

## Enhancing Public Accountability in the Netherlands

by

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*This article focuses on non-departmental public bodies (NDPBs) in the Netherlands that are funded by public money and whose task is defined by law. In terms of public spending, the service delivery role of NDPBs is quite extensive, and they are investing in new ways of enhancing their efficiency, the quality of their services, and the confidence of those with whom they deal. The notion of broad public accountability applies: NDPBs are not only accountable to the responsible minister and to Parliament (vertical accountability) but to a wider range of stakeholders within civil society (social accountability, customer accountability). Internal accountability (supervisory boards) also has a role to play. The interrelationships are explored and various instruments are described, including performance contracts, annual reports, the role of ministers, and international social reporting standards.*

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## 1. Introduction

More and more, non-departmental public bodies (NDPBs) in the Netherlands are investing in new ways of enhancing their efficiency, the quality of the services they provide and the confidence of those with whom they deal. An important aspect is the development of broad public accountability. Broad public accountability refers to the notion that NDPBs are not only accountable to the responsible minister and to Parliament (vertical accountability) but to a wider range of stakeholders within civil society – *e.g.* clients, pressure groups or professional peers.<sup>1</sup> In this article, aspects of this broad accountability will be addressed and conclusions will be drawn about the relationship between **vertical**, **internal** and **social** accountability.

### Box 1. The Netherlands Court of Audit

This article is based on studies and audits by the Netherlands Court of Audit (NCA) in the field of non-departmental public bodies (NDPBs) since 1990. The NCA developed a separate strategy for this field. The objective is that, in 2005, ministers should be able to provide sufficient assurance to Parliament about the regularity and efficiency of public expenses by NDPBs. The strategy consists of standard setting, confronting reality with standards, stimulating departments and NDPBs, promoting government-wide law and regulation, and monitoring implementation. The NCA has issued five government-wide reports and several reports on specific topics. For more information, see the Internet site [www.rekenkamer.nl](http://www.rekenkamer.nl).

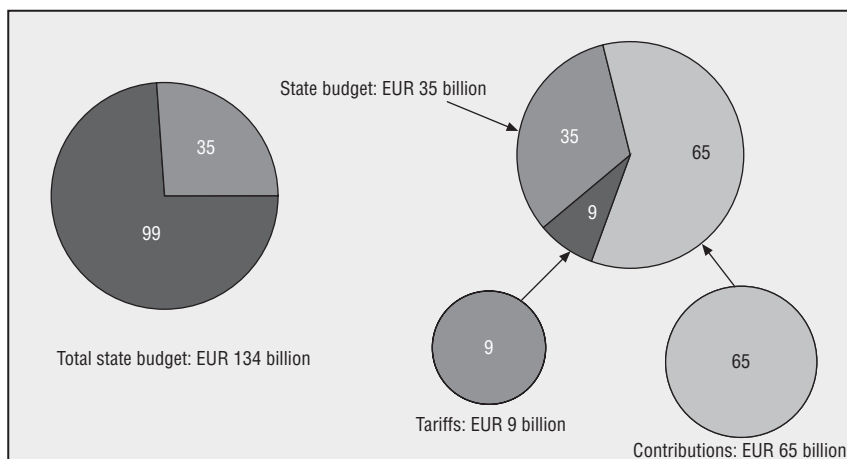
## 2. Non-departmental public bodies

Non-departmental public bodies (NDPBs) come with many different names and in all kinds of shapes. Examples are: quasi-autonomous non-governmental organisations (quangos), autonomous administrative authorities and public bodies with statutory (or legal) tasks.<sup>2</sup> In this article we will focus on organisations which are funded by public money and have a statutory – that is, defined by law – task to perform. The historical background of these organisations and the way the relationship with central government has developed can be very different. As is the case in many other countries, in the Netherlands there is a trend of moving spending and services out of traditional central ministries; however there is also a long history of privately governed and financed organisations in the fields of, for example, education, health care and social security. For these organisations

there has been a trend, not away from, but towards central government in terms of central regulation and public funding.

