internal) accounting standards for the UN system was set up. Note that this task force has a different remit to the task force of the 1977 Working Group, which is primarily focused on external financial reporting standards
2003–2004	Accountability crisis following oil-for-food programme terminated de jure. Major review of governance structures and systems of accountability. Accounting and financial reporting was one of the issues raised in the reform agenda
2005	Launch of study to review UNSAS and to consider alternative accounting systems
2005	The Task Force on Accounting Standards (in 2002) recommended the adoption of IPSAS, which was subsequently accepted by the HLCM in November 2005
2006	In April 2006, the CEB endorsed the HLCM recommendation that all the United Nations system organisations adopt IPSAS. Following this, the Secretary-General sought United Nations approval for IPSAS to be adopted system-wide
2006	On 7 July 2006, General Assembly resolution 60/283 approved the adoption of IPSAS for the United Nations
2006–2008	The World Food Programme (WFP) was the first UN system organisation to implement IPSAS, effective from January 2008

Administrative Questions, Financial Budgets (CCAQ (FB)) in 1980, with the task to develop a single unified accounting system for all UN organisations, a move supported by the UN System's external auditors (UN, 1979). The road towards establishing a standardised accounting practices across the UN System was further cleared when the CCAQ (FB) decided (in 1980) that recommendations from the IASC should form the basis of the UN System's own development of its internal accounting system (UN, 1980). Shortly after these recommendations were issued, an agreement was made to reference the IASC's work as a starting point for the UN System to develop its own standards (UN, 1980). In this regard, the IASC's work served as a basis for legitimisation through a strategy of normalising the accounting change (e.g. Botzem and Quack, 2009) within the UN System.

The use of normalisation as a discursive strategy was made clearer in 1981 when the CCAQ (FB) reiterated its recommendation for the adoption of accounting standards developed by bodies external to the UN and urged the organisations within the UN System "to follow the IASC standards as far as they were applicable in the UN System" (UN, 1981, para. 21 (a)). This recommendation set out an expectation that the UN System's development of its own (internal) accounting system should be based on international standards, which is in keeping with its founding charter on the principles of global cooperation (UN, 1945). In this regard, the UN Charter (paragraphs 3 and 4) expected the UN System to act as a centre for harmonising the actions of nations to achieve common economic prosperity. In extending this rationalisation a step further, the UN System ultimately decided to set an example for global cooperation by itself adopting the international accounting standards it was advocating.

The UN System was thus actively pursuing a reformist agenda aligned with commonly held accounting principles used in capital markets, such as the qualitative characteristics of going concern, consistency, prudence, substance over form, the disclosure of significant accounting policies, materiality, sincerity, periodicity and regularity (UN, 1981, para. 21).



Notes: The Trusteeship Council suspended its operation in 1994 after Palau became independent (UN, 2017). For a full list of UN system organisations, see the UN Systems Chart (UN, 2017). Most of the UN system organisations have adopted IPSAS, but some notable exceptions include the World Bank and the IMF (see Bergmann and Fuchs, 2017, Table 2)

Figure 1. Relationship between key decision making committees at the UN and key organisations within the wider UN system

A newly developed standard, the "inter-organizational accounting and financial reporting standard" [sic] was issued, which mandated the disclosure of accounting policies used in UN System organisations and corresponded for the most part to International Accounting Standard No.1 (IAS 1, 1975 version; this standard was significantly revised in 1997).

Despite the development of an internal standard based on IAS 1, however, the UN System retained full control over the standard-setting and implementation process. It used moralising arguments to legitimise this decision to deviate from full adoption, claiming that while it is obliged to adhere to global cooperation principles, it had to have autonomy over its own standards. This is due to its unique global standing as a world body with many diverse Member States to which it is directly accountable (UN, 1991b).

