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# <sup>3</sup> The Use of Accountability Reports and the Accountability Forum: Evidence from an Indonesian Local Government

Muhammad Hudaya<sup>1</sup>, Ciorstan Smark<sup>2</sup>, Ted Watts<sup>3</sup> and Parulian Silaen<sup>4</sup>

## Abstract

This article explores the changing accountability role that Indonesian local government reporting has played by exploring a Local Government Under Study's (LGUS) accountability report process. The study uses an interpretive (social constructionist) methodology. A case study method (including historical records and interviews, as well as direct observations) is used through an institutional theory lens to interpret local reporting behaviour. Local government currently submits accountability reports to three parties: the central government, the local parliament and the public. However, while the public now receives a report, it contains only a summary of the report submitted to the central government and is often not made available in a timely manner. The authors recommend that a full report (in similar format and detail to that made available to Central Government) be made available to the public. The accountability forum is currently largely ceremonial and symbolic. In order to better meet the requirements of accountability, the authors recommend that this forum allow for questions about the Local Governments' activities to be asked and responded to in a public forum. As with any case study, themes reflected in this study are not necessarily generalizable.

**Keywords:** Accountability, Indonesia, Local Government, Reporting.

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<sup>1</sup>State Polytechnic of Banjarmasin, Indonesia

<sup>2</sup>University of Wollongong, Australia

<sup>3</sup>University of Wollongong, Australia

<sup>4</sup>University of Wollongong, Australia

## Introduction

<sup>3</sup> This article explores local government reporting and accountability mechanisms in Indonesia following the fall of the Soeharto Government. Under the regime of President Soeharto (1967-1998), local government accountability was controlled by the Central Government (Suryadinata, 2007; Liddle, 1985). It was possible that this was due to public officials of local governments being more loyal (and accountable) to the regime, rather <sup>6</sup> than to the public. Not surprisingly, the accountability system of local government at that time was designed to be more accountable to the central government than to the people. As such, local government legislation did not consider the Public as a party to whom the government should be accountable to the extent of keeping them well-informed on local government matters. This article <sup>14</sup> begins with a brief summary of changes to local government reporting legislation after the fall of the Soeharto regime in 1998.

Habibie succeeded Soeharto as the third Indonesian president <sup>6</sup>. The Habibie administration passed a number of laws relevant to this article, including Law No. 22 (1999) on Local Government and Law No. 25 (1999) on Fiscal Decentralisation and Revenue Sharing. According to Anwar (2010) the emergence of these two laws was the cornerstone for decentralisation reforms after more than three decades of Indonesia being socially, politically and economically controlled by the Soeharto regime. Law No. 25 (1999) granted a greater power to local governments to manage their locally-generated revenues, alongside money transferred in by central government.

<sup>20</sup> The important feature of Law No. 22 (1999) for the purpose of this article was to grant a greater <sup>24</sup> authority to local governments in managing their respective regions, except in five key areas: defence and security; foreign <sup>31</sup> affairs; fiscal and monetary policy; law enforcement; and religious affairs which were still under the Central Government's authority. Law No. 22 (1999) required the head of local governments to submit their accountability reports to two parties: the President and the Local Parliament. This law strengthened the role of the accountability forum by granting authority to Local Parliament to impose some sanctions on Heads of the Local Parliament, if the latter's accountability report was rejected by the Local Parliament as being inadequate.

