PUBLIC SECTOR ACCOUNTING STANDARDS SETTING PROCESS IN DEVELOPING ECONOMIES: AN INQUIRY INTO ZIMBABWE'S CONVERGENCE AND DIVERGENCE WITH INTERNATIONAL PRACTICE.

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APPROVAL FORM

We, the undersigned certify that Thompson Marufu fulfilled conditions of the ordinance and regulations for the Degree of Doctor of Philosophy in Accounting and Finance of the school of Entrepreneurship and Business Sciences, Chinhoyi University of Technology, Zimbabwe.

We declare that this document was written and was a result of his work and recommend to the Directorate of Research and Graduate Studies, Chinhoyi University of Technology, for acceptance a thesis entitled "**Public Sector Accounting Standards Setting Process in Developing Economies: An Inquiry into Zimbabwe's Convergence and Divergence with International Practice**", submitted in fulfillment of the requirements for a Doctor of Philosophy Degree in Accounting Science and Finance.

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DECLARATION FORM

I, Thompson Marufu, hereby declare that this thesis is wholly, a result of my own work, except to the extent otherwise indicated, referenced or acknowledged and by comments included in the body. I also affirm that the document has not been submitted in part or in full for any other degree to any other university.

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ABSTRACT

The study explored public sector accounting standard setting processes in developing economies and reforms that resulted in major accounting policy shifts. Financial management functions were regulated to ensure that quality accounting information was used in budgeting, preceded auditing and assessment of government financial environments. Developing economies carries many economic reforms to cab the scourge of hemorrhaging of natural resources due to lack of metrological standards to national account for net worth. The transformative reforms enhance the whole of government's financial management systems, furthering global economic integration, increase transparency and accountability in these economies. The developed economies' reservations on the used to come up with IPSAS, caused the development of home grown public sector accounting standards employing traditional and cultural processes that made them acceptable and legally binding in their countries. The study, hence chose a qualitative research approach as an exploration procedure of indulgence based on discrete methodological conducts of inquiry to search for societal opinions and constructed an intricate scenery, scrutinized arguments and reports, meticulously extracting interpretations from 51 informants purposefully selected because of their information rich characteristics, while conducting the study in a natural setting. The adoption of International Public Sector Accounting Standards [IPSAS] warts and all, was found to be the cause of elusiveness of achieving developmental targets and objectives in the developing economies. Also, the IPSAS reform process was donor driven in developing economies and did not consider local ethos while escaping scrutiny of stakeholders. The donor driven transformation processes were unfriendly to the host countries. A plethora of challenges on the process of setting public sector accounting standards included lack of legislative scrutiny and undefined reporting frameworks that created polarity. The myriad of challenges was exposed by persistent audit observations that seem to suggest that no accounting and reporting standards were being set. The study concluded that developing economies do not have public sector accounting standard setting processes. The study might impact on a policy shift to was training public sector professionals and the creation of an independent process that would be transparent and bringing in a fresh breath into the adoption process. The study contributes financial reporting templates that countries may use to prescribed minimum performance reporting that assist to evaluate accounting for accountability.

Key Words: IPSAS, Transparency and Accountability, Financial Reporting, Public Sector Accounting Standard Setting Process, Zimbabwe.

LIST OF ABBREVIATIONS

ACCA	Association of Chartered Certified Accountants
CIMA	Chartered Institute of Management Accountants
CPD	Continuing Professional Development
ECSAFA	Eastern, Central, and Southern Africa Federation of Accountants
GAAP	Generally Accepted Accounting Practice
IAASB	International Auditing and Assurance Standards Board
IAESB	International Accounting Education Standards Board
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IASC	International Accounting Standards Committee
ICAZ	Institute of Chartered Accountants of Zimbabwe
ICPAZ	Institute of Certified Public Accountants of Zimbabwe
ICSAZ	Institute of Chartered Secretaries and Administrators of Zimbabwe
IES	International Education Standard
IESBA	International Ethics Standard Board of Accountants
IFAC	International Federation of Accountants
IFIAR	International Forum of Independent Audit Regulators
IFRS	International Financial Reporting Standard
IRBA	Independent Regulatory Board for Auditors
ISA	International Standard on Auditing
IPSAS	International Public Sector Accounting Standard
ISQC	International Standards on Quality Control
PAAB	Public Accountants and Auditors Board
RBZ	Reserve Bank of Zimbabwe
ROSC	Report on Observance of Standards and Codes
SAICA	South African Institute of Chartered Accountants
SME	Small and medium-size entity
SMO	Statement of Membership Obligation
SMP	Small and medium-size practice
ZAPB	Zimbabwe Accounting Practices Board
ZIPFA	Zimbabwe Institute of Public Finance and Accountancy
ZSE	Zimbabwe Stock Exchange

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CHAPTER ONE

INTRODUCTION

1.1 Introduction

This thesis focused on establishing the broad due process of public sector accounting standard setting in developing economies and consequently its possible impact on the progression of corporate governance. Emphasis was on agenda formulation, the politics of public sector accounting regulations, legal instruments in place and the convergence drive with international practice. The study was also set to assess the stages in the evolution of the public sector accounting in emerging economies and provide evidence on that point. It also explored initiatives being undertaken by the Government of Zimbabwe to improve the standard setting environment.