However, shortly after this "inter-organizational" accounting standard was issued, questions over its legitimacy were raised. In 1982, the chairperson of a meeting of Chiefs of Internal Audit Services of the UN System expressed regret that two provisions of IAS 1 had not been included in the "inter-organizational accounting and financial reporting standard". More specifically, the individual commented that "wrong or inappropriate treatment of items in balance sheets, income statements or profit and loss accounts, or other statements, is not rectified either by disclosure of accounting policies or by notes or explanatory material", and that comparative figures were also not included in the financial statements (UN, 1982, paras. 13 and 14).

As a result, renewed discussion on the overall accountability and transparency of the UN System's activities started to resurface. Despite the acceptance of international accounting principles underpinning the institution's development of a financial reporting system, the UN System continued to suffer from issues of legitimacy over its choice to retain control through internally developed accounting standards. This was exacerbated by a perceived lack of transparency from the outturns of the financial reports. For example, Hazzard's (1989) investigative journalism piece published in *The New Yorker* highlighted the difficulties faced by external stakeholders interested in tracking UN finances and spending. Outsiders were not the only ones who noticed this, as even within the UN System, these deficiencies were a source of some internal concern.

The former UN Under-Secretary-General for Management (Patricio Ruedas) was quoted in 1985 as saying that "Member States have [. . .] stressed the need to be told, more clearly and more extensively [. . .] what has been the programmatic performance of the Secretariat, which outputs have been delivered, and with which result [. . .] Let us strengthen the monitoring and evaluation functions [. . .] I find the essential problem one of better and more transparent information, thus permitting better decisions" (JIU, 1993, p. 5). In other words, an argument was made linking the need for improved accountability and decision making with accounting reforms. Despite the concerns raised, the UN System persisted with the use of the "inter-organizational accounting and financial reporting standard" for nearly a decade, relying on its constitutional right to authorise (legitimise) its own standards, fending off both internal critique of the standards and practices used as well as the external pressure for further accounting reform.

5.2 Trials of strength: de-legitimising internally developed systems

However, the UN System's steadfastness did not alleviate the calls for change and attempts to de-legitimise its internal adaptation of international standards. In 1991, a proposal from the panel of External Auditors of the United Nations, the Specialized Agencies and the International Atomic Energy Agency (from here on referred to as the panel; these are the auditor generals from various national jurisdictions responsible for coordinating the audits which the members are responsible for and as a forum to exchange best practice) to develop common codified accounting standards specific for the UN System was brought to the General Assembly. Although the proposal had many dissenting internal voices, it was agreed that any change had to take into consideration the institutional specificities of the UN System as well as other recognised standards, including those of the IASC (UN, 1991a). For instance, the auditors argued that the aims and objectives of UN System organisations, disclosure requirements and users are in many respects fundamentally different from those more relevant to commercial entities (UN, 1991b). These arguments highlighted the combined used of multiple discursive strategies as the UN System asserted its moral right to self-determine and self-police its own accounting standards while also relying on the expertise of the IASC to justify its choice of accounting standards (normalisation).

The UN System's use of moralising and normalising strategies to sustain the legitimacy of its policy on accounting standards was, however, countered by de-legitimising actions from the auditor (i.e. the panel). As a result of sustained pressure from the panel, the Working Party on Accounting Standards (UN, 1991a, paras. 34-39) was established in the same year to develop more relevant standards for the UN System and to reduce reliance on accounting standards designed primarily for capital markets. The panel's approach to de-legitimise existing UN accounting practice relied on reframing the normalising and moralising arguments used. For instance, the original adaptation of standards was deemed to be insufficient as the strategy of relying on IASC/IASB standards was seen to be inappropriate for an IO such as the UN System with its unique remits. The panel eventually prevailed in this battle of wills, culminating in the establishment of a jointly developed (with the panel) new internal standard, the UNSAS (UN, 2007). UNSAS is based on modified cash accounting (UN, 1993), which is in contrast with accruals-based standards as promulgated by the IASC. Another aspect of particular note here is that the use of UNSAS represented a major step towards the adoption of common language and terminology among accountants of UN System organisations.