<sup>54</sup> In 2004, the Megawati ad<sup>8</sup> ministration (2001-2004) endorsed new laws including Law No. 17 (2003) on State Finance; Law No. 1 (2004) on the State Tre<sup>33</sup> asury; Law No. 33 (2004) on the Fiscal Balance between the Central and Local Government; and Law No. 32 (2004) on Local Government replacing <sup>40</sup> the existing accountability and local government laws. These laws marked a new chapter in the history of local government accountability systems, in which the law regarded the public, as well as the central government and local parliament, as one of the proper audi<sup>12</sup> es for local government accountability reports. The law required local government to submit accountability reports to the central government and local parliament <sup>53</sup> and to make an accountability report available to the public. Particu<sup>21</sup> ly relevant to this article, Law No. 32 (2004) on Local Government replaced Habibie's <sup>12</sup> Law No. 22 (1999) on Local Government. Law No. 32 (2004) required Local Governments to submit accountability reports to the Central Government and Local Parliament (the LPPD and LKPj, respectively), and to make an accountability report (the ILPPD) available to the Public. This law also stipulated that the heads of provincial and district government were to be directly elected by people; thus they were no longer appointed by local parliament as regulated in Law No. 22 (1999). However, Law No. 32 (2004) abolished the authority of local parliaments'

Accountability Forums to impose sanctions on the Head of local government, as stipulated in Law No. 22 (1999). This has constituted a drawback for the local government accountability forum, since the forum has now lost its capacity to possibly impose sanctions as suggested by Bovens (2007) and Mulgan (2000). Law No. 32 required the submission by local government of three accountability reports annually: the Implementation of Governance of Local Government Report, submitted to the Central Government; the Explanatory Report on Accountability submitted to the local parliament; and the Information on the Implementation of Governance of Local Government Report, to be made available to the general population.

Susilo Bambang Yudhoyono served as the sixth Indonesian President between 2004 and 2009, after defeating the incumbent president, Megawati Soekarnoputri, in the first direct presidential election in 2004. The Yudhoyono administration endorsed Government Regulation No. 3 (2007) on Accountability Reporting of Local Government which regulates the mechanism of local government accountability reporting in more detail. However, among the three entities to whom the local government reports, the public receives the most limited information, as the accountability report they receive (ILPPD) is now only a summary of that submitted to the central government (LPPD). A study conducted by the DRSP (2009) revealed that Indonesian local governments' accountability reports contained poor-quality data. Smoke (2005) noted that although Indonesian local governments are required to comply with various forms of public reporting, they lacked transparency in managing their administrations. The Explanatory Report on Accountability consists of the same contents as the Implementation of Governance of Local Government Report, with the addition of two other aspects: the general direction of the local government's policies and a general explanation of the local government's financial management. The Implementation of Governance of Local Government Report essentially summarises the Implementation of Governance of Local Government Report but gives less detail. However, GR No. 3 (2007) does not clearly specify which key information or data the report should contain. The fact that the ILGLGR is only a summary of the Implementation of Governance of Local Government Report could suggest that among the three parties—the central government, local parliament and local population—the last is considered the least important. This is paradoxical, because people directly elect the heads of local governments, yet when it comes to the local governments' accountability reports the public can only access limited information.

However, in 2007, the Yudhoyono administration issued Government Regulation (GR) No. 3 on Accountability Reporting of Local Governments. This regulation provided guidance on the mechanism and contents of local government accountability reporting. A critical ingredient of GR No. 3 is the provision of accountability forums in which the power-holder is held accountable by another party. However, this accountability forum is only implemented at the level of the local parliament, and does not include the public.

This study explores the practice of accountability reporting in Indonesian local government following the decentralisation reform that occurred in 1999. It also investigates the role played by local parliament in assessing the report since the dramatic changes in the socio-political landscape in the post-Soeharto era: from authoritarian and centralised to democratic and decentralised; and from a limited political party system to a multi-party system.

This study was conducted in 2009 in one local government in the Republic of Indonesia. In collecting data, the study used direct observation, interviews and documentation. Data was collected by observation in the site for six months. To get a richer understanding, open-ended interviews were carried out with key persons or informants within the LGUS office. This

study also involved attendance at a local parliament meeting in which the governor of LGUS delivered his administration's accountability report to the members of the Local Parliament.