1.2 Background of the Study

The failure by the Sarbanes-Oxley Act (USA, 2002) and legislative measures in other countries to stop the tidal wave of fraud occurrences nor limit their consequences; brought about the realization that laws should support accounting standards to achieve improvements in financial reporting (Afterman, 2015; Hopkins, 2016). International Public Sector Accounting Standards (IPSAS) had been promoted as a “multi-purpose answer” to better meet the specific information needs of the public sector, to improve transparency and reliability of public accounts and facilitate consolidation of the whole of government financial reports (Angeloni, 2016; Fajardo, 2016; Nderitu, 2018). In some cases, information contained in financial reports had not been enough for countries to forecast and avert sovereign liquidity crises (Diop, 2021; Singh & Labrosse, 2011; Bello, 1999; Bello & Bello, 2007; Larbi & Nations, 1999). Developing countries had initiated financial management reform programmes, and included the adoption of International Public Sector Accounting Standards [IPSAS] as part of broader reform programmes, to attract Foreign Direct Investment [FDI] (Bisogno *et al.*, 2019; Lassou & Hopper, 2021; Micah Odhiambo Nyamita, 2015; Polzer *et al*., 2021; Steccolini, 2019; The Association of Chartered Certified Accountants (ACCA), 2017).

The accounting standards were supposed to lessen the risk of corporate scandals (Ball & Ball, 2014; Projects *et al*., 2016; Ryan *et al*., 2017). However, the uncontrolled outpouring of international lending in East Asia in response to developed-country financiers to “yield famine” consequential from tumbling interest rates and liquidity expansion in their native markets resulted in the Asian Crisis (Akyüz, 2000; Glick et al., 2013; Hermkens, 2021; Micah Odhiambo Nyamita, 2015; Wang & Miraj, 2018; Wingard & Bosman, 2016). The Asian financial crisis was mainly triggered by external debt owed predominantly by the public sector (Brazil and the Russian Federation) or partly by the private sector (East Asia). The borrowers’ part of the inflows was due to the endeavor by local financial and non-financial organisations to decrease their financing costs by borrowing from cheaper foreign markets, resulting in accumulating foreign-currency liabilities that were not supported by sufficient foreign-currency assets (Bhatti & Phaup, 2015; Dhliwayo *et al*., 2018; Glöckner & Glöckner, 2016; Muniraju & Ganesh, 2016; Obradovic, 2014) . In East Asia, this danger was unheeded and a large part of the problem came from governments’ own efforts to attract short-term capital (Hermkens, 2021; Kabir, 2017; Micah Odhiambo Nyamita, 2015; WorldViews Asia and Pacific, 1996). The crisis showed that when policies falter in managing integration and regulating capital flows, there was no limit to the damage that international finance could inflict on some economies that do not have public sector accounting standards.

In response to the economic decimating crises, the world decided to eradicate the discrepancies brought by application of various accounting standards in different nation states (Fajardo,2016; Thompson & Zororo,2022). The resolve was to have public sector accounting standards rationalised world-wide to prevent “window dressed” financial reports that had caused organisational failures before (Dabbicco & Mattei, 2020; Schoonenboom & Johnson, 2017; Tasos, 2018). The divergence of requirements had caused the failures of multinationals such as Enron, WorldCom, Parmalat, Bank of Credit & Commerce etc. and world-wide recessions (Amaral et al., 2013; Ekonomi & Ganesha, 2018; Fajardo, 2016). The challenges brought to light by those events were more serious than just the aim to uncover malpractices. The internal systems and national regulations had failed the systems. Scrutiny of what occurred to these companies, revealed that it was also happening at a national level; where investigations after a crisis, the nation states would discover errors in recorded numbers and the forced restatements of financial records showed serious deceits (Abdul-rahaman *et al*., 1997; Office of the Auditor-

General Zimbabwe, 2019). Like, Amaral et al., 2013; Celik, 2017; Felix *et al*., 2019; Fenyves *et al*., 2019; Hassan, 2014 and Madhekeni & Studies, 2012 illustrated that the disclosure systems could not be relied upon for truthful and ample financial information about public entities; therefore the need for consolidation of laws, standards and practice. The expectation was that increased reliability, consistency, comparability, and transparency of accounting information brought about by convergence of accounting standards would result in more informed decision-making by users of financial reports (Fajardo, 2016; Ijeoma, 2014; Version & Reichard, 2019).

Furthermore, the IMF noted that reliable and timely financial statistics of the general government reduces the risk associated with large fiscal deficits and rising debt levels (Brown, 2017; Cuadrado-ballesteros *et al*., 2020; Largarde, 2014). On its contribution to global financial consolidation systems the IMF produced the government financial statistic manual (GFSM-2014), as a major step to guide and strengthen world-wide effort to improve public sector reporting, transparency and good corporate governance. In its commentaries, it gave assurance to business that their investments would be safe in jurisdictions which would have adopted the reporting framework (Ijeoma, 2014) .

The global revolution of government accounting, required nation states to address the rationale of public sector financial measurement and financial reporting frameworks to the public. The basic norms for reporting government finance required them to get recommendation from international treaties, agreements, contracts and international organisations of an official nature. The definitions of international public sector accounting standards were to meet the global aims of expectation as explained by Toudas *et al*.,(2013) (page 44) as: -

> *The "IPSAS" refers to the norms for reporting government finance required or recommended by international treaties, agreements, and contracts; and (2) international organisations of an official nature. There is a distinction between lower-case IPSAS - international public sector accounting standards - and upper-case IPSAS, i.e. International Public Sector Accounting Standards. The first category includes, for example, the definitions of "deficit" and "debt" used in calculating the financial ratios under the Maastricht Treaty, and in meeting the conditionality requirements of the International Monetary Fund (IMF). The second category includes the government*

financial reporting requirements in the United Nations (UN) and European System of National Accounts (SNA), the IMF's Government Finance Statistics (GFS) and Fiscal Transparency (FT), the Organisation for Economic Cooperation and Development (OECD) Budget Transparency projects.

The accounting profession had always been under state control (Hassan, 2014). That made controls and regulations over financial inflows be viewed to be reducing some of the benefits of participating in global markets, however, unless systemic instability and risks are adequately dealt with through performance management, globalization may cause more harm than good (Chapple, 2014; Krishnan, 2021; Obradovic, 2014). The task of preventing such crises falls on governments in developing countries through the use of public financial management statutes and public sector accounting standards (Akyüz, 2000). Several scholars further observed that investors' concerns on quality of corporate governance became an impediment to economic growth, job creation and personal worth. On another note, the use of multiple sets of accounting standards cause huge financial consolidation problems for multinationals due to differences in legal systems, level of inflation, cultures, degree of sophistication, use of the capital markets, political and economic ties, when reconciling with the general accepted accounting practices (GAAP) of countries they dealt with (Ryan *et al*., 2017).