In the Netherlands there are about 3 200 NDPBs with a statutory task, of which 2 700 are working in the field of education (universities, schools). Other NDPBs work in fields like law enforcement (police), social security and health insurance. In total there is EUR 109 billion (2004) public money involved in this sector. Funding sources are the state budget (32%), tariffs (8%) and contributions (60%) (see Figure 1). Comparing these figures with the total state budget, which was EUR 134 billion in 2004, leaves no other conclusion than that the field of NDPBs with statutory tasks is very important in terms of public spending.

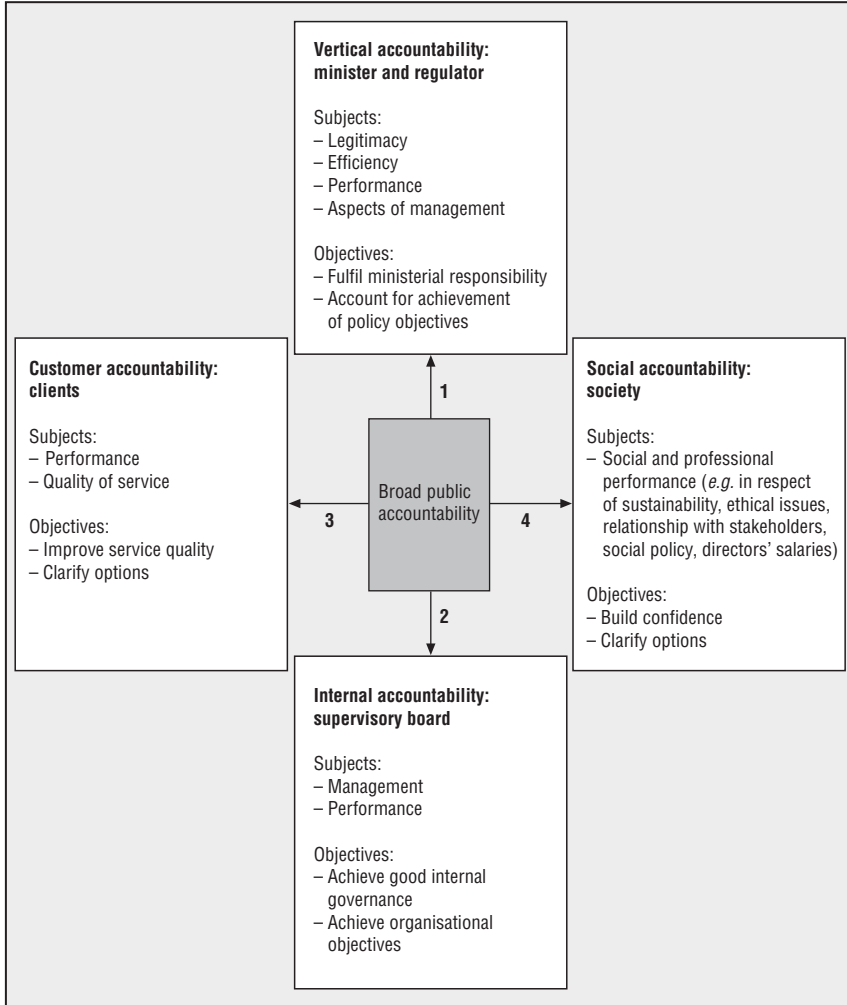
**Figure 1. Funding sources: public money and NDPBs with statutory tasks**



### 3. Broad public accountability

The concept of broad public accountability involves a combination of different audiences, subjects and objectives. Figure 2 depicts its various aspects and aims. Each line of accountability has its own subjects and its own objectives. Moreover, the responses will be different if something goes wrong. Clients and critical observers, for example, will react with diminished loyalty whereas a minister or internal regulator might intervene directly by giving instructions, imposing sanctions, making changes or the like. By making **multiple** use of information – most of it already available – and of established channels such as annual reports wherever possible, the administrative burden involved in enhancing public accountability need not increase.

