

# Auditing and the Development of the Modern State

*C Fee, V Radcliffe, C Spence, M Stein*

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## **Abstract:**

Previous research has highlighted the crucial roles that accounting plays in both the construction and development of the state. However, only limited attention has been paid to how accounting is both conceived and implemented as a technology of government. Taking a historical perspective, and through extensive archival analysis of the Canadian experience, we explore here the ways in which accounting practices were significantly expanded and elaborated over time. Progressively, accounting was successful in increasingly infiltrating the machinery of the state, resulting in greater power and influence being accorded to state accounting professionals. We contribute to existing governmentality research on accounting in two principal ways. First, we demonstrate how the territorializing power of accounting has transnational dimensions. The Canadian initiative was galvanized by simultaneous initiatives taking place in the United Kingdom, the United States, and a range of other Commonwealth nations. The similar trajectories of these various initiatives leads to a view of accounting as something that is co-constructed across borders, a process we refer to here as transnational territorialization. Second, we demonstrate the crucial role played by key individuals in this transnational territorialization. Auditors general worked both individually and in concert to skillfully sell the evaluative potential of accounting to key power brokers in the state apparatus, thereby creating advantageous positions for themselves. This highlights the crucial role required by skillful and reflexive social agents in the elaboration of accounting technologies, something that hitherto has been underappreciated in extant literature on both auditing and governmentality.