In an attempt to attract FDI, developing countries were increasingly incorporating performance information in their governance processes, as means of achieving better results, promoting greater value for money and increasing transparency of spending decisions (Dhliwayo et al., 2018). Good performance information contributed to better decision making regarding the use of resources and how to run particular programmes only if there were specific accounting standards which were universal to all reporting entities ("Rep. Obs. Stand. Codes, Account. Audit.," 2017). Set bench marks to gauge performance increase transparency and accountability of general governments, their agencies and business. In that endeavor, most developing countries, especially in Africa, were concentrating on corporate governance instruments with a few focusing on public sector accounting standards setting which was essential for determining metrological valuation system of national net worth (Cuadrado-Ballesteros & Bisogno, 2020).

The Economic Commission for Sub-Regional Office for Eastern Africa's (2010, March), World Bank report on the Impact of the global financial crisis on remittances to Eastern Africa, revealed that remittances into the five countries might actual have been stretched to the 2 billion marks in 2009, if they could be measured (Amaral *et al.*, 2013; Anyanwu & John, 2011; Lassou & Hopper, 2021; Nyamita *et al*., 2015). The findings also disclosed the buoyant nature of remittances in the face of the global economic crisis where only Kenya and Uganda allegedly experienced insignificant drops to the transfers whereas others like Rwanda and Burundi stated growth in amounts. The patterns in those countries showed that there were differences and challenges in the measurement criteria of these remittances or there were no public sector standards on computing, not remittances only, but other economic flows (Nderitu, 2018; Opanyi, 2016; Zinyama & Nhema, 2016). Coupled with the observations that countries, especially in Africa, were concentrating on corporate governance instruments with a few focusing on public sector accounting standards setting would cause them to continue failing to nationally account for economic flows (OECD, 2016). That, also confirmed that a lot of the remittances were used for consumption purposes and little went to investments as the countries failed to quantify and stimulate their deployment. The percentages may differ from one country to the other. However, the findings revealed that some governments had taken initiatives to try and redirect the remittances to investments and community development. Those who focused on capital utilization of such remittances did not come up with standards setting processes to motivate, incentivize and bring confidence in the remitters to release such funds through official channels for the national good (Anyanwu & John, 2011) . That lack of confidence by the general public caused the flourishing of alternative financial systems where metrological accountability was not possible.

Conceivably, it was considerably un-logical to try to allocate responsibilities amongst international financiers, receivers of funds, borrowers and governments in the financial crisis. There can be little hesitation that the international financial markets and capital flows were intrinsically unbalanced, capable of generating boom and bust cycles and gyrations in exchange rates and asset prices, and actual financial crises with far-reaching consequences. The probable danger was much greater for developing countries. In an effort to bring the world to a convergent point to eradicate the scourge of crises,(Polzer *et al*., 2021) . They went on to highlight that IPSAS had been endorsed as a "multi-purpose answer" to meet information needs of public sector general stakeholders and in the process develop transparency and reliability of public accounts and to expedite amalgamation of financial statements.

The convergence of accounting standards with national norms and ethos could assist in more accurate metrological estimates of financial conditions. On the one hand developed nations were strictly not implementing international public sector accounting standards [IPSAS] but were buttressing the processes of developing and reviewing the same; though they coerced or expected the developing countries to adopt them warts and all

1.3 Zimbabwe as a Case Study

Zimbabwe, like South Africa, had a history of a strong accounting profession inherited from the British. However, the profession suffered significant setbacks during the period 1998 – 2008, when the economy went through a major downturn and chronic hyperinflation, which impacted negatively causing accounting professionals to leave the country for greener pastures (Ndamba & Matamande, 2016). Though the economy recovered, later, the financial reporting infrastructure still required strengthening to support economic growth ("Rep. Obs. Stand. Codes, Account. Audit.," 2011). The Accountant- General's office alluded to the fact that the country was failing to produce general government accounts because public entities were using different accounting standards, with most of them said not to be fully compliant (Office of the Auditor-General Zimbabwe, 2019). The confusion was worsened by the Public Accountants and Auditors Board's [PAAB] claim that no public institution was IPSAS compliant while the Public Auditors' opinions confirmed otherwise (PAAB, 2015). That was one example of unregulated adoption of standard by one government ministry outside the Accountant-General's office.

The Ministry of Finance in Zimbabwe was the central authority which developed accounting standards and instruments, as pronounced by the Public Finance Management Act (Chapter 22.19). The Act through section 78 (Treasury Instructions) decentralizes the development of accounting guidelines through allowing line ministries to come up with their own Accounting Officers' Accounting Manuals which would suit their own operational environments. That did not extend the standard setting function to those Accounting Officers, since the function was statutorily delegated to the Public Accountants and Auditors Board [PAAB].

The various statutes in the country including the Companies and Other Entities Act (Chapter 24.31) sets the framework for operation of private and public entities but does not address the adoption of the standard setting processes. Section 2 of the Public Finance Management Act [Chapter 22.19] as amended defines financial statements as;

> *a statement of financial position; a statement of comprehensive income; a statement of cash flow; audited or unaudited monthly, quarterly and annual financial accounts; and any other statements that may be prescribed.*

However, the office of the Auditor-General had advised that most of the submissions to that office were not consistent with the above terminology. Wherein, findings by Chigumira *et al*.(2020), Treasury (2020) and Thompson & Zororo (2022) on Zimbabwe's implementation of a paradigm shift from the cash-based accounting basis was that Treasury was more interested in rolling out the programme without stakeholders' consultation. Then, how did it expect consistency in terminology while excluding users in its processes?