**Figure 2. Broad public accountability: Subjects and objectives**



**3.1. Information needs**

Broad accountability means that the information needs of several groups of users need to be satisfied. Each arrow in Figure 2 covers a specific information need:

- Arrow 1: The minister will primarily be interested in financial aspects (both public and private funding including their legitimacy), in the performance (task fulfilment, outputs and effects) and in the functioning of specific parts of the internal control systems.

- Arrow 2: The supervisory board will be interested in information about the functioning of the internal control system and in information about the performance.
- Arrow 3: Clients want to know about the performance and the quality of the service level.
- Arrow 4: Society as a whole (e.g. potential customers, pressure groups) will be interested in the degree to which an NDPB acts in a socially responsible way in respect to ethical, economic and environmental issues, including social and integrity policies.

All these addressees can get the information they need in different ways.

### 3.2. *Instruments to enhance broad public accountability*

There are a number of instruments that can play a role in generating the information of interest to the different addressees. In Box 2, examples are presented of instruments encountered in the Dutch context.

It is important to distinguish between the **use** of these instruments and **accountability** itself. To regard them as one and the same does not do justice either to the true nature of accountability – justification in retrospect, on specific topics and in a specific forum – or to all those other forms of interaction and quality assurance in which organisations invest because they can improve their performance. However, the line to draw is not always clear.

An example to illustrate this is that a number of NDPBs and local authorities have decided to benchmark their own organisation with the other participants (the “public sector benchmark group”). The aim of this voluntary initiative is to learn from each other (primarily with respect to internal processes and internal control) and to create a set of best practices. It is explicitly not meant as an instrument of accountability. But the participating organisations publicly report about the fact that they participate in the initiative and about the headlines of the results. This example shows how thin the line is between comparing, learning and accountability.

In the reports *Legal Persons with Statutory Tasks, Part 4* (2004) and *Enhancing Public Accountability* (2004), the Netherlands Court of Audit covered three elements of broad public accountability, namely:

- vertical accountability to ministers and Parliament;
- internal accountability to a supervisory board; and
- social accountability to society as a whole.

In the next paragraphs of this article we will go into these elements and into the audit and research findings with regard to these subjects.<sup>3</sup>

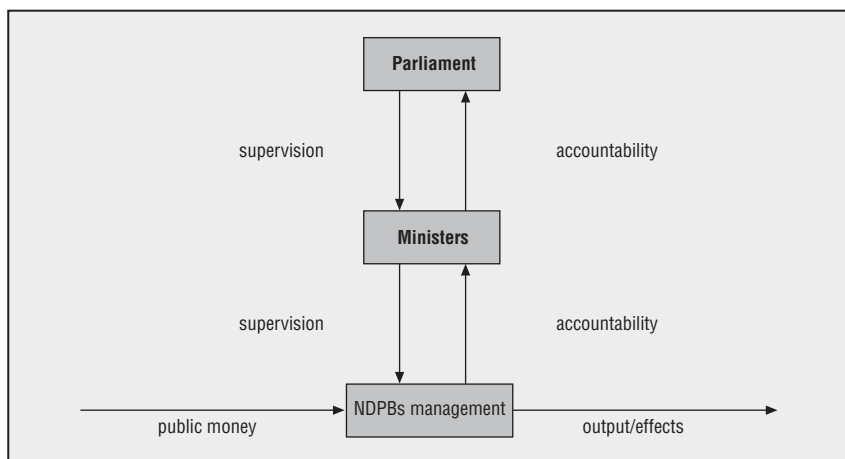
### **Box 2. Overview of instruments to enhance broad accountability**