### Literature Review

A brief history of local government reporting post-Soeharto in the previous section illustrates the changes in local government reporting requirements since 1998 in Indonesia. The following literature review illustrates why these changes are important in terms of local governments filling some of the important requirements for accountability to the public. The change of government system from a centralised to a decentralised model (from 1998 onwards) did not automatically improve the local government accountability system, including its accountability reporting. Government Regulation (GR) No. 3 of 2007 on Accountability Reporting of Local Government, for example, required local governments to submit separate accountability reports to the Central Government and the relevant local parliament and to make a summary accountability report available to the Public. Thus, the Public received limited information, in the form of a summary of the accountability report submitted to the central government. It should be noted that the reports rendered to the Central Government and made available to the public were not accompanied by an accountability forum, in which the Governor would discharge his or her Administration's accountability before relevant parties, such as citizens. Instead, the accountability forum was only available within the local parliament.

These phenomena are consistent with the results of Goetz and Jenkins (2001), and support the notion that there is a lack of public trust in political and administrative forms of accountability in most developing countries. In the Indonesian context, these phenomena are partly caused by the lack of institutional capacity of Indonesian local governments (DRSP, 2009; Harun & Kamase, 2012). Mountfield and Wong (2005, p. 89) disclosed another cause for distrust:

Indonesian local governments' "monitoring and accounting systems often produce data that are neither timely nor accurate". Specifically, Smoke (2005) found that even though various forms of public reporting were required, the transparency of Indonesian local governments was still weak. Studies conducted by the Democratic Reform Support Program (DRSP, 2009) and Harun and Kamase (2012) found that Indonesian local governments lacked institutional capacity in preparing their accountability reports. On the legislative side, two studies conducted by the DRSP (2009) and the Asian Development Bank (ADB, 2004) revealed that Indonesian local parliaments had an inadequate capacity in evaluating local government accountability reports. Green (2005) noted that Indonesian local parliaments did not possess proper criteria with which to assess local government accountability reports.

Bovens (2007, p.450) defined accountability as follows:

*'Accountability is a relationship between an actor and a forum, in which the actor has an obligation to explain and justify his or her conduct, the forum can pose questions and pass judgement and the actor may face consequences.'*

Accountability is a salient feature of democracy noted by Castiglione (2007) Romzek and Dubnick (1987), Aucoin and Heintzman (2000), and Boyne and Law (1991). In the Indonesian context, although the country has embraced the democratic system for more than a decade since the fall of Soeharto in 1998, the practice of accountability reporting is still far from ideal. In terms of local government accountability reporting, for instance, the public has yet to be regarded as an important and appropriate audience for the full Local Government



Report. Further, accountability reports play a major role as a medium of accountability discharge in the public sector (Taylor & Rosair, 2000; Coy & Pratt, 1998; Sinclair, 1995). In the case of Indonesian local governments, this role has not yet developed, as the transparency of Indonesian local government is still embryonic (see Harun et al., 2012; DRSP, 2009; Smoke, 2005). This happens when the ruling elites are reluctant to implement a wholehearted reform, as transparency can potentially 'disrupt' the 'games' they usually play (Harun, 2007). Also, accountability reporting also serves as an input for parliamentary scrutiny (Rahman, 2008; Bovens, 2007; Hughes, 2003; Mulgan, 2001).

Accountability is not a concept with a clear and universally held meaning. Bovens (2010) asserted that some politicians have used the term 'accountability' merely as political jargon. Former US President George Bush, for instance, used the word 'accountability' as a political mantra in condemning the executives of Enron and WorldCom for their financial crimes (Dubnick, 2002). This was possible because the term of accountability has 'a power' and symbolism that can bolster the image of its user (Dubnick, 2002).

Kelly (2007) argued that accountability for performance can constitute a trap in which the [public] employee is more likely to adhere to organisation's standards rather than to serve the [citizens or] clients. In pursuing effectiveness, for instance, the organisation establishes certain standards for the amount of time spent dealing with each client. If a given employee can serve the client in that time (or faster), it means that the employee is accountable. In other words, the employee becomes accountable for his or her performance "by working for the measures and not for his or her client" (Kelly, 2007). However, Bovens (2005, 2007) argued that public-office holders should serve citizenries well, as they have mandated the executives to do so. To make sure the executives can meet the reasonable expectations of the citizens, Bovens (2007) proposed that agencies or individual public managers are held accountable in a social accountability forum.