In its public sector reform project Treasury limited consultations to Internal Treasury Officers, the World Bank team and Head Office senior management staff excluding the field level personnel who would be charged with the implementation of the new paradigm shift. The Accountant-General went on to announce an ambitious plan to introduce IPSAS by 2025 (Thompson & Zororo, 2022). He further insinuated that the implementation of the plan be over five (5) years instead of the standard required ten (10) years. These and other commentaries by scholars and accounting bodies in Zimbabwe seemed to suggest that government accounting standards setting-processes are short of international best practice (Zimbabwe Budget Statement, 2018).

A report on Standards and Codes (ROSC,2011) instituted by the World Bank at the behest of Zimbabwe Government in 2010, had recommended amongst others the establishment and development of an Accounting Standards Committee and an Auditing Standards Committee within the PAAB. However, literature does not show if ever that committee was established. On the other hand, modern research on the topic of public sector accounting standards has been deficient on public sector standards setting processes directly (Aggestam *et al.*,2014; Schmidthuber & Hofmann, 2022). Of the available works, most researchers' styles were based on Pantic's (2016: page 5) comparability of financial inputs approach stating that, *In contrast to that, newer approach takes different stance and it is evident that recently there has been a shift in the focus of research, and that the research was now mostly focused on the comparability of the outputs of the financial reporting process, most notably of earnings.*

The study departed from Pantic's style and opted for the imperative research approach by De Franco et al.'s (2011) output-based methodology of evaluating accounting comparability that had no less than three advantages in comparison to the input-based approach. The approach buttressed the importance of the research with regards to theoretical and practical use of the findings that sway on Public Sector Accounting Standards Setting in Zimbabwe. More compelling for the study was that despite the progressive regulatory framework development in Zimbabwe, the gaps in public sector accounting standard setting framework, structural setting and regulatory instruments governing the accounting profession in Zimbabwe are glaring (Ndamba & Matamande, 2016) . Furthermore, Thompson & Zororo (2022) alluded to the fact that there has been little research done in that regard.

The above background provided a case for this research to give a descriptive and qualitative grounded research study evaluating the extent to which these fissures had contributed to the current public sector accounting standards setting framework. This research study would also inquire into the convergence and divergence of Public Sector Accounting Standards Setting Process in Zimbabwe with international practice. Has anyone bothered to examine the standard setting process which might be the root cause of adopting standards which are difficult to apply in certain sectors of the economy?

1.4 Statement of the Problem

Public Sector Accounting Standards have been the subject of a significant amount of scholarly works, mostly debating the necessity of adopting International Public Sector Accounting Standards [IPSAS] or on the phenomenon of challenges faced especially in developing economies(Amaral *et al*.,2013; Kenneth & Grazyina, 2013; King & Waymire, 1994; Krishnan, 2021; Lassou & Hopper, 2021; Opanyi, 2016). Less attention has been paid to the process of developing relevant standards that can be operational within the structure of specified regimes. The ignorance on setting public sector accounting standards led to promulgation of too many laws to govern a single profession in many developing economies, freewheeled by dysfunctionality of practices in use (Nderitu, 2018). In some countries like Zimbabwe, the lack and absence of a common chart of accounts in the general government leads to the country failing to national account, thereby causing capital flight. The over regulation of a single accounting profession are symptoms of functional ineptitude of accounting standards in operation and constructs undesirable consequences emanating from the superfluity of accounting bodies operating in those jurisdictions (Bisogno- Pontoppidan, *et al.*, 2019; Helden, 2019; Nyamita *et al*., 2015; Steccolini, 2019;Version & Reichard, 2019). The standard setting bodies in developing economies are predominantly concentrating on a scenario where Chartered Accountants had the dual role of being regulators and Accountancy Bodies. Annotations by academics seem to advocate that there are various accounting approaches to transactions and events premised mainly from the differences of the accountants' membership to specific accountancy bodies (Castel, 2016; Helden, 2015; Prior *et al*., 2019). In Zimbabwe, numerous codes of conduct and training methods by Tertiary Institutions and Professional Accounting Organisations resulted in diverse interpretation and application of accounting standards in the public sector. The accounting complexity issues might be better framed as unnecessary, since they arise from relatively simple economic flows that are governed by complex regulations and accounting standards caused by lack of a common approach (Ndamba & Matamande, 2016; Subramanian, 2011). Furthermore, the accounting professionals declare their supremacy, presumably due to lack of a robust regulator, bench marking and inadequate configuration of their conduct. The self- regulatory scenario results in challenging audit negligence a taboo and that has caused the prosecution of white-collar crime difficult. Most of the maladministration allegations would be committed based on bad internal standards and regulations. Thus, this study pursued to reconnoiter the aggravation in the accountancy environment and identify the information gap that obtains in the available literature on Zimbabwe's public sector accounting standard setting process in order to bridge the crevice and edify the economic discourse.

1.5 Main Aim of the Research

The rapid expansion of the adoption of the New Public Management [NPM] phenomenon worldwide, must be seen as a general wave of standardization (Asim, 2020; Celik, 2017b; Ellwood & Newberry, 2016; Lapsley & Miller, 2019; Ofoegbu, 2014). The realm of international accounting standards setting was founded by United Kingdom, Canada, Australia, New Zealand plus United States of America [4+1] in 1973 by forming the International Standards Committee (Ball & Ball, 2014; Baudot, 2013; Chapple, 2014; Cuadrado-ballesteros *et al*., 2020; Hoogervorst, 2015; Jamal & Sunder, 2014). Since then, the later runners both at local and international level, the standard setting agenda had been pushed towards convergence of processes and practice in private and public sectors globally (Aggestam et al., 2014; Angeloni, 2016; Erbacci & Catalano, 2019, 2020; Fajardo, 2016; Foley et al., 2010; Gomes, Brusca, et al., 2019; Gomes, Fernandes, et al., 2019; Kouki, 2018; F. Rossi et al., 2016). Inherently, the development of accounting standards was a political process and unintended consequences of the process decisions emerged in due course especially in developing economies where the push usually emanated from external forces. These nations at most times had to tore the line in fear of exclusion from international funding (Akyüz, 2000;.Ben Amor & Damak Ayadi, 2019)

With that in mind, the concern of the study was to assess the broad due process on public sector accounting standards setting in Zimbabwe and had two primary aims:

1. to explore the formulation of the agenda for setting public sector accounting standards and consider the analysis of the roles of people, organisations and institutions involved in the process and
2. to examine the regulatory frameworks and constituents that advocated for standards setting and/or adoption of International Public Sector Accounting Standards [IPSAS] and their influences on the process.