Although UNSAS has, since its establishment, been subjected to a series of revisions to improve its design, the revised system has still not managed to quell periodic criticisms over its inability to bridge the accountability deficit. This was attributed to the flexible nature of its design which was meant to allow it to cope with the heterogeneous needs of UN System organisations, but which resulted in deficiencies. For instance, from an audit perspective, UNSAS operates with a conflict of interest, since the panel is responsible for both auditing and standard-setting, an issue compounded by its role in the development of UNSAS. From an accountability viewpoint, UNSAS allows reporting organisations to ignore fundamental accounting conventions if they are deemed inappropriate for their specific circumstances. Given the highly politicised and complex nature of UN operations, UNSAS was seen to permit too much leeway for interpretation, especially since the foundation of the standard defers to reporting bodies' the freedom to assert their autonomy over financial matters. This inevitably enables the reporting organisation, if it so chooses, to dispense with strict discipline and censure.

As a result of the inconsistent application of standards under UNSAS, further calls for reform were made. The limitations of UNSAS were becoming increasingly apparent and new proposals were put forward to adopt a revised IAS as its replacement (UN, 1997a, b). The following issues were raised as being particularly problematic (UN, 1997a, b), thus helping to strengthen the rationale for further accounting reform:

(1) disclosure of the valuation of liabilities arising from termination benefits;

(2) disclosure of non-expendable property in a more uniform way;

(3) the scope and nature of the cash flow statement;

(4) the need to establish clear accounting standards for the United Nations Joint Staff Pension Fund and for adequate pension disclosure by participating organisations;

(5) the need for uniform application of the existing standards relating to the provision for delays in collecting assessed contributions; and

(6) the disclosure and valuation of voluntary contributions-in-kind.

In September 2001, the HLCM proposed (but did not authorise) a radically revised agenda to dispense with internally developed standards in favour of globally accepted accruals-based standards (UN, 2001) such as IPSAS.

5.3 Tipping point: the decisive shift towards global standards

While the UN System's internal accounting steering groups and the panel were increasingly vocal over UNSAS' limitations, reluctance from organisations within the UN System meant that there was initially little support for such change. The tipping point came when the UN (as a standalone organisation, or UNO) itself was embroiled in its own financial malfeasance and this affected the balance of support for UNSAS within wider UN System. In the aftermath of the First Gulf War in 1995, the UN Security Council (UN, 1995) passed a resolution to allow Iraq to sell its oil in exchange for humanitarian supplies, primarily food and medicine, to alleviate the suffering of ordinary citizens in a crippled economy. The programme, which came to be known as oil-for-food was the largest humanitarian relief programme in world history (estimated to have delivered $32bn worth of humanitarian supplies and equipment in exchange for Iraqi oil), but was terminated in 2003 after revelations of corruption involving misappropriated funds. As details of the scandal and subsequent political responses have been widely reported elsewhere (e.g. Katzman and Blanchard, 2005; Hsieh and Moretti, 2006; GAO, 2006), the focus here is on analysing the call to withdraw UNSAS and replace it with international accounting standards.

It is intriguing that even before the oil-for-food scandal broke in 2003, the UN System had been criticised by IFAC (2001) for the lack of a common set of accounting standards across all of its system organisations. IFAC commented unfavourably on the UN System's persistence with their internally developed accounting system, pointing out that "despite the importance of good quality financial reporting and accounting standards to improvements in governance, accountability and transparency, most of the UN's system management reports (with the exception of the (WFP)) have not linked financial reporting or accounting standards to these three reform aims" (as reported in JIU, 2010, p. 1). This assessment came as part of IFAC's (2001) wider study on Governance in the Public Sector, which was in turn drawn from a (UK-based) Chartered Institute of Public Finance and Accountancy (CIPFA) document promoting similar values and ideas on how governance can be improved through accounting-based systems of accountability (OPM and CIPFA, 2004). In other words, these statements represented the use of intertwining strategies of normalisation (by appealing to the experience and expertise of IFAC and CIPFA), moralisation (vilifying the "failure" of internally developed systems) and rationalisation (accountability failures can be resolved through the adoption of "better" accounting systems) to de-legitimise the standing of UNSAS.