In Indonesian context, during the Soeharto regime of more than three decades (1960s-1990s), the term 'good governance' was extensively used to strengthen the regime's legitimacy. Bovens (2010) noted that accountability is often used interchangeably with terms such as good governance, transparency, equity, responsibility and integrity. However, the term concealed an unpleasant level of collusions, corruption and nepotism (Tambunan, 2000). The term 'accountability' was easy to abuse because it was defined so loosely (Bovens, 2010)

Despite some shortcomings inherent in the accountability concept, its existence matters in the public sphere, particularly in governance practices. Principally, accountability is the essential element of democracy (Kluvers, 2003; Skogstad, 2003; Bovens, 2005b; Markoff, 2005; Hodge, 2009), through which public officials are monitored and held accountable in order to keep them on the right track in running their administrations (Aucoin & Heintzman, 2000; Bovens, 2007).

Aucoin and Heintzman (2000) noted that accountability serves three functions: accountability as control; accountability as assurance; and accountability as continuous improvement. However, in Indonesian context, the absence of accountability as a control made the authoritarian Soeharto regime persisted its power for more than three decades (1967-1998) (Liddle, 1985). In relation to the second function, laws and regulations passed by the regime was not intended to protect people interests, instead the regime's wishes (Bünté & Ufen, 2009), thus this function did not exist during this era. As a result, accountability could not manifest as 'lifeblood' in protecting the people's interests as noted by Hodge (2009, p. 1).

A large and growing <sup>41</sup> body of literature has investigated the practice <sup>36</sup> accountability reporting in local government. Some researchers have conducted their research in the developed countries such as the UK (Butterworth et al., 1989; Boyne & Law, 1991); Spain (Benito et al., 2003); Italy (Steccolini, 2004); and Australia (Kloot & Martin, 2001, 2007; Ryan et al., 2002; Kluvers; 2003; Mack & Ryan, 2007). Other researcher<sup>2</sup> have carried out their studies in developing countries such as Bangladesh (Samaratunge et al., 2008); Malaysia (Khalid, 2008); and Indonesia (Harun, 2007; Martani & Liestiani, 2010; Akbar et al., 2012; Harun & Kamase, 2012).

The above studies resulted in mixed results worthy of attention. Simon and Ridley (1938) and Butterworth et al. (1989) found that local-government reports were less than readable, as statistical data were left without interpretation (Simon and Ridley, 1938). Butterworth et al. (1989, p.84) concluded that the local-governments that “local authorities do not intend their report to be read.” Steccolini (2004) noticed that accounting reforms were conducted through a bureaucratic approach. This in turn led to the accounting reform and reporting system merely serving as an administrative procedure rather than an innovation to address citizens’ expectations.

Likewise, Harun (2007) noted that Indonesia’s public sector reform seems to be undermined by central government officials, as the implementation of accountability demands more transparency about what has been done by them. This led to them being reluctant in implementing such reforms. This is consistent with claim made by Christensen et al. (2007) that public organisations’ leaders used political rhetoric to convince people that they had adopted public-sector reform whereas in fact they implemented the reform in a ‘cosmetic’ way, as a symbolic display.

In relation to the contents of the accountability reports, Bovens (2007) asserted that ‘accountability’ incorporates several aspects rendered to different stakeholders: financial, procedural and product. Aucoin and Heintzman (2000) and Kluvers (2003) added it should also include a performance aspect. The<sup>30</sup>fore, annual reporting should contain financial, procedural, product and performance aspects. Boyne and Law (1991), asserted that an annual report is a set of comprehensive information prepared in pursuing accountability to the principal. Similarly, Ryan et al. (2002) argued that an annual report is a crucial medium of accountability for governmental organisations.