It proceeded to examine how the country brought about congruent accounting standards applications relevant to the social, institutional and political dominations currently at play. Emphasis was on investigating the Zimbabwe Public Sector Accounting Standard Setting processes' convergence or divergence with international practice.

1.6 Research Objectives

The specific research objectives of this research, bearing in mind the supposed problem that had been identified is to: -

a. Investigate the public sector accounting standard setting process in Developing Economies, using Zimbabwe as a case study;
b. Analyze agenda formulation for public sector accounting standards setting process;
c. To examine the legal provisions required to regulate the public sector accounting standards process;

d. Identify the steps taken by Zimbabwe in the public sector accounting standard convergence drive.

1.7 Research Questions

a. How are public sector accounting standards set in Zimbabwe?
b. What is the agenda for public sector accounting standards setting in Zimbabwe?
c. What legal provisions are there to regulate the process of setting public sector accounting standards?
d. How convergent or divergent is the public sector accounting standard setting process in Zimbabwe is with best practice?

1.8 Significance of the Research

The purpose of this qualitative grounded research study was to inquire into the convergence and divergence of Public Sector Accounting Standards Setting with international practice in Zimbabwe. As illustrated in the literature review, little research has been done on this subject with reference to Zimbabwe, especially on accounting standards setting-process and its impact on the accounting practice.

1.8.1 Academic Significance

The study sought foremost, contributions to the body of knowledge in the field of accounting sciences, theories and practice. The study obfuscated both theoretical and empirical literature by adding new insights with regard to challenges faced by developing economies when coming up with localized accounting standards and legislative structures. Modern accounting standard setting research is deficient of accounting standard setting information on the same in Zimbabwe. Generally, the theoretical and practical significance of the proposed study to both the theory and practice cannot be over emphasized, and this study should not be a blue print for filing.

1.8.2 Policy Significance and Implications

The study hoped to contribute to the improvement of performance by organisations through transparency and accountability. To have a critical independent and contemporary model of accounting standard setting not controlled by central government body and the output which is supported by legislature. It was to assist in the creation of a point of prosecution for white collar criminals who had always escaped sanctions due to lack of prescribed expected performances in Zimbabwe.

1.8.3 Societal Significance and Implications

The study also intended to distinguish transnational relations as those designed to facilitate the pursuit of a common interest between many distinct units of accounting standard setting and reduction of government control of the process. It also sought to assist in world-wide appreciation of the importance of involving stakeholders in the process of public sector accounting standards setting to get a degree of ownership. It would endeavor to conscientize worldwide, the principle of subordination, especially in Zimbabwe when embarking on the devolution concept.

1.9 Scope of Research

The accounting function is a unique profession in that the operations of any organisation are eventually reduced to coming in and going out of financial information or money in some instances. Accountants possess specialized skills, which many corporate officers and executives may not have. This, therefore, calls for strong regulatory framework in the profession which this paper examined in the context of Zimbabwe. This research looked at literature on the history of accounting standards, the process of setting them and descriptive profiling of the accountancy profession in Zimbabwe.

1.10 Accounting Standards

According to Bisogno and Aggestam- Pontoppidan, *et al*. (2019), Bisogno, Pontoppidan, *et al*. (2019) and Cuadrado-Ballesteros & Bisogno (2020) accounting plays a central role in the development of society for the reason that, rather than being unbiased, it has a transformative or constitutive capacity. Unambiguously, they distinguish that accounting encourages the economisation of governments and humanity through its territorialising, arbitrating, adjudicating and subjectivising roles and segregating those duties.

Basically, accounting standards are a convention of guiding principle affirming how specific transactions and other proceedings ought to be conveyed in financial terms (Bradshaw *et al.*, 2014; MnifSellami & Gafsi, 2019; Yuan & Macve, 2015; IASB, 2019). The object of public sector accounting standards necessity was to place the users of financial facts in the best conceivable situation to form their own judgment of the plausible conclusion of the proceedings described (DeSilva-Lokuwaduge, 2016; Makaronidis, 2017; Orens *et al*., 2011; Vailatti, 2017; Watts & Zuo, 2012).

Prudent reporting based on a healthy incredulity builds self-assurance in the results and, in the long run, preeminently attends to all of the different interests of stakeholders (Aggestam *et al*., 2014; Cohen & Rossi, 2016; Ryan *et al.*, 2017). The argument of accounting standards was to preserve permanency, responsibility and pellucidity throughout the financial world (Cuadrado-Ballesteros & Bisogno, 2020; Parmar *et al*., 2010; Brown, 2017; Eulner & Waldbauer, 2018; Mann *et al*., 2019). Based on an analysis of the literature, scholars' characteristics shift toward a valuation focus in recent standard setting to the narrow interpretation of stated objective (Pantic, 2016) because of the world's demographic multiplicity regions, nation-states and commercial sectors have been in favor of standards which have an environmental responsive influence to stakeholders; making an allowance for the various social, institutional and political dominations(Aburous, 2019a, 2019b; Chan & Zhang, 2013; Augustine, 2020; Lubbe , Dhansay & Anthony, 2015).