On 21 April 2004, the former Secretary-General Kofi Annan, with the endorsement of the UN Security Council and under pressure from the US Congress, appointed an independent high-level commission to investigate the oil-for-food programme scandal. The commission, led by former US Federal Reserve chairperson Paul Volcker, concluded that the failures of the programme demonstrated the great need for "fundamental and wide-ranging administrative reform" in the UNO (cited in Blanchfield, 2015, p. 11). The commission recommended establishing an independent oversight board to review UNO auditing, accounting, and budgeting activities; creating the position of Chief Operating Officer to oversee administrative matters such as personnel and planning practices; providing fair compensation to third parties involved in UNO programmes (while ensuring that the compensation does not lead to inappropriate profit); and expanding financial disclosure requirements to cover a variety of UNO staff, including those working on procurement (Blanchfield, 2015; Alesani *et al.*, 2012, p. 68). The US Government also made the payment of American financial arrears to the UN System conditional on these reforms (Bite, 2005). Following on from the Volcker Report, Christopher Burnham (a US citizen) was appointed in June 2005 as the UN Under-Secretary-General for Management, to reform the UNO in the name of transparency and accountability. US citizens also hold other key reform-related posts at the UNO, which a number of American politicians believe is needed to further the policy interests of the US (Blanchfield, 2008). The next section discusses US-led reforms to rebuild the UN System's legitimacy through externally sourced financial reporting systems.

6. Re-legitimation of externally developed systems

6.1 Rationalising the need for an externally developed accounting system

The 2005 World Summit was the first opportunity where findings from the Volcker Report were extensively debated. During this summit, the panel chair wrote to the president of the General Assembly recommending that the UN System "apply international accounting standards, policies and practices consistently in line with recognised good practices" (UN, 2006d, para. 9). The Task Force (UN, 2005c) subsequently concluded that UNSAS could "no longer be considered to meet the needs of modern financial reporting" (para. 5) and recommended that the UN System adopt IPSAS by 2010 (para. 25). As has been previously discussed, the use of such rationalisation on the need for global accounting standards is a recurring theme amongst promoters of accounting reforms. A deconstruction of the recommendation above reveals the utilisation of normalising ("applying international accounting standards"), rationalising ("in line with recognised") and moralising ("good practices") discursive strategies to legitimise the need for accounting change.

Further, the use of normalising and rationalising arguments for change are epistemologically based, where expertise in IFRS and IPSAS is seen as evidence that the adoption of external standards is a feasible alternative to re-developing UNSAS or some other UN-specific standard. The UN accounting standards development project considered the "best available options for external standards adoption" (UN, 2005a, para. 73). Professional service firms such as PwC were recruited to "provide support, primarily in the form of on-going advice and assistance in managing the project and technical inputs" on IPSAS-related issues (JIU, 2010, para. 116). However, PwC was not only linked with the development of IPSAS, but was also involved in the provision of expert commentary on the wider set of governance reforms, such as the oversight and audit mechanisms at the UN System (UN, 2006a, Annex I). For example, PwC's role on the governance reforms meant that it could propose agenda items to the Steering Committee (UN, 2006f, para. 15) as well as be present for all meetings in which deliberations were made and decisions were taken. The involvement of PwC as a consultant for public sector accounting and governance reforms is not just limited to the UN System case, but has important historical precedence elsewhere, as evidenced by its role in similarly assisting the Canadian government (Free *et al.*, 2013, p. 453).

