

# International Public-Sector Accounting Standards adoption and implementation issues in Africa.

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## **Abstract**

**Purpose:** The study aims to establish the reasons as to why several African Governments have not adopted and implemented International Standards – IPSAS Accrual and what are the challenges they face when applying them while deliberating on likely benefits countries would enjoy upon full IPSAS adoption and implementation.

**Methodology:** The Research used desktop reviews of existing Public Information such as Governments' Financial Statements, presentations by African Accountant Generals; PFM experts and other public sector IPSAS adopters. Also, an interview was conducted to obtain some primary information on accrual-based IPSAS in the Rwandan case.

**Findings:** The results indicate that most African countries wish to adopt and are eager to implement the IPSAS accrual, but several challenges prevalent in such economies appear to be retarding the zeal. Particularly in Africa, fraud and corruption are still rampant despite enormous efforts and initiatives put in place to fight the vice. Analyzed data indicated that most African countries lacked enough funds to implement IPSAS, most rely on donor funds to do so; inadequate stakeholder engagement and buy-in is another challenge; along with a lack of competent staff with the knowledge and competencies needed; poor infrastructure with old fashion technology. External support from professional bodies is required to raise awareness of the need for transparent financial reporting in the public sector.

**Practical implications:** The study recommends that adopting and implementing accrual-based accounting can be beneficial for African governments. And this can be achieved through enhanced stakeholder engagements; effective transformation and change management; building capacity in the public sector by collaborating with Public Accountancy Organizations (PAO's) and other tuition providers; well thought through implementation approach, and enhanced stakeholder engagement as well as better decision making.

**Originality:** The findings are significant to governments that wish to adopt and implement accrual-based IPSAS. And to ensure that African governments enjoy the benefits, they need to adequately address the challenges which include, lack of skilled staff, inadequate IT infrastructure, insufficient political will, and implementation costs.

**Key words:** Africa, accrual-based accounting, IPSAS, public sector, adoption, implementation, challenges.

**Paper type:** Research paper

## **1.0 Introduction**

The adoption and implementation of accrual basis International Public Sector Accounting Standards (IPSASs) across the world are gaining momentum especially in this twenty-first century (ACCA, 2017). Governments worldwide, including African

governments have decided to move towards accrual based adoption and implementation due to several benefits expected to accrue upon successful execution, while others are considering whether to do so. High-quality and effective accrual-based financial reporting systems, such as those based on IPSASs, are essential as they facilitate national governments' efforts to enhance accountability, transparency, comparability and follow international best practices in government financial reporting, whilst facilitating the reduction of constant social conflicts, loss of democratic control, and the failure by governments to meet commitments to their citizens (IFAC, 2014).

The International Public Sector Accounting Standards Board (IPSASB) is the international body committed to developing accounting standards for public sector entities (IPSASs) and guidance for its use by governments and other public sector entities (IPSASB, 2018). The African Union (AU) is pioneering accrual-based IPSAS implementation across the continent after it adopted accrual-based accounting in 2014, supported by a World Bank grant, which resulted in improved performance and credibility towards its stakeholders (African Union Conference, 2018). This favorable decision appeared impressive, especially for governments using a cash-based system of accounting – which is often considered to be incomplete and inefficient as it allows liabilities and costs to be concealed. An accrual-based system is more transparent and comprehensive in indicating the accuracy of the government's financial resources (IPSASB, 2018). For this transition to effectively succeed and to avoid the risk of such initiatives remaining mere notions, governments must not see accrual based IPSAS as an end in itself, but should consider the four dimensions of policies, people, systems and processes, as each will have a direct impact on effective implementation (MINECOFIN, 2018).