The technique of setting public sector accounting standards was critical because it generates information that natures people's engagements. The public sector accounting standard setting process has been analysed, remarked, and commented by many researchers in modern times and it has been demonstrated that it defends the notion that Standard setters cultivate and guarantee compliance with reporting criterions (Alsharari, 2019; Amor & Ayadi, 2019; Biondi, 2017; Calmel, 2017; Eulner & Waldbauer, 2018; Jensen, 2020a; Sen, 2017).

The World Bank Report on the Observance of Standards and Codes (ROSC, 2011) - Accounting and Auditing and other researchers established the view that there was a requirement to bring up-to-date legal structures to support accounting and auditing standards. The report states that there was need to build up the capability of professional accounting bodies and Public Accounting and Auditors Board (PAAB) to advance the degree of compliance with applicable public sector accounting and auditing standards in Zimbabwe. It also observed that the various institutional frameworks such as the Companies and Other Entities Act, Insurance Act, Banking

Act, Public Accountants Act, Auditors Act, Securities Act, Public Finance Management Act, Chartered Accountant Acts, and Chartered Secretaries Act concentrated on the establishment of body corporates to deal with their composition and administration structures. These acts advocate for the preparation, maintenance of proper records and financial management systems, internal controls; and safe-guard assets of entities to be done in different ways. They also dictate to accounting authorities to prepare financial statements in accordance with generally acceptable accounting practices (GAAP), with no specific mention of who to issue GAAP or specific GAAP framework or the standard setting process.

Those lobbying for global adoption of international financial reporting standards, advocate that, above other benefits, it would save money on alternative comparison costs, individual investigations and would allow information to flow more freely (Ahmad, 2015; Allen & Ramanna, 2013; Cuadrado-Ballesteros & Bisogno, 2020; Gaie-booysen, 2016; Gipper *et al.*, 2013; Huian, 2015; Kabir, 2017; Moretti, 2016; Orens *et al*., 2011; Singh & Labrosse, 2011; Wingard & Bosman, 2016). Whereas, countries that would benefit the most from the convergence of public sector accounting standards would be those that do a lot of international business and investing (Bush & Dorn, 2016.; Penman, 2013; Polzer *et al*., 2021, 2022). Vorster (2007), opined that the important objective of a standard was to be "principle based", implying that standards may be based on fundamental concepts or 'principles" that should contribute a sound, comprehensive and internally consistent framework in order to result in coherent financial accounting and reporting, so was Ackers (2019), DeFond et al. (2019), Dhliwayo *et al*.(2018), Doris *et al.* (2017), Franczak (2019), Kidwell & Lowensohn (2019), Mussari (2014) and Ovunda *et al* (2015). Jamal & Sunder (2014) supposed that all frameworks should assist public sector accounting standards setters to harmonize accounting practices, standards and procedures. They believed that this would ensure that accounting standards published by those accounting bodies shall inherently be consistent as they will theoretically all conform to and provide a basis for reducing the number of alternative treatments.

IPSAS are vital elements of the global accounting and financial reporting infrastructure, and have been accepted as the basis of financial reporting by many public entities, including, many scholars and regional groupings around the world (Bisogno-Pontoppidan, *et al.*, 2019; Cuadrado-Ballesteros & Bisogno, 2020; Erbacci & Catalano, 2020; Jorge *et al*., 2019). In many parts of the world, including the European Union, Asia, South America, United States and other continents the standards do not hold any legal sway (Aggestam *et al*., 2014; Sinclair & Bolt, 2013). According to Brown (2017) the Securities and Exchange Commission (SEC) was in the process of deciding whether or not to adopt these standards in America. However, IPSAS have been used as a basis to develop regional and domestic public sector accounting standards by developed countries (Bisogno- Pontoppidan, *et al.*, 2019; Calmel, 2017; Jensen, 2020; Polzer *et al.*, 2021, 2022). Because of donor influence developing economies had adopted them entirely, and some even went to the extent of legislating their adoption (Aggestam *et al.*, 2014; Ben Amor & Damak Ayadi, 2019; Dhliwayo *et al.*, 2018; Nyamita *et al*., 2015; Toudas *et al.*, 2013).

1.11 Relevance of Accounting Standards

Countries that benefit the most from accounting standards are those that do a lot of international business and investments. Advocates suggest that a global adoption of IFRS, IPSAS and GFS could save money on alternative costs and individual investigations, while also allowing information to flow more freely (Christensen *et al*, 2018; DeFond *et al*, 2018; IMF, 2014).

Pegler (2016), opined that the important objective of a standard was to be "principle based", implying that standards may be based on fundamental concepts or 'principles" that should contribute a sound, comprehensive and internally consistent framework in order to result in coherent financial accounting and reporting. International Public Sector Accounting Standards (IPSAS) aim to improve the quality of general purpose financial reports by public sector entities, leading to better informed assessments of the resource allocation decisions made by governments thereby increasing transparency and accountability (Lakovic,2013; Penman, 2013).

Therefore, all frameworks should attempt to assist standard setters to harmonize accounting practices, standards and procedures to ensure that accounting standards published by accounting bodies are inherently consistent as they will theoretically conform to and provide a basis for reducing the number of alternative accounting treatments (Kouki, 2018; Barrack, 2011).

1.12 Accounting Standards Setting Institutions

Securities and Exchange Commission (SEC) was a government agency legitimately responsible for setting accounting standards in the USA (Palmoon *at el*. 2009). Financial Accounting Standards Board (FASB) set values that were appropriate to corporate enterprises and equally in the private and public sector and to not-for-profit organisations under the instruction of SEC.

In Canada, the Canadian Accounting Standards Board (AcSB's) decided to accept IFRS for public companies and developed separate GAAP for private enterprises, when they spotted that ''one financial reporting framework did not fit all entities" (CICA, 2010).