- Supervision and monitoring: The Netherlands Court of Audit has promoted the idea that government develops a framework on the supervision of NDPBs. This is now well under way.
- Performance contracts: A way of assuring accountability in terms of output and (sometimes) outcome. These became increasingly popular recently, but also were criticised for the potential perverse effects.
- Use of third-party audits: For example, audits of financial statements by accountants. Accountant opinions should include a statement on regularity.
- Annual reports: The quality of annual reports by NDPBs has increased considerably during recent years.
- Benchmarking: Comparison of performance by organisations themselves, aimed at learning and improvement.
- Visits: Evaluation of performance by peer groups, usually in highly professional organisations.
- External reviews: Review or inspection by a third party which can involve different aspects of performing. If made public, the review can contribute to enhancing public accountability.
- Certification: Evaluation by a third party which provides confirmation of the quality of a product or service.
- Stakeholders' dialogue: More or less formal ways of communicating with stakeholders, for example through "client councils".
- ICT: The use of Internet sites to create advanced forms of interaction between the organisation and its stakeholders.

#### 4. Vertical accountability: Role of ministers

In the Netherlands individual ministers are overall accountable to Parliament for the way “their” NDPBs receive and spend public money and perform the public tasks. In turn, the NDPBs are accountable to the ministers involved. This line of vertical accountability is depicted in Figure 3.

**Figure 3. Vertical accountability**



##### 4.1. Responsibility

There is an inbuilt tension between the responsibility of the minister and the relative autonomy of the NDPB. The precise content of the minister’s responsibility is subject to debate. A minimum position, on which there is consensus, is that the minister is responsible for the system, *i.e.* the arrangement in which the public task is performed. This **system responsibility** involves at least the three following aspects:

- **Type of organisational arrangement:** This involves choices related to the way a specific public task can be realised: by government, an agency, an NDPB or in the market. In the Netherlands, all existing and new NDPBs will be evaluated in the near future in order to decide on their preferred arrangement.
- **Specific authorities minister:** This involves the authority that a minister has on topics like the appointment of board members, approval of budget/tariffs, issuing of policy rules, and collection of information.

- System of accountability: This involves the subjects and instruments of accountability.

#### 4.2. *Subjects of vertical accountability*

Table 1 gives a short overview of main “objects” of vertical accountability and the standards involved. The first two, collecting and spending of public resources and financial management, are hardly disputed as subject for supervision by the minister. The third, management and performance of public tasks, is subject to debate in the Netherlands. The debate boils down to the question of if, and to what extent, the minister should supervise **internal** operational affairs. The position of the NCA in this regard is that it should be on certain areas of risk. Important areas are the regularity of the collection and expenditure of funds, the continuity of the performance to be delivered and the public interest in general. The minister should determine, in co-operation with the NDPB, what areas of risk there are and organise his/her supervision around these areas.

**Table 1. Vertical accountability: Objects and standards**

Object	Standards
Collecting/spending public resources	Regular, orderly and auditable
Financial management	Orderly and auditable
Management and performance of the public tasks	Effective and efficient

It should be noted that vertical accountability to the minister and Parliament cannot be replaced by horizontal arrangements. At the end of the day there should be a democratic check on public spending and the execution of public tasks. Also, more stakeholder or internal accountability does not mean that there has to be less accountability to the responsible minister. After all, each form of accountability has its own specific purpose and should be tailored accordingly, both quantitatively and qualitatively. So only a limited amount of the NDPB broad public accountability information will be relevant to the minister: he or she will be interested mainly in details of finances, legitimacy, performance, and those aspects of management which are important to the continuity of the statutory task. Only if other information flows at the NDPB fulfil the material and qualitative requirements set by the minister in the light of his/her own responsibility will they be of use in his/her regulatory role.

### **Box 3. Audit findings: Accountability of NDPBs with statutory tasks in the Netherlands**

In the report *Legal Persons with Statutory Tasks, Part 4* (2004), the Netherlands Court of Audit concluded that, after a period of progress in the previous years, the process of implementing an efficient system of governance experienced some delay. The delay was partly due to the deferral of legislation. The NCA concluded that these developments posed a risk to efficient supervision.