Several authors and proponents have contributed a lot towards what appears beneficial by adopting and implementing IPSAS. ACCA conducted a global research in 2017, which included six countries in Africa (Ghana, Nigeria, South Africa, Tanzania, Zambia, and Zimbabwe) regarding the stage of IPSAS adoption. They concluded that IPSAS provided numerous benefits such as harmonization of financial reporting practices, enhanced transparency, stimulated efficiency, and facilitating the comparability of financial statements. However, several challenges were equally cited for hampering the effective adoption and implementation of IPSAS, and these included: inadequate stakeholder engagement, legal transformation, change management, skills capacity, cost, technology, and infrastructure, among others (ACCA, 2017). Similarly, Chan (2006) paper on IPSAS and Government Accounting Reform in Developing Countries highlighted a strong relationship between government accounting reforms such as adoption and implementation of accrual-based IPSAS and socio-economic development, however, he argued that adopting such international standards may not necessarily address the issue of poverty, but rather contributes to enhanced transparency and accountability though, usually costly to implement. Studies from various other authors, such as Mhaka (2014), Erin et al. (2014), Whitefield and Savvas (2016), and Adamu and Ahmed (2014), have been conducted in line with accrual – based IPSAS, nonetheless with differing challenges for non-adoption and effective implementation of IPSAS by some African governments. Most of the difficulties underscored appeared similar but on a different scale to establish the most significant of all the challenges to which African governments should direct efforts towards transition and what should be done to adopt and implement accrual based IPSAS effectively.

This study, therefore, aims to chronologically: i) substantiate the reasons behind ineffective adoption and implementation of accrual-based IPSAS, and ii) what

is required to be done by African governments to effectively transit to accrual-based IPSAS. The findings show that many African governments have embraced IPSAS due to its perceived benefits. Nonetheless, several challenges persist, and if the transition is done systematically, implementation can be realized successfully, thereby governments and other related entities being able to tackle these challenges which included: lack of skilled staff, inadequate IT infrastructure, insufficient political will, and implementation costs, among others.

The remainder of the paper is organized as follows. Section two reviews the literature review on the benefits and challenges of adopting and implementing IPSAS; section three discusses the methodology used; section four reviews the findings, while chapter five makes the conclusions and recommendations.

## **2.0 Literature review**

Several authors and proponents have highlighted the benefits of adopting and implementing accrual-based IPSAS. The pressure for adoption has escalated following the sovereign debt crisis resulting from the global financial crisis of 2008. (IFAC, 2014). Numerous studies have equally underscored on what appears to be the challenges towards effective adoption and implementation of IPSAS. Although the literature covers a wide range of such theories, this study intends to focus on only a few of the repeated benefits and the challenges that hinder progress towards effective transition.

## **2.1 Benefits and challenges of adopting and implementing accrual-based IPSAS**

### **2.1.1 Risk of missed deadlines**

Erin et al. (2016) study which was based on primary data obtained from a well-structured questionnaire that was administered on a selected sample to all staff in the accounts department of all the public sector ministries in Nigeria concluded that adoption and implementation of accrual-based IPSAS improved accountability and transparency. They also argued that in financial reporting which appeared to enhance public confidence in public sector financial reports positively and consequently contributing to the increase in the inflow of foreign direct investments. However, African governments such as Nigeria appeared to be unable to benefit on the spot due to the missed deadline as a challenge.

Most governments that have successfully adopted or in the process of choosing and implementing accrual-based IPSAS have scheduled timelines and the related tasks required to prepare themselves, to transfer all the transactions into new systems that can accommodate such changes. Strict adherence to the expected plan as laid out by the project manager may contribute to the success of the project. However, the lack of collaboration by mainly implementing institutions often leads to missed deadlines (Deloitte, 2015). Project managers, therefore, should carry out timely monitoring and evaluations to ensure that performing institutions adhere to the structured implementation program with adequate commitment.

Consequently, governments can decide which approach to use in adopting and implementing accrual-based IPSAS by either utilizing the 'big bang' – or the phased approach (Patrick, 2018). Sometimes governments spend a lot of time discussing and selecting the first-time implementation options and accounting policies, which results in some of them adopting an approach unsuitable for their current situation.

### **2.1.2 *Inappropriate or poor quality of deliverables***

ACCA (2014) equally argues that adoption and implementation of accrual-based IPSAS provide governments with greater accountability and transparency important in tackling fraud and corruption, Improve the quality of decision making by planning for the future, improve efficiency and effectiveness through the use of standard reporting processes and reduce the risk of material misstatements. ACCA study revealed that adopting and implementing IPSAS was beneficial though indicated some challenges encountered by several governments and advised that states should, therefore, have a strategy towards an effective transition to avoid inappropriate deliverables. Poor deliverables usually result from incompetent implementation and are often associated with a trial and fail method characterized by the use of inexperienced individuals or experts to spearhead the project implementation (ACCA, 2017).