## Theoretical Framework and Research Methodology

### *Theoretical framework*

This study draws on institutional theory as its main theoretical lens to explore how the change of government system from centralised to de-centralised affected its accountability reporting. In a study investigating a governmental organisation, Fogarty (1996) maintained that institutional theory can shed light on this area. Similarly, Scapens (1994) held that institutional theory can be employed to understand accounting practice since the theory can provide<sup>27</sup>sights concerning the interplay between accounting and the institutions, in which it operates. According to Meyer and Rowan (1977), the existence of formal organisational structures is a manifestation of rationalised institutional rules. They explained that institutional rules such as myths and symbols are important, as it is through them that organisations obtain resources and legitimacy as well as maintain their existence.

This is congruent with the nature of governmental organisations, which commonly exercise their coercive power by imposing regulations (Scott, 2008). Christensen *et al.* (2007, p. 69) note that public organisations are “arenas for exercising power, negotiating alliances and coping with conflict”. Accounting, for instance, is employed by organisations partly to secure legitimacy. This practice then brings accounting closer with politics: “the language of politics is seen written largely in a language of accounting” (Watkins & Arrington, 2007, p. 55). Covallesky and Dirsmith (1990, p. 546) had a similar standpoint saying that “...accounting appears to serve several technical, political and symbolic roles, and within the symbolic role, at multiple levels...”. Likewise, Hopwood (1976) maintains the importance of conducting research in which accounting is viewed as both an organisational and a social phenomenon. Hopwood (1983) also stressed that accounting should be studied in the context where it exists because organisations are embedded in a particular environment. Therefore, the new institutional theory can be an instrumental compass in addressing research questions raised through highlighting the role of socio-political context in affecting and shaping the practice of accounting and can shed light on how accounting is employed in the political arena, either in a symbolic role in overseeing executives or as a rational and technical device in assessing local government accountability reports.

### **Research methodology**

Gaffikin (2008) identifies non-realist ontology as a belief that objects around us that are socially constructed. In examining non-realist ontology, Creswell (1998) stated that reality is constructed by individuals engaged in the social environment of the community. This study perceives that accountability reports are socially constructed by the actors to obtain legitimacy and maintain power. This study uses a qualitative approach, examining and reflecting on perceptions of socially-constructed reality (Collis & Hussey, 2003; Denzin & Lincoln, 2005). The case-study approach was adopted as it meets Yin’s (2003) criteria and due to its strength in conveying a holistic and rich understanding of issues within their environmental setting.

Considering the nature of qualitative research which relies on interpretive or critical social science (Neuman, 2006), this study is not intended to examine hypotheses, rather it is to understand the practice of accountability reports as applied by Indonesian local government as well as the role of local parliament in assessing such reports. In doing so the study uses four sources of evidence: interviews, direct observations, documentation and archival records, along with open-ended interviews as suggested by Yin (2003). The open-ended interview is “a type of survey research question in which respondents are free to offer any answer they wish to the question” (Neuman, 2006, p. 286).

### **Discussion and Implications**

This study examines accountability in the form of the move to accrual accounting and public reporting and argues that these reforms, as practiced, are routine and socially constructed by the actors in order to obtain legitimacy and maintain power.

#### **Accountability Reports**

Accepting that accountability is an obligation to provide an explanation or justification and to accept responsibility for events, transactions and one’s own actions the interviews reveal a gap between the espoused values and day-to-day practices. P1, a senior official in the Bureau of Governance said that:



*I have held the post of X in the Bureau of Governance about five years consecutively, and have worked with three different governors. Due to this lengthy period, I feel bored because the tasks become routine activities and it is not healthy for an ideal organisation.*

*Here (within the LGUS) human resources are not yet considered as a valuable asset. Therefore, it is quite hard to find professional civil servants.*

Mr. P1 further said:

*I do not want to beg my superiors for a new post, because in my understanding a post is a responsibility that has to be performed properly.*

Mr. P1 was afterwards removed from his position and installed as a local development specialist at another work unit under the LGUS.