The NCA noted that many ministries and NDPBs with regulatory tasks were working to improve the quality of information on performance, but that a number of ministries may fail to meet the set deadline. Much still remained to be done to improve supervision of the operational management of NDPBs. Too little effort has been made to establish a link with ministerial responsibility.

There is a new government-wide audit by the NCA under way and, since the publication in 2004, developments have been considerable. For example, the government recently issued a government-wide framework for supervision of NDPBs with statutory tasks.

## **5. Internal accountability: Supervisory boards**

An important issue in the accountability of NDPBs is the supervisory board. This is an internal body with external members, the main task of which is to oversee the organisation's strategy, policy and fulfilment of its statutory tasks. The widespread introduction of the "supervisory board" in the public sector – a model similar in many ways to that which is standard in the Dutch private sector – has focused attention upon improved accountability at the top level of public organisations. Some individuals are members of both public sector and private sector supervisory boards.

### **5.1. Legal position of supervisory boards**

Despite the similarities with the private sector there is also an important difference in terms of legal position. The statutory duties and powers of the supervisory board of a public limited company are defined in the Civil Code of the Netherlands. This also includes provisions governing the composition, term of office and suspension of a private sector supervisory board, as well as the information it is required to release.

#### **Box 4. Research findings: Supervisory boards of NDPBs with statutory tasks**

Little systematic research has yet been conducted into supervisory boards. In its background study, *Systemen van checks and balances bij rwt's* ("systems of checks and balances at RWTs", 2002), the Netherlands Court of Audit did survey the nature and extent of these boards at statutory bodies. In the report *Verantwoording en toezicht bij rechtspersonen met een wettelijke taak, deel 4* ("accountability and regulation of statutory bodies, part 4", 2004), the NCA examined the functioning of a number of supervisory boards established by law (see [www.rekenkamer.nl](http://www.rekenkamer.nl)). This study covers three topics: appointment and composition, accountability by supervisory boards, and vertical regulation.

##### **Appointment and composition**

The research shows that, in all cases, it is the minister responsible who is empowered to appoint most or all of the supervisory board members. Sometimes stakeholders, or a ministerial representative, sit on the board. The NCA recommends that a supervisory board be composed in such a way as to best guarantee its independence. The common statutory condition that a member of the board be able to act "without let or hindrance" underlines this. But the fact that certain members of some supervisory boards represent a particular interest or interest group contradicts this principle. The NCA recommends that the appointment to supervisory boards of interest group representatives, in that capacity, be reconsidered and that an emphasis be placed upon the independent position of those boards and the principle of "without let or hindrance".

##### **Accountability by supervisory boards**

The absence of shareholders and owners in the public sector means that it is not necessarily clear to whom a supervisory board is accountable. The NCA believes that, particularly when the board is appointed by a minister, agreement needs to be reached about how it is accountable to him or her. The research shows that in four cases the duty of accountability is defined in law, and in two cases it is arranged or has evolved in some other way. But in six cases there are no agreements in place. Those supervisory boards are accountable to nobody! The NCA recommends that these boards reach agreement with their responsible ministers about a method of accountability, including its content, form and frequency.

##### **Vertical regulation**

The third aspect of the relationship between supervisory boards and ministers to be examined was whether and, if so, to what extent ministers actually make use of their powers to monitor the work of the supervisory board. With only two exceptions, the NCA found no statutory supervisory boards with a clearly-defined role in the vertical regulation of their NDPBs. So most of such boards play no part in vertical regulation by their minister. The study showed, however, that actual practice sometimes does not correspond with the written definition of the relationship. When tasks and responsibilities are not clearly defined, nobody appears to be accountable. There is a risk that gaps in regulation could appear. On this point, the NCA recommends that relationships be defined unambiguously, both in the regulatory vision and in other written agreements.

By contrast, there is no uniform legislation covering public sector supervisory boards. Although efforts have been made to make the role and performance of such boards in the health, education and housing sectors more transparent, the notions of public corporate governance vary from sector to sector. However, statutory measures for the public and semi-public sectors have been announced in respect of one aspect of corporate governance: directors' salaries.