In the United Kingdom, Australia and New Zealand the governments maintain the right to make accounting policies. However, unlike in America assertion of creating and maintaining a separate self – contained set of rules, government accounting standards in these nations are part of standards covering both private and public sectors propagated by the London-based International Accounting Standards Board (IASB) supported by the accounting profession outside of government (IASB, 2010).

New Zealand utilize the international public sector accounting standards (IPSAS) developed by the International Public Sector Accounting Board (IPSASB, 2013).

Belgian preparers use a regulatory experience characterized by domestic accounting standard setting originated by the government, which was different from the practice in the UK, where preparers are requested to contribute in the private accounting standard setting process (Orens *et al*, 2011).

In France, the standard setting function used to be performed by the general Directorate of Public Finance in the Ministry of Finance until it was moved to the Public Sector Accounting Standards Council (Calmel, 2017; CNOCP, 2008), an independent department that prepares the accounts for the state. The department was staffed, overseen and financed by the Ministry of Finance. The standards set by the council were adopted by ministerial decrees as the government's accounting policies and enforced by the court of audit.

In China, the budget law and accounting law provides the legal framework for the Ministry of Finance to promulgate regulations in all aspects of accounting by all entities in the private and public sector and all levels of government in the public sector. The Ministry creates and receives advice from the China Accounting Standards Committee, which has a sub-committee in government and not-for-profit accounting. The national Audit Office performs all audits of public sector entities, with minimal roles played by the accounting (audit) profession (Elgar, 2012).

In Zimbabwe, Report on Observation on Standards and Codes (ROSC,2011) states that, companies, local authorities and not-for-profit organisations independently adopt financial accounting standards depending on which accounting body their principal accounting personnel belong to. Because of that it was observed that spending reviews and specific government evaluations commissioned through the national budget had always missed set targets. The Zimbabwe Revenue Authority (ZIMRA) had been in disagreement with companies and other public entities as to the profit determination formula for tax purposes which suggested a variance on performance information treatment.

1.13 Accounting Standards Setting Process

International Financial Reporting Standards (IFRSs) are developed through an international consultation process, the "due process", which involves interested individuals and organisations from around the world (Foley, 2017). The same due process was used by the International Public Sector Accounting Standards Board and was believed to be the same worldwide (Caruana *et al*, 2019). According to (IABS, 2015) the "due process" comprises of six stages, which are: -

1.13.1 Setting the agenda

Agenda was defined as the list and ranking of potential technical accounting or auditing topics for formal consideration by an accounting setting body. Howieson (2009) goes on to add that standards setters are perceived as acting against public interest rather than for the people. That then may be the reason many constituents and stakeholders get preoccupied on how certain issues find their way on the agenda. He further mentioned that standards setters believe that agenda formulation and setting was the most essential decision they make and it goes to be one of the least understood and appreciated activities. He was further quoted as saying;

> *The importance of the agenda formation process has largely remained unexamined by accounting researchers except for a small group of empirical studies and that was the reason for the paucity of literature on the agenda formation process was the difficulty in*

> *observing it. The majority of the researchers explored agenda formation at the institutional level, often using the 'issue expansion' models of Cobb et al. (1976) and Cobb and Elder (1982) and they commonly view agenda formation as a 'competition' between rival regulators for control of the 'regulatory space'*. (page 379).

According to Bryan (2009); some stimuli on the technical agenda unmistakably occur at the institutional and political level. However, it is also clear that agendas are formed on the basis of decisions made by standards setters as individuals as well as collectively.

Bisogno, *et al* (2019, page 221) has this to say: -

> *In this line of thinking, several scholars researching public sector accounting claim a hidden agenda' behind the spread of business-like accounting system into public entities. The competing forces in the field of accounting rule-making include professional accountants and audit firms, inspired by Anglo-Saxon culture, and capital providers who are pressing for the adoption of public sector accounting standards consistent with IFRS. Accounting in the public sector 'has always been used primarily to control people's behaviour' and the political role of accounting exteriorizes itself in the development and application of generally accepted principles, such as those promulgated by the IPSASB through its conceptual framework and standards.*

Miller & Power (2013) refer to the standards setting agenda as the economization of society, intended to blend 'processes and practices' through which people, events, and establishments are created as economic actors and entities, rather than the widespread logic of cutting costs or making savings.

The above commentaries seem to tease out the tensions between making and setting the agenda more strongly on public sector specifics against supporting the sponsors' agenda and trying to find a compromise between different interests. In effect, setting the agenda faces two competing pressures (Ellwood & Newberry, 2016). The standards setters were prejudiced by their roles to develop public-sector explicit solutions that are likely to be more widely supported by governments; even though the outcome to draw public and private sector accounting together would entice support from some governments, the capital markets and many professional firms.

In that light, agenda formulation forms an integral area to consider in comprehending accounting standards setting process. The agenda emanates from considering what needs to be repaired and the political dilemmas that pervade the balance of power in standards-setting. As such the process cannot be viewed to be a process wholly dominated by constituents' wishes but should be a societal survival objective. The agenda of the standards markers was also of interest to those who might be affected by any potential accounting rules.

1.13.2 Planning the project

The source of items to be put on the agenda for discussion are mainly comment letters received from various lobby groups and practitioners. It also benefits mainly from responses to auditors as espoused in audit reports, in addition these sources are considered to be genuine proxies (Orens, 2011). He further highlights that in other countries the source of agendas are the governments with non-state players not having any part to play, especially where public sector accounting standards are concerned.

The planning process would take note of the ‘black box’. The ‘black box’ metaphor refers to an attempt to make sense of the complexities of social interactions that permeate the standard setting process but difficult to determine empirically (Cortese & Irvine, 2010).