ACCA study also recommended that to effectively deal with current challenges such as inappropriate deliverables, inadequate record keeping, and unwillingness to change, among others, governments should work together with various stakeholders including professional accountancy organizations to support either in terms of awareness, change management and capacity building. The change process and financial awareness campaigns provide an opportunity to intensify the influence of the finance organization while helping other stakeholders, mainly the staff concerned, to increase their knowledge and to behave in a more professional manner (MINECOFIN, 2018).

### **2.1.3 *Lack of proper IT infrastructure***

Other authors such as Whitefield and Savvas argue that governments across the world have progressively adopted accrual based IPSAS due to many benefits which include improved efficiency, better decision making, and government stability. Other governments are in the process as they believe that the success stories shared so far are indeed enough for them to follow suit; however, the challenges that come along with the effective adoption and implementation, especially in developing countries, cannot be underestimated. Whitefield & Savvas (2016) in their study on the adoption and Implementation of the International Public Sector Accounting Standards: The challenges faced by the United Nations in producing UN - IPSAS compliant financial reports in Kenya concluded that the main difficulties lie with lack of proper IT infrastructure and lack of enough competent staff with the required knowledge and skills to effectively take up the problem and back up the needed smooth transition.

### **2.1.4 *Lack of readily available gathered data and information***

Adamu et al. (2014) contend that adopting and implementing IPSAS offers almost similar benefits like those cited by ACCA, IFAC, World Bank, IMF and those of other proponents. Though it appears challenging to transit especially to the first adopters as it requires a systematic identification and valuation of the fixed assets together with the liabilities which can prove challenging at the onset. While also demanding that staff get well trained so that they obtain the competencies necessary to be able to use the international best practices such as accrual based IPSAS.

For a project to succeed, it usually needs easily accessible new data and information. Project managers should ensure that such information is available, with high quality, accurate, reliable and complete. Data and information not fit for purpose impede the production of useful financial statements. For example, the Auditor General of Zambia attributed their IPSAS implementation challenges to a lack of

complete and accurate information on revenue, assets and some liabilities (Auditor General, 2015).

IFAC (2014) similarly emphasizes that high-quality financial reporting standards as those based on IPSASs enhance accountability and transparency, and improve the level of decision making. However, IFAC continues to condemn that adopting and applying IPSASs alone cannot guarantee to confront the challenges similar to what was encountered as a result of the sovereign debt crisis. It therefore requires governments to enact legislation, formulate and implement policy such that in situations where a government does not have sufficient resources to cater for citizens' needs and goes for debt financing, then a public interest obligation arises which requires provision of timely, reliable, and detailed information of their financial performance and position, similar to what listed companies do.

### **2.1.5 Lack of buy-in and support from senior government officials**

While Caseware Africa (2017) emphasizes of adopting and implementing accrual-based IPSAS, improve the quality of financial reporting, enhances accountability and transparency, improves governance and the efficient management of assets – a move that is believed to provide less scope for corruption, it needs high level organizational buy-in as well as competent staff to facilitate in the transformation process. Contrary to these findings however, Mhaka (2014) believes that adopting and implementing accrual-based IPSAS by a government should not be looked at as an end in itself and therefore claims that, without a supportive regulatory framework and other institutional structures in place, the perceived improved quality of government financial reports may remain a mere notion.

EY (2015) appears to believe the same, by claiming that adopting accrual based IPSAS should improve the use of resources and government spending, instead of a few individuals enriching themselves, and hence curbing corruption among other benefits. Such benefits include enhanced transparency and accountability – since users will get access to information regarding cash flows, financial position and performance; improve decision making by allocating resources effectively among various governments divisions in citizens' best interests. The challenges to transition may emanate from different boundaries such as the time it takes to develop the required system; untrained and incompetent personnel; mindset, among others. To effectively implement accrual based IPSAS would, therefore, need to address the challenges thereof while preparing an implementation plan promptly.

PWC (2018) suggests that adopting and implementing accrual-based IPSAS requires governments to look at the entire Public Financial Management (PFM) framework, bearing in mind the four dimensions of policies, people, systems and processes together, as each will directly impact IPSAS implementation. This approach requires consideration of the requirements for effectively implementing accrual-based IPSAS such as updating the system, the data, and information necessary for integration, especially if governments are using an Integrated Financial Management System (IFMIS) that may be amended and interfaced with other systems. Enhancing current processes to ensure accurate and timely flow of information required while implementing IPSAS; regulation and Public Financial Management (PFM) manuals amendments; and finally helping people to undergo a significant cultural shift as this will also require considerable time and effort. The process will involve incorporation of change management processes to be put in place that works, which entails good communication, training, project management, awareness campaigns among other initiatives.