However, the involvement of such firms acting on their own as lead reformers do not bring with them the level of political legitimacy sought by institutions such as the UN System and major donor nations such as the US. The central feature of the rationalising and narrativising discursive strategies used to promote IPSAS at the UN System connects abstract and widely circulated ideas of accounting with problems that are locally situated. The proposed solutions are made up of logically constructed (but often not empirically tested or proven) arguments on how accounting change can remedy existing problems caused by accountability or management issues. In other words, IPSAS could have been sold on the self-evident principle that its application could resolve the deep-seated and complex multi-country political dynamic behind the global branding of the UN System. However, as Brunsson (2006, p. 78) notes, it is impossible to deduce, *a priori*, from such rationalisations whether the principles (e.g. from which IPSAS is derived) map well with the principles that underpin existing organisational practices (e.g. at the UN System).

Economic and/or political crises often present reformers with fleeting but authoritative legitimacy to reform systems through such experimentation with rationalisation. IFAC's criticisms of the limitations of the then existing UN accounting standards, just before the oil-for-food scandal broke, help position IPSAS as a credible alternative to UNSAS. The scandal led reformers (such as the vocal but powerful minority at the HLCM and the panel) to call for wider management reorganisation, which included accounting change within the UN System. This is notwithstanding the fact that the "oil-for-food scandal did not involve accounting irregularities and financial reporting was not initially viewed as relevant to the

(IPSAS) reforms, despite their focus on governance, transparency and accountability" (Alesani *et al.*, 2012, p. 68).

The discursive strategies used to advocate IPSAS were constituted from a number of arguments linking the generic to the specific (UN, 2006c, pp. 33-34; UN, 2006d; JIU, 2010, paras. 9-13), combining normalisation, rationalisation and moralisation. First was the recognition of the role that accountants and accounting play in improving the financial management of public services (JIU, 2010, para. 9) as "IPSAS are credible, high-quality, independently produced accounting standards" (UN, 2006c, p. 33).

Second, financial statements produced should cater to both internal and external users by reporting on an accruals accounting basis (JIU, 2010, para. 10), "which is necessary for best practice financial management and results in improved internal control and transparency with respect to assets and liabilities" (UN, 2006c, p. 33; UN, 2006d, para. 14). This argument stresses the limitations of the oversight function administered through standardised financial reporting practices and such arguments echo previous calls for accounting reform to improve accountability mechanisms (Blanchfield, 2011).

Third, financial statements should not privilege any one user but be "more understandable to a wider group of financial statement users" (UN, 2006c, p. 33) or in "an equal manner by all users" (JIU, 2010, para. 11). This extends the previous argument's logic by implying that such equality can only be achieved through the development of a common set of accounting standards by an authoritative body with the requisite international reach.

The fourth and final argument emphasised the importance of international standards as a benchmark for comparisons, where IPSAS "represent current best practice for international organisations" and "will improve the quality, consistency and comparability of United Nations financial reporting" (UN, 2006c, p. 33; cf. UN, 2006d, para. 8). A Federation of European Accountants or FEE (now known as Accountancy Europe) manifesto claims that the value in adopting these standards is best extracted by "persons who have a thorough knowledge of accounting theory and practice and be audited by persons who have a similar background" (JIU, 2010, para. 13).

International accounting bodies such as FEE and IFAC/IPSASB underpin the normative legitimacy of global accounting standards, thus providing such bodies with opportunities to shape and influence global agendas. Hopwood (1994, p. 247) noted early on that FEE's role as a public-spirited regulator masked its true position as a lobbyist for the accounting profession. More recent work by Christopher Humphrey *et al.* traced similar efforts made by IFAC to influence the global accounting and auditing agenda (Humphrey *et al.*, 2009; Humphrey and Loft, 2008; Loft *et al.*, 2006).

The implications of the discussions above suggested that a move towards an expert-based system of accountability crafted and run by accounting professionals and auditors could produce the desired outcome of improved external accountability. The first and the fourth arguments utilised normalisation, appealing to existing (and accounting focused) expertise. The second argument claimed that the deficit of external accountability could be resolved (moralising the need to recompense the "victim(s)" of previous accounting systems) if a new system is developed (rationalisation). The third argument recycled moralisation by appealing to fairness and the desire to prevent future victimisation.