### ***5.2. Roles of supervisory boards***

A supervisory board has an important role to play in the governance issue **at the level of the NDPB**. As directors of a public body, the members of the executive board of the NDPB have their own responsibility to be transparent and to be accountable for their efficiency and legitimacy. The supervisory board, too, has an important role from the perspective of the NDPB's own responsibilities. The minister's responsibilities, however, are different. They are to make sure that the administrative arrangements in a particular sector actually work. In other words, the minister must at all times be able to check that an NDPB is operating efficiently and legitimately, without having to rely exclusively upon its own executive and supervisory boards for that information.

As has been pointed out, the NCA stands by the principle that the supervisory board is no substitute for vertical accountability. The minister's use of supervisory boards should be subject to stringent conditions. One of the conditions concerns the quality of the regulatory information received. The minister must always bear in mind that the board is an internal body and so will, first and foremost, defend the interests of the NDPB with statutory tasks. And the more the interests of the NDPB diverge from those of the minister, the more stringent those checks need to be. The relationship with the supervisory board can form part of the minister's monitoring of the NDPB but, if so, it needs to be properly defined.

## **6. Social accountability: Social reporting**

Both in the Netherlands and abroad, standards for social reporting are still under development. But this form of reporting is an important aspect in enhancing public accountability. In the business world, the phenomenon is attracting considerable interest. The principal idea behind social reporting is that the duty of accountability on the part of organisations, and of enterprises in particular, should embrace more than traditional financial reporting to shareholders. It is about being accountable for more than just financial transactions, and in more than purely financial terms, to more

groups than the investors alone and for more reasons than just financial decision making.

### **Box 5. Research findings: Social reporting in European countries**

Based upon research conducted by the Royal Dutch Association of Chartered Accountants (NIVRA) into the phenomenon in 11 European countries, it can be stated that the percentage of major companies reporting on the social aspects of their activities has increased – from 12% in 1993 to 17% in 1996, 24% in 1999 and 28% in 2002. The Netherlands is at the forefront of this general trend (NIVRA, 2002).

According to the same study, 45% of the world's 250 largest multinational businesses issued an annual social report in 2002. That compares with 35% in 1999. Within this category, a clear widening of the scope of such reports was also observed between 1999 and 2002. As well as environmental issues, they are now more likely to cover social and even financial matters as well. Ninety-eight per cent of the “social” reports in 1999 were in fact environmental ones. By 2002 that number had fallen to 71%, the other 29% being broader in scope – including 18% which were so-called “triple bottom line” reports (“people, planet, profit”). Nine of the 250 companies surveyed are Dutch. Of them, the number producing social reports increased from 70% in 1999 to 82% in 2002. Well-known Dutch companies issuing an annual social report include Shell, Ahold, the ING Group, the Rabobank Group, Nutreco and Triodos Bank. Examples of government organisations producing such reports include the Royal Navy (environmental report) and the Ministry of Defence (environmental report).

The publication by companies of an environmental report in the context of social reporting is usually voluntary. However, there is an international trend towards more legislation in this respect. In the Netherlands, for example, “environmentally unfriendly” businesses have been required by law to publish environmental reports since 1999. Much the same applies in certain other Western nations, including Denmark. Since 1999, Australia, Norway and Sweden have by law required inclusion of environmental information in annual financial reports. But it is France which goes the furthest: legislation adopted there in 2002 requires firms to include both environmental and social information in their annual reports.

## **6.1. Social reporting standards**

Actual developments indicate that, at present, social reporting usually takes the form of a **separate** document covering economic, social and environmental matters published **alongside** the traditional annual financial report. It can also be stated that, in terms of content, social reporting is still in its infancy and tends to be quite superficial. “Real” social issues such as

human rights, child labour and fair trade have yet to receive much coverage in such reports. The development of guidelines and standards is far from complete, however, although there have been countless initiatives around the world to achieve greater consistency and certainty. A number of those initiatives are discussed in Box 6.