Therefore, to adopt and effectively implement IPSAS by any government; it is crucial that senior management and other government politicians support and buy-into the idea. This strategy requires a clear communication strategy to facilitate the transition of the entire process – including changing the mindset of many government officials (Alexander& Meshack, 2017); and delineated channels of authority from the project manager empowered through sufficient power to drive the initiative. Most governments lack this kind of approach and thus fail to implement such initiatives.

#### **2.1.6 Lack of enough competent staff**

The World Bank group (2017) equally argues that adopting and implementing accrual-based IPSAS enhances economic growth and development. This argument appears to be valid in a sense that financial statements prepared under accrual-based IPSAS are uniform worldwide; it, therefore, reduces the need to keep developing them for comparability purposes. Since most donors to many African governments already use IPSAS, it becomes easier for them to compare governments' financial statements with those of other international players, which may provide confidence for potential foreign investors that can contribute to economic growth. However, implementing accrual-based IPSAS is perceived as an expensive initiative as it sometimes requires to recruit new competent staff, invest in training and often upgrading of Information Systems (Rozaidy et al., 2014).

Similarly, some governments may not realize that while implementing IPSAS, many staff not necessarily directly working with the Finance department, also require training (Alexander& Meshack, 2017). Ideally, all individuals involved in the implementation should be trained. This can be effectively implemented after conducting a clear gap analysis that identifies the deficiencies in all government entities and the required support to enhance the knowledge and competencies of compassionate staff. Again, this requires a clear communication plan tailored to team concisely and pragmatically that facilitates the ease of collecting information needed for the project's success. Often, IPSAS projects fail to achieve the intended objectives due to miscommunications among various stakeholders. Sometimes the manuals developed to assist employees are not very useful because they are not sufficiently simplified to facilitate lower level staff to understand the necessary processes easily.

Chan (2006) stresses that adoption and effective implementation of accrual-based IPSAS is linked to the Millennium Development Goals (MDGs) which aims at eradicating extreme poverty and hunger, among other initiatives. He equally argues that, to assist in ensuring that adequate strategies are deployed to identify and measure governments assets and liabilities, requires enhancing the integrity and credibility of governments financial information. This assurance will, therefore, facilitate to fight the corruption vice which tends to result in the overstatement and understatement of governments liabilities and assets respectively. However, Chan appears to condemn the contribution of the accounting system concerning poverty reduction. This narrative, therefore, seems to imply that even if a government adopts and implements accrual based IPSAS, poverty may persist, though the contribution to a country's socio-economic development through the effects of transparency and accountability appear to stand still.

#### **2.1.7 Cost of implementation**

Mhaka (2014) study on IPSAS, a guaranteed way of quality government financial reporting; a comparative analysis of the existing cash accounting and IPSAS based accounting reporting that was aimed at analyzing IPSAS adoption in Zimbabwe concluded that adoption of IPSAS enhances donor confidence and also improves the

quality of governments financial reporting. In his study, however, he argued that, for a government to effectively transit to accrual accounting would require a clear strategy where all stakeholders should be involved and informed about the necessary changes to avoid the anticipated resistance to change while preparing to improve the legal frameworks. He also added that the cost of implementation could be a significant challenge to effectively transit. , Apart from the required hardware, a considerable amount of money can also be spent on consultancies, training, and the needed software.

The purpose of this review was to help understand the benefits and challenges of adopting and implementing accrual-based IPSAS as various proponents have continued to argue that accountability and transparency, improved decision making, enhanced economic growth, and development, among others, will be enjoyed upon successful adoption and implementation of IPSAS. However, the research found that several challenges such as poor IT infrastructure; resistance to change; lack of complete information; incompetent staff, etc. prevalent in most African governments hamper the initiative.

### **3.0 Methodology**

The objective of the study was to identify the challenges faced by African governments to adopt and effectively implement accrual based IPSAS and on whether IPSAS would be beneficial to them. This study used a variety of data sources, namely publicly available information in reports and other publications of African countries namely Botswana, Ghana, Mauritius, Nigeria, Rwanda, South Africa, Kenya, Tanzania, Morocco, and Cameroon. Other institutional websites such as International Federation of Accountants (IFAC); World Bank; and an interview to Rwanda's Accountant General - CPA Marcel Mukeshimana, to provide insights about accrual-based IPSAS issues in Rwanda.

