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Debate: The lack of public sector accounting education within universities and what is next

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The crisis within public sector accounting (PSA) has been the topic of much discussion with an emerging consensus that action needs to be taken to manage the demand and supply for statutory audit (ICAEW, 2022) and the sustainability of the PSA profession (Baylis & De Widt, 2023). In this article, we continue and extend this debate on how PSA can be stimulated and rejuvenated in the higher education context using an alternative educational framework to maintain a functioning and value-adding public sector accountability regime.

Public sector accounting crisis

In many countries, the accounting profession is experiencing a recruitment and retention crisis with the UK being at a critical point (ICAEW, 2023). A recent survey of the public and non-profit sector identifies technical expertise—specifically audit, accounting, tax, and technology—as the main skills areas facing shortages, highlighted by 68% of respondents (Mazars, 2023).

Scarcity of public sector staff with comprehensive understanding of accounting is increasing the already significant risks faced by many UK public sector organizations following exposure to an ongoing funding crisis. One example, local government, has engaged in revenue diversification to meet funding reductions (NAO, 2020) creating significant financial risks, and amplifying the importance of a well-equipped and well-resourced financial management function.

As educators, we assert that the lack of public and non-profit focused education provided at the university level has augmented the current recruitment crisis. Whilst the financial context appears unlikely to be easing anytime soon, we propose that a different educational approach might contribute to making the public and non-profit sector a more attractive and better understood career option for future accounting professionals, thereby helping to address the sector's recruitment challenges.

Current state of public sector accounting university education

To understand the integration of PSA education within UK universities, an analysis of the top 100 universities in *The Times Higher Education* 'Best universities in the UK 2024'

ranking was undertaken. We identified 88 universities offering a bachelor's degree in accounting (or similar permutations) with 14 (15.9%) offering a specific module within their programmes addressing PSA, and *only three* universities (3.4%) treating PSA as a core element. Importantly, 74 (84.1%) of university accounting programmes had no offering in PSA. We also reviewed courses for the area of ethics, a compliment but not a substitute for PSA, and found ethics to be more prominent, with 47 (53.4%) institutions offering a specific course in this area with one in three universities requiring students to study the subject. While this positioning of ethics is positive, it cannot be held as a mark of action by universities, as most accounting courses are professionally accredited, and a key requirement is to include professional ethics within a programme.

Public value as a framework of redress

Public value (PV) was brought to the fore by Moore in 1995 and has since been widely interpreted as an 'umbrella concept' (Murphy et al., 2023) that reflects an impetus within the public sector to 'create value for the common good' (Grace & Thorogood, 2023). Alford and O'Flynn (2008) argue that PV has an emphasis on outcomes rather than outputs, and focuses attention on the co-creation of what communities themselves value, rather than this being assumed and prescribed by public organizations.

By embedding PV perspectives and processes within our national and international accounting education systems, we believe that we can directly engage with students in developing a more 'values-based' approach to their decision-making, granting a greater insight into careers where there is scope for value creation, allyship and community. This would be more proactive in engaging the rise of socially-aware students (EY, 2021) with the consideration of alternative careers outside of the private sector. The evidence above suggests that the focus on PSA remains at best implicit within our programmes, while our curricula and assessments remain predominantly focused on the demonstration of technical proficiencies.

A further call for directly engaging PV within accounting programmes is evident within the recent discussions of how PV can transform Local Public Audit (LPA). Moore argued that 'improving the philosophy and practice of

public value accounting provides a path forward toward enhanced government accountability, improved collective decision making, and continuous learning about what is valuable and possible to do through government action' (2014, p. 475). Grace and Thorogood (2023) maintain that the application of a PV perspective would revitalize LPA by prompting a broadening of the scope, the adaption processes to incorporate community, as well as public organizational perspectives, and the development and communication of 'intelligible and useable' information on outcomes.

Final remarks

As educators, we call for a significant shift in how we frame the future of accounting education to embrace socially aware students and enable them to meet the challenges that the public and non-profit sector is facing—we feel that PV could be a future framework which could afford educators a foundation to build a contemporary accounting curriculum.

Disclosure statement

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