

## **Financial Accountability of SPVs in the UK's PFI for roads**

### **Abstract**

This paper extends the prior studies of the first 8 DBFMO projects in the UK by Shaoul et al. (2006 & 2010) using a case study approach. It focuses on whether Special Purpose Vehicles (SPVs), a private consortium, involved in the UK's Private Finance Initiative (PFI) improve financial accountability in their public expenditure reporting over the last 10 years and examine whether the growth of public criticisms regarding a lack of transparency in using public money influences the financial disclosure of SPVs. The findings show that the first 8 SPVs tend to disclose more financial and non-financial information from 2016 onwards. It may be influenced by the fact that the number of PFI projects has started to decline and hit the bottom in 2016 which has only one new PFI project. Moreover, the growth of public criticism and a significant decreased in favor of PFI projects may also drive SPVs to disclose more voluntary information to ensure the credibility of their business conduct and improve public visibility. Regarding the extent of the public disclosure, financially distressed firms are more likely to disclose less financial information and they legitimize their performances by fulfilling minimum requirements of the financial and non-financial standards rather than delivering public accountability. However, public information is still unsustainable and a lack of financial accountability still exists in the financial reporting of SPVs for roads over the last 10 years.