## ***6.2. Assurance of social reporting***

The phenomenon of social reporting gives rise to the question of reliability of non-financial – that is, “social” – data. The subject of the reliability and certification of social reports, their assurance, has been a matter of considerable interest for several years now. It is clear that companies are increasingly subjecting their social reporting to independent verification, which tends to increase confidence in the documents and their credibility for stakeholders. The checking and verification of social reports is not the exclusive domain of accountants. Audits in this field are also carried out by environmental consultants, certification agencies and social auditors.

There are some problems in the assurance of non-financial information. The data, the scope of the task, the approach to verification and the content of the assurance reports all still need to be defined clearly. Guidelines for social reporting are in general formulated at a fairly abstract level, so that the level of performance actually required is often unclear. A verification report provides only a verdict about the reliability of the social aspects presented; it does not assess actual policy or the adequacy of performance in the social arena. Last but not least there are no auditing standards for social and other non-financial accountability information. At present the auditor has to draw upon other widely-used and available standards.<sup>4</sup>

Partly as a result of the greater emphasis upon performance-led budgeting and accountability by the state, the development of standards in respect of non-financial information and its verification in the “national annual report” has been rapid in recent years. The emphasis here is more upon information about operations and about performance and effects, though, and less upon aspects like ethical behaviour or stakeholder dialogue.

## Box 6. Social reporting standards

### Global Reporting Initiative

The *Sustainability Reporting Guidelines* from the Global Reporting Initiative (2002) have provided an important stimulus for the development of an international consensus on the best way of reporting. Of the reports published by the world's 250 largest multinational companies in 2002, 36% refer to the GRI guidelines ([www.globalreporting.org](http://www.globalreporting.org)). In addition to the GRI guidelines, a number of other sets of guidelines – both national and international – are also used in accounting for social responsibility and sustainability in business. These include the guidelines compiled by the OECD and the AA1000 framework.

### OECD guidelines

The OECD has drawn up its own guidelines for multinational businesses. Their objective is to provide support in developing policy for social responsibility in business. They focus upon the economic, social and environmental aspects of enterprise, but ethical subjects are also covered. Specifically, the OECD guidelines address reporting, employment, the environment, corruption, consumer interests, science and technology, competition and taxation ([www.oecd.org](http://www.oecd.org)).

### AccountAbility 1000 framework

The AA1000 framework has been developed by the Institute of Social and Ethical Accountability ([www.accountability.org.uk](http://www.accountability.org.uk)). AA1000 is actually a method rather than a framework for reporting. It propounds a cyclical process model for the planning, accounting, assessment and reporting of policy. At the heart of this is stakeholder involvement.

### Guideline 400 from the Council for Annual Reporting

There are still no generally accepted standards for social reporting. In the Netherlands, however, the framework for social reporting known as *Guideline 400* drawn up by the Council for Annual Reporting (Raad voor de Jaarverslaggeving, RJ, 2003, [www.rjnet.nl](http://www.rjnet.nl)) represents a first attempt to introduce such standards. *Guideline 400* provides a framework for reporting on the environmental, social and economic aspects of business activities. In respect of these matters, it is recommended that information be provided about actual policy, about its organisation, about its results, and about future developments, and that information be provided about the dialogue with stakeholders. In compiling both the guideline and the *Guide to Social Reporting*, the RJ considered international developments in the field of social reporting, including the guidelines issued by the Global Reporting Initiative.

## 7. Final remarks

A wide-ranging public accountability, with a whole number of topics being covered cohesively, can significantly improve operational performance and contribute towards raising public confidence in the effectiveness of an NDPB. In order to prevent an excess of accounting exercises for both issuers and recipients, their form and content should as far as possible be tailored to the specific information needs and potential influence of various types of stakeholders. For reporting to correspond with the tasks and responsibilities of those being reported to, consultation is required in respect of their information needs and the organisation's ability to satisfy them. This should result in agreements about reporting.