Mr. P2, an official in the Bureau of Governance described this circumstance:

*If one wishes to be an official or occupy a higher post, he or she has to "shrewdly play" to both the superior and the subordinate. Otherwise, he or she encounters difficulties in getting the desired post.*

He continued that there was an "informal assessment" that was entirely anecdotal; however, it was frequently practiced by superiors in "testing" subordinates' level of "obedience".

The post left by Mr. P1 was then occupied by Mr. B, a senior official from another work unit under the LGUS. Mr. P3, an official in the Bureau of Governance commented:

*Mr. B is nearly retired, but he is seemingly retained by the governor due to their good relationship between them. In my view, he is an inappropriate person to occupy this post because this bureau requires a dynamic official in addressing challenging issues.*

Formally, all civil servants are annually assessed using<sup>18</sup> the Civil Service Performance Appraisal. The elements assessed in the appraisal include loyalty, work performance, responsibility, obedience, honesty, cooperation, initiative and leadership.

However, it seems the appraisal only serves as a formal procedure. In reality, other aspects outside the assessment determine a civil servants' career path such as fostering good relationships by being submissive to superiors. This is consistent with the study by Turner et al. (2009) of human resource management of Indonesian civil servants and found that the civil performance appraisal put more emphasis on loyalty to the state than on encouraging the civil servants in goal-oriented performance.

Mr. B, a new senior official of the Bureau of Governance was responsible for preparing the accountability reports. He declined an interview, saying:

*I have just been appointed to this post recently, so I do not know a lot about accountability reports. I also have already delegated this matter to my subordinates.*

This statement confirms the general opinion that the new senior officials might not be the appropriate official to hold the post in the Bureau of Governance as their knowledge of the

basic principles of accountability reporting were limited. This attitude to accountability reporting is also reflected in the response by Mr P3:

*One of the major problems we face every year in preparing the accountability reports is that the work units are always late in sending their reports.*

It is also relevant to note a comment made by Mr. P2:

*I have been working here (LGUS) for more than 10 years. During this period, I have observed that most civil servants here have not properly acknowledged the importance of data. The data has been collected over the years and financed with no little amount of money, but when data was needed by other work units, the person in charge just simply responded, "I forgot where I put it".*

Regarding the delegation of authority for the preparation of the reports Mr. P4 commented:

*There is, like, a "tradition" here that echelon IV always becomes the backbone of work programs conducted by the LGUS, including preparing the accountability reports. Higher-echelon officials usually delegate their tasks to lower officials (echelon IV). However, if there is a mistake, the former will blame the latter.*

With respect to the obligation of accountability to execute assigned responsibilities Mr. P4 commented:

*Frankly speaking, given this situation in which only a small number of people are involved in this activity, I could not verify the reliability of the reports sent by the work units. In other words, we, the special committee, are only the compilers of the reports and are not responsible for the substance contained in the reports.*

He further said that:

*The preparation of accountability reports in practice is a routine activity in which we do just what we did in previous years.*

Because the practice of accountability reports tends to be routine, it leads some work units to merely replicate the previous year's report. Mr. P3 commented:

*Some work units submitted their own accountability reports by simply copying and pasting from previous year without thoroughly verifying them. Such practices happen because the heads of the work units do not pay attention and just submit the reports prepared by their subordinates.*

Mr. P6, an official in the Accounting Division described his division's activities:

*What we do here is mostly routine activities, because our work basically follows the accounting cycle starting from identifying through measuring, recording, adjusting, preparing, and submitting the financial statement based on rules and regulations issued by the central government.*

Mr. P5, a senior official of the Monitoring and Governance Evaluation Division, who is also the acting head of the secretariat committee of the task force for preparing the accountability reports, concurred:

*We have to verify accountability reports sent by work units first. This is because we find that several work units carelessly submit their reports by copying and pasting from the previous year.*

### *The Accountability Forum*

It is generally accepted that accountability is results-oriented, that is, it concentrates on performance results, and as such requires dissemination of information on results and performance. This is supposed to be achieved through providing an account of actions and results and providing tangible evidence of results by the Governor (and other members of the LGUS) before the members of the local government parliament.