Reports, published academic papers and publications of the sampled countries above were examined by establishing the challenges as laid out in each country and put into an excel sheet with subthemes of each country's challenges. The challenges that were looked for were identified by inserting a "Yes" on each country to substantiate whether the problems as per the five subtheme categories existed or not. Specifically, in the Rwandan case, The Accountant General provided more information concerning the difficulties that Rwanda face towards effective implementation, and these were validated with the already reviewed reports and publications. This approach was used due to the constraints in reaching all the Accountants - General around Africa, yet more useful information could easily be obtained from the already available information such as government financial statements, presentations on IPSAS, PFM reforms, and other public sectors IPSAS adoption and implementation presentations more authoritatively and cost-effectively.

We used a purposive sampling of the above mentioned ten countries as they appeared to have adopted or had intentions of adopting and implementing accrual-based IPSAS. The selected countries cover all the five regions of Africa notably; North; East; South; Central and West so that the sample turns out to be a representative of the entire Continent.

The sampled countries provided a balanced view of the geographical coverage and revealed the challenges encountered over the effective adoption and implementation of accrual-based IPSAS via both primary and secondary data obtained. The sample size appears to be a small figure; nevertheless, it's a representative of entire Africa.

#### 4.0 Findings

The research was aimed at establishing the reasons for ineffective adoption and implementation of accrual-based IPSAS in Africa and from this study, as can be seen from Table 1, inadequate skill set was found to be the primary challenge by all the nine sampled countries apart from South Africa. Unlike Ghana and Cameroon, the rest of the sampled countries showed a lack of information to account for property, plant properly, and equipment (PPE), and this was the second challenge with eight states having shown a similar problem. Cost of implementation is yet another challenge as can be seen from Table 1 below, among the ten countries surveyed, it was only South Africa, Tanzania, and Mauritius, without a cost issue. Since the frequency of the challenges were seven, with uncertain implementation times which was yet another challenge to the rest of the other countries other than South Africa, Tanzania, and Cameroon. Lack of political will and poor IT infrastructure scored a frequency of six with the exception being South Africa; Kenya; Tanzania; Morocco and Ghana; South Africa; Botswana; Morocco respectively. Last but not least is the others, which included challenges such as poor communication plan, resistance to change and inadequate collaboration with the primary stakeholders such as PAO's. This was the last challenge with the least responses, and it's only Kenya, Tanzania, Rwanda and Cameroon that were affected by such problems. The same findings on the Rwandan side, were validated by the Rwandan Accountant General who stressed that the primary challenge for Rwanda's adoption and effective implementation of accrual-based IPSAS lies with an inadequate skill set, unstable implementation timelines, lack of enough data and information to adequately prepare for the opening balance sheet and high implementation cost.

#### 5.0 Discussion

Our results confirm that a lack of skilled personnel with the required knowledge and competencies to suitably transit to accrual based IPSAS is the primary challenge for African governments. Other problems respectively include lack of adequate information to account for PPE properly; unstable timelines and cost of implementation; inadequate infrastructure and lack of political will and others. Others, in this case, mean poor communication plan, resistance to change and inadequate collaboration with the primary stakeholders such as PAO's.

Murthy and Khan (2017) stress that, while the level of staff skills and competencies required to cope with cash accounting in Mauritius is high; the level of staff turnover needs serious attention. The survey ranked this challenge as number one in Africa. To solve this problem, it requires governments to develop a strategy to recruit sufficient qualified individuals who can effectively contribute to the initiative. A gap analysis can help determine the number of relevant employees needed by their respective departments and requiring training and recruitment.

Lack of information to accurately identify and recognize PPE is usually hampered by governments not being able to access historical data. According to Klimenko (2017), efficient and effective management of fixed assets has been a significant challenge for most governments that have adopted or are in the process of implementing accrual-based IPSAS, especially in determining the opening balance of property, plant, and equipment (PPE). This requires governments to therefore adopt a holistic approach to transitioning, so that all the governments' assets which include: infrastructure assets; heritage assets; military assets to be well defined, recognized, measured and disclosed to enhance accountability of governments use of assets and hence better decision making, which contributes to a country's economic growth.

