

Accountancy is failing the modern economy: it's time fo...

Published: January 16, 2026, 9:19 pm

I admit that I thought that being in at the start of one social movement was a career achievement. And something not to be repeated. The [Tax Justice Network](#) gave me that. And I remained delighted to have done my bit.

Being in at the start of a second now seems to have happened. The Green New Deal has gone viral, and those who have been promoting the US version have now confirmed that it is based directly on the work of the [Green New Deal Group](#) here in the UK. I was a member from the outset. Ann Pettifor gets the credit for taking it across the pond.

So what now? I celebrated this development yesterday by beginning the funding application process for what I hope to be my next idea, which is the [Corporate Accountability Network \(CAN\)](#). I have no idea of that will succeed as yet, although it already has some key supporters. And the issue could not be clearer. The CAN will

- * Challenge the current framework of accounting standard setting in the UK because it is designed solely for users of financial capital markets;

- * Suggest an alternative framework for setting accounting standards in the UK that takes into account the needs of all the stakeholders of UK based businesses;

- * Suggest the likely range of such standards that will be required;

- * Propose at least two new accounting standards in its first two years, one of which will have the intention of making the accounts of smaller companies comprehensible to those who manage, own and work for them, which is not the case at present;

- * Seek support from businesses, professional groups and institutes, NGO and other circles for the proposals being made and establish a network to deliver change;

- * Propose changes to UK company law to improve the availability of accounting data in this country.

This may actually understate my ambition for its first two years of existence, but who knows? These things never work out as planned and unlike both TJN and the GND I am not, as yet, working with a formidable networker who has committed themselves to this idea. So I'm looking for the next John Christensen or Colin Hines. Candidates please

step forward.

But as I am making clear to funders, the timing for this idea could not be better:

It's not just that accountancy is failing badly at present, although it is. The demand for better data from corporations is also growing; the expectation that companies account better locally is also increasing, and with a downturn likely the appetite for risk avoidance is high, especially amongst investors, many of whose needs are also not met by current accounting standards.

The interests of the six stakeholder groups I identify for accounts are all being failed by existing accounting standards. These groups are:

1. Investors and the suppliers of capital to companies;
2. Those with whom, the company trades;
3. Employees;
4. Regulators;
5. Tax authorities;
6. Civil society, with all its varying interests.

The appeal of the CAN to all of these groups should be obvious.

Corporations, from large to small, and right across the globe fail to tell us what they are doing and yet expect to enjoy the extraordinary privilege of limited liability, which is (and was proven to be in 2008) a massive risk for all of us. The least they can do is tell us what they're doing in terms we can all understand. And since we do not know which ones are really creating the risk, I do mean all, without exception need to be reporting in full, and on public record.

I do mean that I want their accounts to be comprehensible. It is absurd that much corporate reporting is now no better than gobbledygook to most users, and that is especially true of the directors and owners of smaller companies who have absurd standards imposed upon them, and are expected to sign accounts that they have little way of knowing are right.

It's as absurd that all current accounting data is prepared for the use of participants in financial markets when the vast majority of the entities that have to comply with these singular rules (because there is room for only one set of standards) do not play any role in those markets. That is true of the vast majority (let's call it 95% plus) of smaller companies. It's also entirely true of whole countries, like the UK, and public interest bodies, like UK hospitals, that also are required to account on this basis, wholly inappropriately.

So, the potential users of reformed accounting standards, and therefore supporters for reform, are out there in the UK and beyond.

Of course most are unaware of that as yet.

But that was also true of tax justice.

And it was just as true for the Green New Deal until quite recently.

It took seven years for tax justice to really come out of the wilderness, and more than a decade to have its agenda taken seriously.

The Green New Deal has run to an almost identical time scale.

And just for the record, I first began exploring the ideas that got me to modern monetary theory in 2000. That too took a long time to make progress in this country.

I am guessing the Corporate Accountability Network will follow this pattern. That's the time it takes to create change.

Who knows? This may be my last big project (although I rather hope not). But I am seriously hoping it gets the backing it needs to get going. The Big 4 firms of accountants and the professional bodies that they effectively control have for too long been delivering accounting nonsense to users who know they deserve better, and feel to great and lesser degree ripped off by the nonsense they do get. We can, and must do better than that. That's the aim. And it feels good to be going back to my roots.