Ideally, the current accountability forum would be a forum in which power-holders are obliged to explain and justify their conduct, and questions may be asked. Recommendations emerging from the forum should ideally have the possibility of imposing sanctions on the power-holders where appropriate. However, this is not the reality. Currently, there is no legal requirement for the power holder (Governor) to respond to questions from the forum or even to allow questions to be asked. The absence of this question and answer requirement reduces public interest and participation, as does the absence of a requirement to make the full local government report available to the public. Similarly, aspects of accountability required by Bovens (2007) are absent.

Mr. P3, an official in the Bureau of Governance, made a comment as to why the question-and-answer session may not be held:

*There is nothing wrong with the agenda of the forum in which the question-and-answer session (is) absent. GR No. 3 (2007) does not regulate that the accountability forum has to include one.*

This lack of opportunity to question the accountability report is further exacerbated by the lack of measures of assessment. When Mr. P11, an elected representative from the region, was asked how the members of the local parliament assessed the accountability report, he replied that:

*To date we do not have a benchmark on how to assess the executive's accountability report, such as key performance indicators (KPI) and control mechanisms for measures and policies exercised by the executive. On top of that, we even do not have an internal control mechanism for our own activities.*

He added:

*My fellow members of the local parliament tend to be reluctant to discuss and review things considered complicated issues, including assessing the accountability report, as this requires willingness and expertise.*

He then gave an example:

*In terms of the local parliament's annual work plan, we set the same programs as in previous years without any significant change.*

*That is why the accountability forum, in which local parliament is supposed to play its roles in controlling and assessing the performance of the executive, is no more than a "ritual" arrangement held annually.*

Therefore, it is hard to expect that the accountability forum could stimulate the Governor to perform better, in the absence of proper control from the legislative body.

<sup>4</sup> The results of this study suggest that the accountability forum held by the local parliament faces a dilemma. On the <sup>13</sup> e hand, the accountability forum needs the authority to impose sanctions on the head of the local government in order to keep local government in check. On the other hand, such authority has been abolished by law because there is a tendency for members of parliament to wish to avoid greater public scrutiny. It is apparent that in its accountability forum the Local Parliament failed to implement the functions of accountability set out by Aucoin and Heintzman (2000), and Bovens (2007).

### Conclusions and Policy Implications

The empirical findings presented above suggest that by conforming to, and relying on, existing rules and routines the accountability reports become institutionalised or authoritative <sup>7</sup> guidelines for social behaviour (Scott, 2008; Zucker, 1987). Further, these processes where persons and groups interacting in a social system create concepts <sup>5</sup> of each other's actions and these concepts eventually become habituated. As such concepts of what reality is become embedded in the institutional fabric of society and is therefore said to be socially constructed (Berger & Luckmann, 1966).

<sup>6</sup> The Accountability Forum, exercised by the local parliament, seems currently to merely serve as a ceremonial and symbolic arrangement held to meet the requirements of the relevant regulatory provisions, rather than as a genuine instrument for accountability to the public. The adoption of the Accountability Forum as part of public-sector reforms to strengthen government accountability, currently serves merely as a symbol of accountability, rather than genuinely making the local government more accountable, effective and efficient (Scapens 1994; Carruthers 1995; Covaleski et al. 1996). In order to better discharge the requirements of accountability as defined by Bovens (2007) discussed earlier in this article, the authors recommend that a full accountability report be made available to the public by means of an easily accessed website and that printed copies of the report supplied to those who request them. Further, the Accountability Forum should be restructured to allow questions to be asked and answered. Meaningful sanctions should be available to the Forum to impose upon local governments failing to adequately respond to the forum where appropriate. If this were to be done, the Accountability Forum would better meet the requirements of accountability.

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