

ACCOUNTING, ACCOUNTABILITY & GOVERNANCE

Governance is simply about the management of resources on behalf of the people. Governance is about leadership and service. The ultimate responsibility is to the people. Governance systems operate at every level of society, from the family, community, corporate and national levels.

Governance is stewardship. Leadership is cause, all else is effect. Good governance achieves good results and prosperity. Good governance at every level of our lives is therefore crucial for national development.

Accountability

In leadership roles, accountability is the acknowledgment and assumption of responsibility for policies decisions, actions and services. It includes the administration and implementation of policies to achieve the objective and goals of the organisation or country. The obligation of every governance team is to report to the stakeholders.

Accountability is a requirement of stewardship reporting. Anytime a group of people elects leadership to represent them in the management of the group interest including the equitable application of resources, it behoves on the management team to report to the group on their performance. This encompasses both financial and non-financial or quantitative and qualitative matters. This dovetails into matters of accounting and financial reporting process.

Accounting

Accounting is a formidable tool for financial reporting. Every human endeavour requires accounting and financial reporting. Financial reporting informs stakeholders about the financial performance and position of the entity.

Financial reporting is made possible by the process of accounting. In this exercise the leadership is required to account for the resources made available to them in the form of tax revenues and internal and external loans. The accounting system then captures the financial data representing the financial activities of the entity and process the said data to arrive at a set of financial information for decision making.

Underpinning Principles

The fundamentals of any good governance system are integrity, transparency, accountability, probity and value for money. Good Governance is one of the most important issue facing in our world today. Increasingly, stakeholders are demanding greater transparency, honesty and accountability with regard to governance issues. These principles have become the virtues of governance and are known to engender growth and development.

Governance is essentially about leadership. It is about serving the people in truth and responsible humility. Good governance has emerged as a core requirement for leadership and sustainable development in developing countries including Ghana.

Genesis of Governance

Governance is an old relationship between leadership and the people. It dates back to the time of Moses and the Israelites. It is the consequence of separating the powers between the people and leadership. There is always the establishment of a fiduciary (trust) relationship or social contract between the people and government. In various jurisdictions, particular governance systems have been established to ensure fairness and equity in the management of resources for the people.

Good Governance issues are pervasive in both developed and developing countries. A good accountable governance system affects both the economic performance and social stability of the people. Good governance and accountability are key requirements for national development.

Governance and Development

Good Governance is vital to the development and growth of any nation. Bad governance on the other hand can be very detrimental to achieving economic and social balance. Governing bodies are required to ensure that appropriate structures and systems are in place to manage resources and assets effectively and efficiently at every level. National development and growth depends on maximizing the value of national resources at the private and public sectors.

National development and growth depend on a high quality, relevant, accurate and timely information (financial or otherwise) for decision making and good governance. This requires a disciplined approach. Accounting measures financial performance and position of any adventure and it is at the core of good governance.

Conclusion

Governance is the way an entity sets its vision, mission and goals and puts measures in place to ensure those goals are achieved the term of office. Good Governance should be the rule rather than the exception in our approach to management at every level. Accounting, accountability and good governance should permeate every level of our lives, be it at the family, community, corporate or national for the ultimate sustainable growth and development.

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