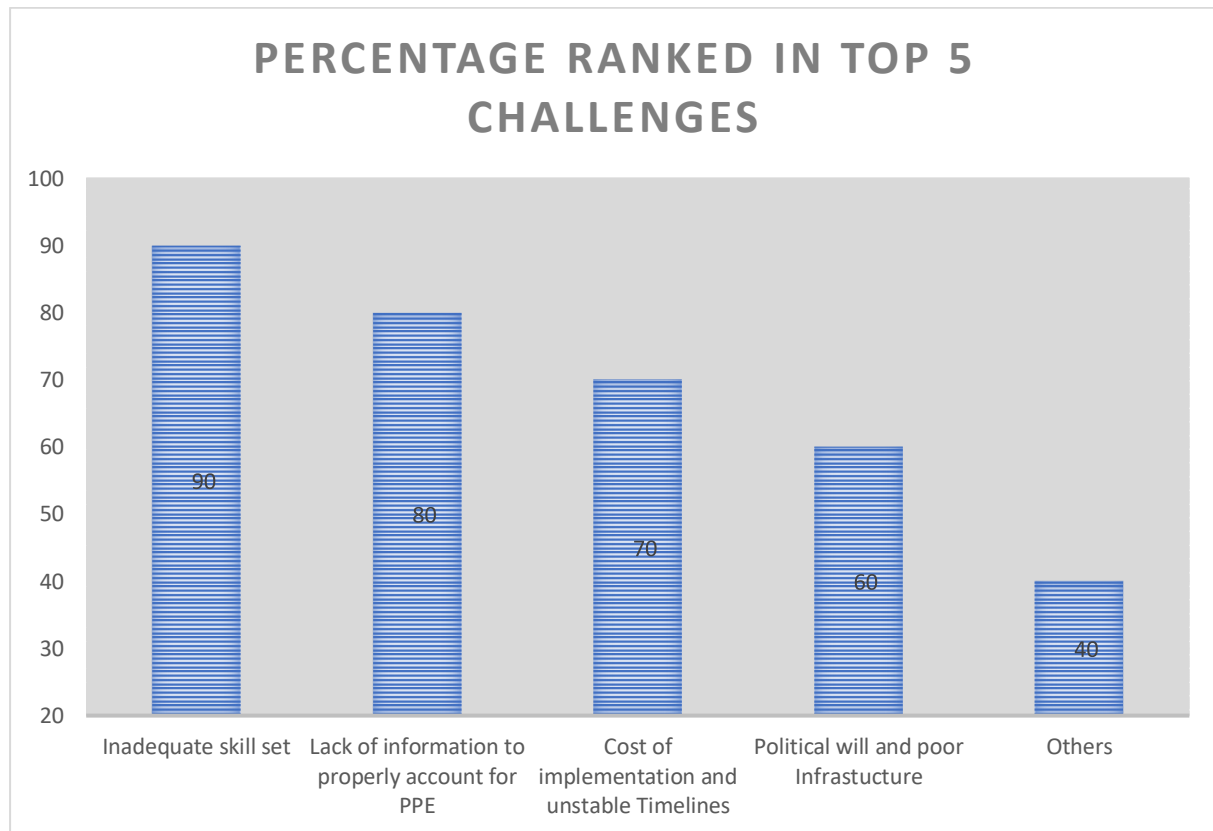


Table 1: Responses on challenges in regard to adoption and effective implementation of IPSAS among the selected African countries.

NO.	CHALLENGE/ COUNTRY	Nigeria	Ghana	S.Africa	Botswana	Kenya	Tanzania	Rwanda	Cameroon	Morocco	Mauritius	f	%e
1	Inadequate skill set Lack of information to properly account for PPE	YES	YES		YES	YES	YES	YES	YES	YES	YES	9	90
2	Cost of implementation	YES		YES	YES	YES	YES	YES		YES	YES	8	80
3	Unstable implementation timelines	YES	YES		YES	YES		YES	YES	YES		7	70
3	Political will	YES	YES		YES	YES		YES		YES	YES	7	70
4	Poor Infrastructure	YES	YES		YES			YES	YES		YES	6	60
4	Others					YES	YES	YES	YES		YES	6	60
5						YES	YES	YES	YES			4	40

Table 1: State of the challenges of adopting and implementing accrual based IPSAS by sampled countries in Africa.