Biraud's report also contained additional uses of moralisation (prevention of victimhood through fairness and transparency), stating that its key role is to "increase awareness among delegates and officials of the various secretariats, who mostly do not have a professional background in accounting […] it is essential to make this very technical accounting reform as understandable as any other management reform so that Member States and officials alike may appreciate the benefits to be expected from the adoption of IPSAS" (JIU, 2010, para. 4). Such arguments implied the necessity of moving towards a system that relied on higher levels of expertise and complexity to resolve the limitations in extant systems of accounting. As Brunsson (2006, pp. 75-84) remarked, as long as reforms appear to be seemingly logical and expert-led, the rationalisation itself becomes self-evident to, and is embraced by, the adopter and requires no further justification or reflexive scepticism.

6.2 Authorising the decision to adopt an externally developed accounting system

Once the decision to proceed with accounting reforms at the UN System was made, the next (critical) task was to consider the various alternatives between competing international accounting standards. In 2001, the HLCM was aware of (the then emerging) IPSAS as a potentially suitable alternative replacement system (UN, 2001). In the following year, just before the oil-for-food scandal broke, the UN System indicated that it favoured IPSAS as a replacement system and was active in providing feedback to IFAC's PSC on "particular issues affecting the United Nations system" (UN, 2002b, Annex V). It emphasised that these "should be fully and effectively represented to the IFAC and that how best to put in place a mechanism to monitor and participate in IPSAS development would be pursued with IFAC (sic)" (UN, 2002a, para. 35; see also UN, 2002b, para. 30). After the decision to move to an externally sourced accounting system was taken in 2006, four different options on which specific global standard to adopt were put forward to the Task Force (UN, 2006e), which is reproduced unabridged here:

(1) "Good national standards, such as those from promulgated by Australia and New Zealand [sic]

(2) IFRS

(3) IPSAS

(4) Hierarchy of GAAPs, with one preferred external standard and several exemptions for situations specific to the UN".

It is interesting to note that the choices presented above were all variants of an accruals accounting-based system, with no consideration of other approaches, such as those based on statistical reporting (e.g. the System of National Accounts or SNA, 2008). Despite the apparent similarities in the choices offered, there was a lack of unanimity and support from the Task Force for any of the options. As a result, it was decided to proceed on the basis of a vote. Voting is a commonplace mechanism used by experts to resolve conflicts or disagreements at an international level (Brunsson *et al.*, 2012, p. 619), because the mechanism legitimises the decision taken on the basis of democratic principles (moralisation). Biraud reported that 28 UN System organisations were contacted to vote for their choice of standards (JIU, 2010, para. 24). The outcome of the vote showed that IPSAS was chosen over IFRS by the slenderest of margins – 11 to 10 votes, with the remainder of votes distributed amongst the other two alternatives. This outcome served to highlight the highly contingent nature of how crucial decisions across the UN System were made.

In his analysis of the outcome, Biraud found that votes were almost equally split into what he coined the "practical school" of thought favouring an IFRS-based approach (which is used by the UK government; Heald and Hodges, 2015), vs the "logic school" [sic], which favours IPSAS (JIU, 2010, para. 24). The discursive distinction between practical vs logic schools by Biraud is interesting. The former denoted the choice of a tried and (empirically) tested system of accounting such as IFRS, based on normalising strategies of legitimation through the selection of familiar and established systems. The latter could be suggestive of an (unquestioning) acceptance of a legitimation strategy based on the "logical" deduction that IPSAS is useful because it is specifically tailored to meet the needs of the public sector (narrativisation), but also has the advantage that it is based on established private sector standards (rationalisation and normalisation). These arguments are reminiscent of

Brunsson's (2006, p. 127) observations that it is not necessary to have real-world experiences in order to advocate the need for reform. The narrow margin by which IPSAS was selected over IFRS, and the earlier battles between the Task Force and Christopher Burnham, suggested that a sizable minority of accountant directors at the UN System remained unconvinced that IPSAS is the way forward to resolve what was essentially a managerial and administrative crisis. Nevertheless, the decision has already been made and the adoption of IPSAS continues apace at the UN System (Bergmann and Fuchs, 2017).

