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Short Commentary

Implementation Challenges of International Public Sector Accounting Standards (IPSAS) in Africa

Zivanai Mazhambe*

Botho University, Gaborone, Botswana

DESCRIPTION OF THE STUDY

The adoption of IPSAS in the World at large and specifically in Africa, although perceived to be highly beneficial has posed its fair share of insurmountable challenges in the implementation. The IPSASs conceptually and in terms of objectivity with regards to its qualitative characteristics, has presented serious challenges amongst researchers and scholars questioning and weigh the perceived benefits against the adoption and implementation challenges. This scientific study purpose is to analyses the implementation challenges of IPSAS in Africa. The methodology adopted for this study was mixed research methodology, using questionnaires and interviews. The study population was IFAC with the sampling frame of PAFA public sector accountants, being selected randomly. The study concluded from the findings that the IPSAS implementation challenges amongst others were: high cost, no conceptual pattern, heterogeneous supporting legal framework, economic and legislative challenges, no criteria for implementation taskforce, inadequate IPSAS technical expertise, stakeholder conflicts, lack of political will and lack of training.

The adoption of International Public Sector Accounting Standards (IPSASs) in the World at large and specifically in Africa, although perceived to be highly beneficial has posed its fair share of insurmountable challenges in the implementation. The IPSASs conceptually and in terms of objectivity with regards to its qualitative characteristics, has presented serious challenges that caused other researchers to question and weigh the perceived benefits against the adoption and implementation challenges. This empirical study seeks to analyse the implementation challenges of IPSAS in Africa from the perspectives of International Federation of Accountants (IFAC) and Pan African Federation of Accountants (PAFA) in Africa's public sector practice.

IPSAS and implementation of IPSAS should procedurally be executed in a phased approach, as opposed to the big bang approach which is technically and financially very challenging in implementation [1]. The phased approach entails (Mazhambe, 2020) the adoption and implementation of the cash based IPSAS first, and then through the migration phase which might incorporate the modified cash basis and finally after a reasonable defined period of time adopt and implement the accrual based IPSAS.

The cash based IPSAS does not indicate a clear correlation of expected results and resources employed, as opposed to accrual based IPSAS discloses more information both for internal and external consumption Grossi and Soverchia [2]. Some authors have argued that the implementation of IPSAS is not systematic since there is no clearly identified conceptual pattern for implementing accrual based IPSAS [3-5]. Numerous authors argue that the practical implementation of accrual based IPSAS are technically challenging and with operational difficulties, and the absence of the market further compounds the problem.

The implementation of IPSAS by many national governments is still in the 'work in progress' even after many years of partial implementation, with only a handful who have completed the implantation, proving the process to be challenging and difficult, the handful that have completed full implementation are still plagued numerous challenges, as measured by the government audits. The adoption and implementation costs of IPSAS are incredibly expensive and some experts have argued on the perceived benefits versus the costs.

The methodology adopted for this study was mixed research methodology through researcher administered questionnaires and interviews. The case study research design is premised on the enquiry approach so as to extract deeper meaning and presumably perceived variable correlations on the study phenomena. Descriptive and inferential statics have been adopted for data analysis; including qualitative explanatory notes have been employed to extract deeper meaning of the study phenomena. The study population was IFAC Accountants in public sector based in Africa, with the sampling frame of Pan African Federation Accountants (PAFA) public sector accountants, being selected randomly. The accountants jurisdictions adopted in this study were southern Africa, East Africa, Central Africa, West Africa and North Africa.

As evidenced form the above statistics whose data is statistically significant, extracted from the primary data premised on the research question on respondents from different jurisdictions of

*Correspondence to: Zivanai Mazhambe, Botho University, Gaborone, Botswana, Email:mazhambe5@gmail.com

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Southern Africa, East Africa, Central Africa, West Africa and North Africa, the data has internal and external validity, and free from bias. The mean, median values are relatively coherent, with acceptable insignificant standard errors. The ANOVA statistics is also in congruent, as evidenced from the critical values above. The data range depicted is clearly spread and is representative of the sample population. There is therefore a notable significant correlation and consistency for statistical significance to derive inferential conclusions.

The findings from the respondents as depicted above were statistically significant and the qualitative content analysis also virtually concurred, that there are IPSAS implementation challenges. The respondents identified greatest challenges as the cost of implementation, lack of cost benchmark criterion, no conceptual pattern of implementation, economic and legislative challenges, incoherent supporting legal framework, no taskforce selection criteria, inadequate technical expertise, stakeholder conflicts, lack of political will, and lack of stakeholders training.

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