Figure 1. Challenges in adopting and implementing accrual based IPSAS in Africa



Referring to Figure 1. Above, 90% of the responses indicated inadequate skill set as the main challenge affecting African governments to adopt and effectively implement accrual based IPSAS. This was followed by lack of information to properly account for PPE which scored 80%, and cost of implementation and unstable timelines scoring 70%. Political will and poor IT infrastructure was second last with a score of 60% while others which represented poor communication plan, resistance to change and inadequate collaboration with the primary stakeholders such as PAO's, only showed 40%.

Cost and unstable timelines are yet another challenge, resulting from the required amounts to modernize accounting manuals, needed awareness campaigns and training of IPSAS implementers (Samuel and Bernadette, 2018). Since the implementation cost is perceived to be high; a sound strategy and useful gap analysis can help mitigate this challenge, while ensuring that the funds, whether donated or budgeted, are promptly used for what it was intended. The lack of a realistic project implementation timeline sometimes accelerates individuals' resistance to change - for example by sticking to manual systems despite clear instructions on the new ways of doing things.

According to Abubaker, Omale, and Egbuka (2015), Nigeria began the transition from cash-based IPSAS to accrual accounting for all the three tiers of the government in 2016 with guidance from the Financial Reporting Council (FRC), but this had been anticipated to be achieved in 2013. The remedy to this challenge requires governments to have a clear roadmap, to implement policy and legislative reforms

early enough, secure the necessary resources, to train and recruit competent staff, and to develop a gap analysis with realistic timelines and ensure that they are well followed.

Similarly, to effectively implement accrual-based IPSAS requires political will and support by all stakeholders including parliamentarians and other politicians. Babatunde (2017) cites political buy-in as a significant factor in impending IPSAS implementation in Nigeria. To manage this challenge, it requires proper planning and engagement of all the relevant stakeholders including politicians and senior management for adequate buy-in and support.

Regarding the challenge of poor IT infrastructure, it usually emanates from outdated or systems that require updating. To effectively tackle this challenge, African governments and their respective agencies need to invest in a financial management system and its accompanying infrastructure to facilitate proper bookkeeping and reporting.

For the other challenges which include: resistance to change - it requires proper communication plan to all stakeholders using awareness tools such as educational fliers, awareness videos, personal engagements of critical stakeholders, recognizing staff who attain a professional qualification through the governments' website, identifying institutions that have fully adopted accrual based IPSAS regular newsletters, media coverage and the like. For lack of enough information and support from PAOs - requires that government acknowledge the role PAOs can play and work together in the development of accounting manuals that help guide and facilitate the effective and efficient booking of new transactions to reduce errors and mistakes, which may take time to rectify.

These findings are significant for governments that wish to adopt and effectively implement accrual based IPSAS in Africa as they will be able to focus on which areas are most likely to hinder the implementation agenda. Similar research conducted by Deloitte, ACCA and other proponents such as Mhaka, Chan, Babatunde, among others also stressed on the challenges for adoption and effective implementation of accrual-based IPSAS in Africa to include: appropriate planning and realistic timelines, political buy-in, lack of enough capacity from Finance and Technical department, and difficulty in identifying and recognizing Property, Plant and Equipment (PPE).

## **6.0 Conclusion and recommendations**

Adopting and implementing accrual-based IPSAS by African governments appears to be a good initiative, and several proponents have continued to indicate benefits that governments would enjoy upon successful implementation. The benefits include greater transparency and accountability; improved efficiency in resource allocation; enhanced sound financial management; professionalization in executing roles and responsibilities; improved decision making that accelerates growth and development, among other benefits. Nonetheless, the challenges to adopt and effectively implement accrual-based IPAS in Africa still prevail.

Governments should, therefore, transit to accrual based IPSAS at will but most importantly examine the likely challenges so that they prepare themselves thoroughly to overcome them, starting from the most significant moving down to the least. The problems were: inadequate skill set; lack of adequate data and information; cost and unstable timelines; political will and reduced IT infrastructure; and others – poor communication plan, resistance to change and inadequate collaboration since without a clear implementation strategy, such an initiative can only remain a mere notion.

Even with the perceived benefits above, future research should investigate the relationship between the adoption and effective implementation of IPSAS and poverty reduction, which still appears to be a significant problem in most African countries.

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