It would have been useful if the authors had covered some of the gaps outlined in my review of the book, especially in the following areas:

1. To include the rest of the Islamic Middle East countries, which have a different status both in the development of the economy and the accounting profession. Different economic orders will affect the techniques of accounting and auditing.
2. To present a more comprehensive analysis of the Big Six international accounting firms. They should not select a sample but should judge the significance and power of the firms’ role in terms of the relative size of their income achieved in each field as well as their collective capacity in comparison to that of the national firms.
3. To complement the discussion of the legal system with information about the economic reform and adjustment that is occurring on the road toward liberalization, deregulation, and privatization in a world of globalization. They should enlarge on the role of accountants (national and foreign) in the field of evaluation and control (transparency).

To me, this book is a good addition to the literature on the changes taking place in some of the Islamic Middle East countries.

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The book written by Doctor Nowak has at least two qualities that distinguish it from other works of this type. The first is the economic sector with which it is concerned. The majority of accounting literature deals with commercial enterprises, banks, and sometimes with budgetary entities. This book treats the whole public sector as the subject of accounting theory. It should be noted at this point that this issue had not been treated previously in the Polish accounting literature in the form of a monograph, although the demand for this type of study has been growing markedly. The development of democracy and modern capitalism cannot progress properly without a reliable economic calculus in the form of an appropriate system of accountability.

The management of public property in developed countries, deriving largely from taxes, is a matter of continuing public concern and control by means of constantly improved standards of accounting for not-for-profit entities. By producing a monograph on this subject, Doctor Nowak makes available to interested readers verified theoretical concepts plus his own ideas and findings.

The second distinctive feature of the book is its consistently theoretical focus. In this respect, this is a phenomenon unprecedented in the Polish accounting literature, on a par with theoretical dissertations of A.R. Belkaoui and E.S. Hendriksen, the authors of
Accounting Theory. Doctor Nowak identifies and explores valid issues and presents their conceptual framework, proving that in creating a general language of accounting, he measures up to the highest Western standards.

With regard to the structural composition of the book, it is divided into six regular chapters plus a seventh containing relevant supplementary material. Such an arrangement is fully appropriate to the contents of the book. The author starts with examining the relations between accounting and organizational complexity, and then proceeds to outline the orientations and theories of accounting: ownership-, entity-, and fund-based. The next chapter explains the issue of measurement, the process of generating information, and forms of communicating it to the users. The new perspective on public sector property and trends now occurring in the management of public resources are the subject of further parts of the study. It concludes by presenting a model of Polish public sector accounting and the necessary enclosures.

The principle organizing the contents of the book is the criterion of generality. The first chapter analyzes organization from the philosophical as well as the ontological, epistemological, and axiological perspectives. Against this background, the author discusses the system of accounting and its role in the coordination of societal activity. The model of an entity as a complex adaptive system turns out to be a very useful concept, which facilitates comprehension of the role of accounting to ensure the homeostasis within this social organization. This is discourse at the highest level of generality, leading to an explanation of the principal paradigm of accounting, which itself should be regarded as a complex, composite adaptive system. Accounting monitors the adaptability of entities comprising an organization that operates in a changing, market-driven environment.

When considering and describing accounting as theory, the author uses the language of metatheory. In the light of ontology, he explains the ownership theory, the entity theory, and the fund theory, pointing out distinct links between existential independence of an entity and the accounting concept. This is the subject matter of the second chapter, which also formulates accounting paradigms indicating directions of further research and the development of accounting theory. These paradigms are particularly worthy of notice, because an understanding of paradigms underpinning a theory or action leads to more insight and makes possible the choice of new paradigms. The author has not analyzed all possible accounting paradigms, because this would be outside the scope of the research theme. It is, however, a very interesting issue worthy of separate elaboration.

Are basic principles of financial accounting appropriate for public sector accounting? Does accrual accounting meet the needs of not-for-profit and budgetary units? Are the private sector accounting standards relevant for the public sector? These important issues are analyzed in the third chapter. The author demonstrates that, in those cases where full accrual accounting is employed, International Accounting Standards may be a thoroughly useful source of guidelines for public sector accounting. He also concludes that the performance of public sector entities should be measured in a way similar, though not identical, to that adopted in the private sector. In advanced Western countries, the process of developing the conceptual framework for public sector accounting is already well under way; e.g. the US has the Governmental Accounting Standards Board (GASB).
The fourth chapter deals with public sector resources, their types and classification. In the public sector, besides typical resources, there are substantial non-financial resources, such as infrastructure, cultural heritage resources, natural resources, military resources, intangibles, etc. The author carries out an analysis that allows the reader to draw a distinction between the different types of assets from the perspective of public sector accounting. As a result, the definition of an asset is generalized to define it as “an economic resource that enhances prospects for accomplishment of the mission of a given economic entity, being under control of this entity as a result of past events, which allowed to take over its control or to produce it by processing other resources . . .” This is one of the many definitions proposed by the author which reveal the innovativeness and creative value of his thought.