7. Discussions and conclusion

The objective of this study was to analyse and understand the UN System's adoption of IPSAS from a legitimacy perspective. This study contributes to the literature in a number of ways. First, it provides insight into the UN System's decision-making processes that led to the adoption of IPSAS by examining the way in which discursive strategies were used to legitimise the need for accounting reforms within the institution. More specifically, the study demonstrates how various actors intertwined or recombined discursive strategies to legitimise, de-legitimise or re-legitimise the adoption of externally developed accounting standards.

Initial legitimation was acquired by adopting the IASC's standards, but this was soon de-legitimised by the panel and others that wanted an internally developed system to deal with on-going perceptions that the UN System lacked accountability. The oil-for-food scandal reignited arguments on the need to adopt externally developed standards due to perceived conflicts of interest with internally developed systems. Various individuals, organisations and Member States vied to impose their own perspectives on how the UN System should reform its accounting and accountability processes. In combination with the role of happenstance, the complex inter- and intra-organisational dynamics described in this study have illuminated the manner in which the use of international accounting standards came to be re-legitimised. This finding is complementary to other studies in the parallel research arena examining the choice of accounting standards in the public sector (e.g. Christensen and Parker, 2010; Santis *et al.*, 2018).

Second, this study improves the understanding of how IOs such as the UN System operate, focusing in this instance on an internal implementation of accounting change. For example, while the study of rhetorical strategies used to support accounting reforms in the public sector is rapidly expanding (e.g. Lapsley *et al.*, 2009; Christensen and Parker, 2010; Brusca *et al.*, 2013; Hyndman *et al.*, 2018), research in the related field of accounting change at IOs remains decidedly under-researched. This is despite the substantial implications arising from the UN's adoption of IPSAS, conferring it the status of a (or perhaps "the") global accounting standard for the public sector and other IOs. It was also observed in this study that decision-making at the UN System was very much driven by concerns over political legitimacy and the accompanying need to continually demonstrate accountability. For example, Blanchfield (2011) noted that the timing of the UN System's calls for reforms of its accountability processes tended to be cyclical in frequency, with new proposals appearing every five to ten years. In general, the numerous calls for reform over the past three decades could be distilled down to three basic root causes: perceived inefficiencies and lack of accountability at the UN Secretariat; duplication and redundancy of UN mandates, missions, and/or programmes; as well as evidence of fraud, waste, abuse and/or mismanagement of UN resources (Blanchfield, 2011, p. 1). These diagnoses principally identified key organisational failings at the UN System, rather than any congenital problems with its internal or external financial reporting functions.

This led to the third contribution, which highlighted the role of accounting reforms as a discursive (myth-making) tool. This study has considered the way in which the use of discursive strategies for legitimation associated the need for improved accountability with the solution to adopt globally recognised accounting systems. For instance, reports on the UN System's decisions (UN, 2005b, c, 2006b) made clear that IPSAS was being positioned as the panacea for organisational failings within the UN System, many of which emanated from the perceived lack of a robust system of (accounting-based) accountability. This was also emphasised in Biraud's report, which speculated that "had IPSAS been applied (earlier), […] there would have been no unpleasant surprises about the necessity and cost of the Capital Master Plan, the liabilities (on health insurance), or about millions of unaccounted assets [sic], especially in peacekeeping missions" (JIU, 2010, para. 3; words parenthesis added for clarity). This veiled critique of the delay in adopting IPSAS exemplified the inherent logic that adopting globally recognised accounting systems could lead to improved accountability. In the Secretary-General's report on reforms of financial management practices, only the benefits of IPSAS were discussed (UN, 2006d, para. 15). The advisory committee had to specifically request a summary that included both advantages and disadvantages of adopting IPSAS (UN, 2006c, para. 38 and Annex VI, p. 3). These observations reinforced the standing of mythmaking (Vaara *et al.*'s, 2006 "mythopoesis"), such as the "self-evident" need for (Lapsley *et al.*, 2009) and "orthodoxy" of (Everett *et al.*, 2007) accounting reforms in the public sector. Such logic conflates accountability failures with accounting system failures.