Moreover, multiple use of information and of accountability tools like the annual report can limit the administrative burden involved. But this multiple use is only useful if the information is reliable and relevant for the different addressees.

### **Box 7. Audit findings: Comparative study of annual reports in the Netherlands**

The Netherlands Court of Audit has conducted a comparative study of 14 reports. Through this limited survey, the NCA hoped to gain some idea of the way in which a number of public and private organisations currently provide broad accountability – not just social accountability – through their annual reports. The evaluation highlighted a number of points.

Developments in respect of social reporting by the private sector have not so far been echoed to any great extent in the public sector. Good initiatives can be observed in certain specific areas, such as details of interaction with stakeholders and executive accountability. The organisation's own profile is a decisive factor in this respect. Scores remain poor in the area of "top-level accountability" – that is, accountability by the executive and supervisory boards for their own performance – and "assurance of the accountability information".

In general the private sector annual reports in the sample score better across the board than the public sector ones.

The enhancement – or "socialisation" – of public accountability need not be achieved solely through annual reports and the like. Internet sites or other communications targeting specific stakeholder groups can also be used. What is essential is that those stakeholders can use the information supplied by the organisation itself to form a reliable picture of every aspect

of its performance. Nevertheless, the annual report remains the key document in the process of accountability since it is “testable” and the executive can be formally called to account for it. It is therefore important that the annual report covers every topic for which an NDPB is accountable, or wishes to be. Whichever forms of accounting and publicity are chosen, it is vital that they be reliable and verifiable. With a few exceptions, this remains the weak point across the board. Experience in the private sector makes it clear that the reliability of the non-financial information in annual social reports still leaves much to be desired. Good criteria and standardisation remain lacking.

It can be concluded that the amount of attention being paid to internal regulation and accountability has increased considerably in the public sector. On the one hand, more is being expected of supervisory boards. On the other, however, their positions relative to their shareholders or ministers and other stakeholders have yet to be fully shaped. In the public sector, the position of the supervisory board varies from area to area. Of particular interest to the public sector are those sections addressing executive accountability, the position of the supervisory board, and the realisation of a system of checks and balances between shareholders and directors.

One point of debate is whether the position of supervisory boards, and their accountability, should be regulated by law – and, if so, whether a general legal framework should be established or specific legislation adapted to each sector concerned.

The mutual relationship between direct stakeholders, responsible ministers, executive boards and supervisory boards has become the subject of a comparable debate in respect of executive organisations in the public sector. The difference, however, is that the issue of “ownership” is not always clear in the public sector. There is, after all, a great variety of organisations involved: from “implementation agencies” carrying out government policy more or less as an extension of a ministry to organisations with a high degree of policy autonomy and partially funded – sometimes to a very significant extent – from private sources. These include health insurers, housing corporations and institutions of higher education. Particularly where there is a combination of public and private activities and financing, additional complications arise in striking the right balance in the relationship between stakeholders, the minister, the executive and the supervisory board.

## Notes

1. The term “horizontal” is also used for this last type of accountability, but given the confusion that its use can cause, the Court of Audit would prefer to use the terms “broadening” or “socialisation” of public accountability when referring to an increase in the number of areas subject to accountability or in the range of people and bodies to which an organisation is accountable. In other studies, the terms “360-degree accountability” and “integral accountability” are sometimes used (see also Behn, 2001, and House of Lords, 2004). The OECD uses “accountability” to mean “the obligation of those entrusted with particular responsibilities to present an account of, and answer for, their execution” (OECD, 2005).
2. See also OECD, 2002.
3. The fourth element – customer accountability – was not covered by the studies of the Netherlands Court of Audit and will also not be further discussed in this article.
4. Three starting points for assurance assignments are: the NIVRA auditing guideline (RAC 100) for assurance assignments; the notes on assurance assignments included in the Global Reporting Initiative *Sustainability Reporting Guidelines*; and the AccountAbility 1000 Assurance Standard guiding principles issued by the Institute of Social and Ethical Accountability.

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