The fifth chapter analyzes recent trends in public sector accounting. The author emphasizes the role of the government as an institution allocating resources, complementary to the market. Market forces plus government intervention should cooperate to reach an optimum state of the economy. Where the market is an ineffective mechanism, e.g. in education, health care, etc., public sector entities have an important role to play. They should be equipped with adequate accounting systems allowing the improvement of public accountability of managerial and governmental bodies. (The operation of such systems in the European Union could be observed on the occasion of the events of March 15, 1999, when the European Commission members resigned from office after the inspection carried out by accounting and auditing experts.) The author discusses the emerging forms of management (managerialism), which represent a major step toward greater efficiency in the public sector. New forms of management in public sector entities require the application of accounting systems using both a full accruals basis and the full set of financial statements, including the statement of costs and results. The author argues that this process concerns not only public utilities, but also such entities as a commune, a ministry, or even a central government viewed as a whole (p. 137).

The analysis of global trends in public sector accounting is followed by a discussion of the situation in Poland. The system-wide change in 1989 in Poland triggered an intensive evolution of the public sector, with public sector entities financed mainly by the state budget, thus forming the budgetary sphere. The author explores changes in Polish budgetary accounting after reinstatement of communal property and restitution of local government. This chapter is very illuminating, as it systematically expounds the knowledge about the budgetary sector accounting in Poland, outlines its past and present evolution, and identifies future development trends. It provides a comprehensive, comprehensible, and lively description of the theoretical underpinning and conceptual framework of the Polish public sector. The final part provides a useful recapitulation by summing up the main points and drawing important conclusions. The appendices illustrate forms of reporting used in various countries, mainly in New Zealand, and relevant legal acts.

It should be emphasized again at this point that the quality of the book is outstanding both in respect of its content and form. The author has created a proper scientific language with which to discuss issues in public sector accounting and to communicate ideas and findings to the academic community. It is also important to draw attention to the author’s exploration of the issue of accountability, which is essential, among other things, for
understanding the role of accounting in the public sector. The concept of accountability derives from the concept of freedom and autonomy of a person. Increased freedom, self-government, and autonomy in Poland call for steady improvement of accounting as an instrument for the realization of the public accountability of entities, organizations, and institutions through a reliable, solid system of accounting for public property. This is the central theme of the entire study.

Another valuable feature of this book is the good theoretical presentation of measurement conventions. Accounting is a system of economic measurement, but this obvious fact requires an appropriate theoretical foundation. The author provides such a foundation when he sets out bookkeeping theories, the cash and accruals conventions, and their various modifications. He also addresses the issue of the reliability and relevance of accounting measures and information. The definitions presented frequently in the text are very clear, well-considered, and formulated with great precision, both with regard to existing economic categories and to many new ones. The validity of classifications set out by the author (according to various criteria: time, liquidity, legal restrictions, nature, and function of assets) has already been verified in the practice of accounting and management. Now it has achieved theoretical validation in the book by W.A. Nowak.

In conclusion, I would like emphasize the fact that this study is an outstanding scientific achievement. It is the first work in Poland providing a theory of public sector accounting. The author has successfully coped with exploratory, classification, and explanatory problems, which requires a really vast knowledge and great experience.

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This book is a collection of Professor Staubus’ writings for many years—articles and some chapters from his books—interspersed with recent commentary. It has, of course, an autobiographical flavor. It is part of the series on accounting history edited by the beneficent Professor Brief; it is published by Garland in photostat form, which has now become remarkably elegant.

A collection of this kind can hardly claim to be succinct or free from repetition. But its argument is clear and forceful, and it ranges over much important ground.

The argument concerns decision-making. Professor Staubus maintains that accounts achieve maximum helpfulness when they aid this process. He tells us that he was feeling his way toward this view in the 1950s, and developed it further in following years. It was not widely held at that time. He can justifiably claim to have been a standard bearer in the campaign for its adoption.

It suddenly began to win converts in the 1970s, largely because the Trueblood Group espoused it with enthusiasm: “the basic objective of financial statements is to provide information useful for making financial decisions.” This view has since (a “dead of night