From a policy perspective, this study provides critical insight into the historically complex motives for accounting reforms at a large IO. It is important for policy makers to appreciate the situated nature of accounting reforms at the UN System. The legitimacy crisis stemming from the confluence of events (long-standing issues over accountability; oil-for-food and UNSAS' loss of legitimacy; close voting on alternative standards; the emergence of IPSAS) presented reformers with an opportunity to effect change, regardless of whether the proposed change would actually resolve the intrinsic problems they wanted to redress. In reality the core issues lay with those vested with decision-making powers, and improved financial reporting does not necessarily lead to improved decision-making transparency, as evidenced by Moloney and Stoycheva's (2018) study on budgetary disclosures in IOs. Politicians and senior government decision makers need to resist calls for a quick response to a crisis of legitimation to ensure that the problem(s) is correctly identified before a solution(s) in the form of a major accounting change is applied as a remedy. Nevertheless, the adoption of an externally oriented system such as IPSAS may at least resolve one key issue inherent in the previous system (UNSAS) by improving data comparability across the vast UN System of organisations. Additionally, Bergmann and Fuchs (2017) have suggested that financial reporting on an IPSAS basis could also bring about greater transparency by triggering important debates over resource dependency.

As with all studies that rely solely on the analyses of publicly accessible documents, there are research limits impacting the interpretation of decisions taken. This study was accordingly unable to consider the influence of strategic manoeuvres by key individuals and organisations that occurred behind the scenes, but which could involve motives other than legitimacy[1]. Future studies could extend the current analysis by taking into consideration the ways in which individual organisations within the UN System have, in their own manner, learned from their own experiences and those of others. There is also an ongoing need to critically evaluate whether IPSAS adoption substantially improves transparency and accountability across the UN System. The contrast between the WFP's rapid and successful implementation of IPSAS and the UNO's slower and more awkward adoption process (see footnote 1) suggests that further empirical studies are needed to understand the role of specific organisational cultures and/or structures in enabling or resisting accounting change at IOs.

Glossary

CCAQ (FB)	Consultative Committee on Administrative Questions (Financial Budgets)
CEB	UN Chief Executive's Board for Coordination
CRS	Congressional Research Service (USA)

EPSAS	European Public Sector Accounting Standards
FEE	Accountancy Europe (formerly Federation of European Accountants)
GAAP	Generally Accepted Accounting Principles
GAO	Government Accountability Office (USA)
HLCM	High Level Committee on Management
IAEA	International Atomic Energy Agency
IASB	International Accounting Standards Board
IASC	International Accounting Standards Committee
IFAC	International Federation of Accountants
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
IO/IOs	International Organisation(s)
IPSAS	International Public Sector Accounting Standards
IPSASB	International Public Sector Accounting Standards Board
JIU	Joint Inspection Unit
OECD	Organisation for Economic Cooperation and Development
Panel	Panel of External Auditors of the United Nations, the Specialized Agencies and the International Atomic Energy Agency
PSC	IFAC's Public Sector Committee (predecessor to IPSASB)
PwC	PricewaterhouseCoopers
TNC	Trans-national Corporations, also known as Multinational Corporations
UK	UK
UN/UNO	United Nations System/United Nations as a standalone organisation
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNSAS	United Nations System of Accounts
US/USA	USA of America
WFP	World Food Programme
WHO	World Health Organisation
WTO	World Trade Organization

Note

1. The authors would like to thank a reviewer for suggesting these points.

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