This paper presents a historical study on the development of budgeting and accountability controls pertaining to Sri Lanka Railway Department (SLRD). The study was motivated by the observation that the operation of accounting controls in developing countries are politicised and, therefore, ineffective, despite their worthy intentions. The paper questions whether the way in which SLRD budgeting and accountability systems currently operate can be explained as another stage of their historical evolution.

Background
Hoque and Hopper (1994) claim how the developing country context has been neglected in accounting studies and emphasize the need of paying more attention. Attention in studying accounting issues in the developing country context seems to have been increased and more research articles can be seen published in leading academic journals since then. Hopper et al (2009) review the contribution of accounting studies in the developing country context and increased attention is further emphasized. Hoque and Hopper (1994), Uddin and Hopper (2001), Wickramasinghe et al. (2004), Wickramasinghe and Hopper (2005), Uddin and Tsamenyi (2005), Allawattage (2005) and Allawattage and Wickramasinghe (2008) illustrate that the operation of accounting controls in these countries are politicized and therefore they are ineffective despite their worthy intentions. These studies in general illustrate how accounting controls in these countries are adopted merely as rituals. Davie (2001) and Wickramasinghe and Hopper (2005) illustrate how idiosyncrasies in organizational level controls, emanating from their own historical and socio-cultural contexts, are formed in these countries. Politicization of accounting controls is aggravated in the public sector. According to Thomas (1995), the public sector in these countries has become important as a consequence of the colonization took place in their histories. The colonization has implications in current developments in accounting practices (Davie, 2001). Majority of accounting studies in the developing country context shows that the involvement of politicians in the control process in public sector organisations is inevitable. However, no study has attempted to illustrate how these accounting control practices have historically evolved to become rituals. This paper therefore questions whether there is any chronological order of the development of these ritualistic accounting practices within public sector organizations in developing countries. This study examines the chronological development of budgeting and accountability practice of Sri Lanka Railways Department.

Justification and rationale
In order to have a change and improvement in accounting controls, studies are needed to understand why accounting controls within such organizations operate merely as rituals. The present status of any phenomenon is the current stage of its historical process of evolution. This historical study is therefore important to understand the roots of the problem of why accounting control operate merely as rituals.
Objectives
This study has several objectives. Firstly, to understand the emergence of current budgeting and accountability systems of the SLRD. Secondly, to understand the macro context (socio-cultural, political and economic circumstances) within which such an emergence took place, because budgeting and accountability systems are socially constructed (Hopper and Amstrong, 1991). Thirdly, to understand how the changing macro political context has resulted in changes to the systems of budgeting and accountability. Finally, to understand whether the budgeting and accountability systems operate as rituals due to any tension between their configurations and dominant political interests.

Methodology
This is an instrumental case study focusing on the chronological order of change in macro political context and changes in the state’s budgeting and accountability systems. These changes are explained using Gramsci’s (1971) hegemonic analysis. Hegemonic analysis explains how a dominant group of the society enforces its control over others through the state. Accounting controls therefore emerge as tools for the state control. This establishes the link between the state’s political interest and its budgeting and accountability controls. Thus, changes in state budgeting and accountability systems are related with changes in the political domination of the country. Following this, the colonial administrative reforms in Sri Lanka since 1802 up to 2008 were reviewed and their implications on state’s budgeting and accountability systems were studied. Then the emergence of SLRD and its accounting controls were studied.

Outcomes
It was found that budgeting and accountability controls pertaining to SLRD are those which are adopted by the state. It was found that budgeting and accountability systems emerged to cater the colonial rulers’ needs in exercising the financial control over operations of the colony. By 1931 when the universal suffrage was granted, the state budgeting and accountability configurations were adopted to control public expenditure. However, after the independence in 1948 the dominant political interests were changed from controlling expenditure to controlling the public service to improve living conditions of general public. It was found that the current systems of state’s budgeting and accountability systems still serve colonial interest of controlling expenditure rather than controlling the operation of public service. This has created a tension between current dominant political interests and state budgeting and accountability configurations. This has rendered budgeting and accountability controls less useful for the state’s political interests but they are adopted because of the legislative enforcement by the parliament. This has resulted in state budgeting and accountability systems operating merely as rituals. Hence, a change in configurations of state budgeting and accountability systems may help mitigating their ritualistic operation within relevant organizational contexts.

References
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