1.13.3 Developing and publishing the discussion paper

The discussion paper was usually given as a first publication when introducing any new issue, consequently being used as a vehicle to explain the new issue and solicit comments from constituents (Penman, 2013). IPSASB orated that the discussion paper would include comprehensive review of the issue, possible approaches, and preliminary views of the authors or the invitation for comments. The approach may vary when other accounting standard-setters are involved in the development of the research paper (IASB, 2015). However, publishing of the discussion paper was not mandatory for the IPSAB’s due process (Foley, 2017). When IPSASB omitted to publish the discussion paper, reasons were given. It must be observed that other non-constituents’ stakeholders were never taken into consideration at this stage.

1.13.4 Developing and publishing the exposure draft

Developing and publishing of the exposure draft was a mandatory step of the due process because it was the main vehicle for consulting with stakeholders and setting out specific proposals. Furthermore, Foley (2017) claims that the Exposure Draft was developed from research and recommendations made by the technical staff members and comments received and suggestions made on the discussion paper by various respondents were also considered.

The Exposure Draft was usually published when enough votes had been accumulated and it would outline the period within which comments would be received (Caruana et al, 2019). It would also contain an invitation for comments, draft amendments, proposed requirements on recognition, measurement and disclosure (Nyamita et al, 2015). The Exposure Draft could also include mandatory application guidelines, implementation guidelines, basis for conclusions on the proposals and alternative views dissenting from board members.

1.13.5 Developing and publishing the standard

After receiving comments on the Exposure Draft and the issues arising from submissions are resolved, the IPSASB convenes a meeting to develop the standard (Foley, 2017). The changes and the revised clauses of the standards thereof are posted on the website. At the same time, the board prepares a project summary and gives feedback to those who submitted comments to the draft (Mutter, 2011).

1.13.6 After the standard was issued

The standard-setting boards offer post standard service by holding regular meetings with interested parties to assist in the understanding of unanticipated issues related to the practical application of the standard. The potential impact of the provisions of the new standard published or amendments thereof are also discussed at the meetings. They also carry out post implementation reviews, which are normally mandatory done two years after the effective date of the standard (IASB, 2015; Foley, 2017).

1.14 Limitations

i. **Sample size** – Qualitative research population was limited hence the sample size was 51 people drawn from the target population. It was difficult to come up with the sample from the population.

ii. **Lack of available data-** Due to confidentiality, clearance to get general government data was restricted especially where government business enterprises were involved,

iii. **Lack of prior studies on the topic-** standard setting is a new phenomenon in Zimbabwe and little or no studies had been done.

iv. **Self-reporting data-** self-reported data was limited by the fact that it could not be independently verified and the study had to rely on what people said, whether in interviews, focus groups, or on questionnaires. The data suffered from selective memory, telescoping, attribution and exaggeration.

v. **Access -** The study depended on having access to people, organisations, data, or documents and, for whatever reason, access at times was denied or limited in some way. The limitations in the available research and the risks associated with drawing from this research pool were minimized through official clearance from the respondents' principals. Brown (2013) states that evidence is typically coarse in nature; and so often the results are inconsistent because of the different outcomes selected as tests of 'usefulness', or differences in the samples studied, Hence, evidence that is persuasive in a particular setting could not be generalizable to other settings (Teixeira,2014).

vi. **Time longitudinal effects-** the time available to investigate a research problem and to measure change or stability over time was pretty much constrained by the due date to complete the study in 4 years.

vii. **Budgetary constraints-** Resources were not enough to facilitate the rigours of the study and without assistance the field work was done over a period of 12 months.

1.15 Conclusion

The chapter presents the context of the study focusing on the background, statement of the problem, objectives and other topical issue presenting the interests of the thesis. It also shows why such emphasis and concentration was developed. Chapters two and three move on to elaborate the discussion of the issues raised in this chapter. The review of accounting literature in chapter two brings to light how the agency theory, conservatism and theory of regulations has been overlooking responsiveness of more alternative philosophies being proposed to be influential to public sector accounting standard setting processes. This also targets to display what had been the concentration of previous studies, bring out what the gaps and the location of this present study in existing literature. Chapter three stretches the discussion in this chapter by presenting further arguments subsequently laying out the methodology framework which was used as a basis of data collection and analysis. Empirical evidence was presented in chapter four with the thesis being summarized and concluded in chapter five.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The aim of Chapter Two was to provide relevant background, focusing on public sector accounting standards setting process in general. A review of the theoretical and empirical perspectives of the process was relevant to this study, and themes had to be drawn from the evolution of accounting, agency theory, positive accounting theory [conservatism] and the economic theories of regulations. The standard- setting process was influenced by international politics and in this chapter an attempt was made to analyze the shifting balance of power between the primary interest groups reflecting on the significance of institutional and shareholders' dominations in the public sector accounting standard setting arena (Camfferman, 2020; Krishnan, 2021; Sharba *et al*., 2020). Of note, was the over regularization of the accounting profession from time immemorial. However, the standards setting process like communication, was concerned with information dissemination, deriving of meaning and symbolic activities taken to come up with standards ethically.

2.2 Theoretical Literature Review

The theoretical framework focused on the policy positions and processes of accounting standards setting, taking cognizant of the range of themes and perspectives that set out the criteria for achieving strong financial management considering the geopolitical dynamics in standard setting processes (Aburous, 2019; Wall *et al*., 2015). An attempt to demonstrate the importance of quality financial information towards achieving good corporate governance, with consideration of both the “hard” factors of systems and procedures and the “soft” factors processes relating to developing a strong ethical culture were advocated for by many nation states(Franczak, 2019; Helden, 2019; Polzer *et al*., 2022).

The process was grounded in the argument that accounting is a scientific approach of information gathering, classification and interpretation for presentation to decision-makers. The interpretation is based on the historical narrative of economic events related to decision usefulness of accounting information and its influence on economic events and persons' conduct over time (Aman & Aman, 2013; Cascino & Jeanjean, 2016; Glöckner, 2016; Opanyi, 2016).

The argument is buttressed through a diagrammatic illustration below.

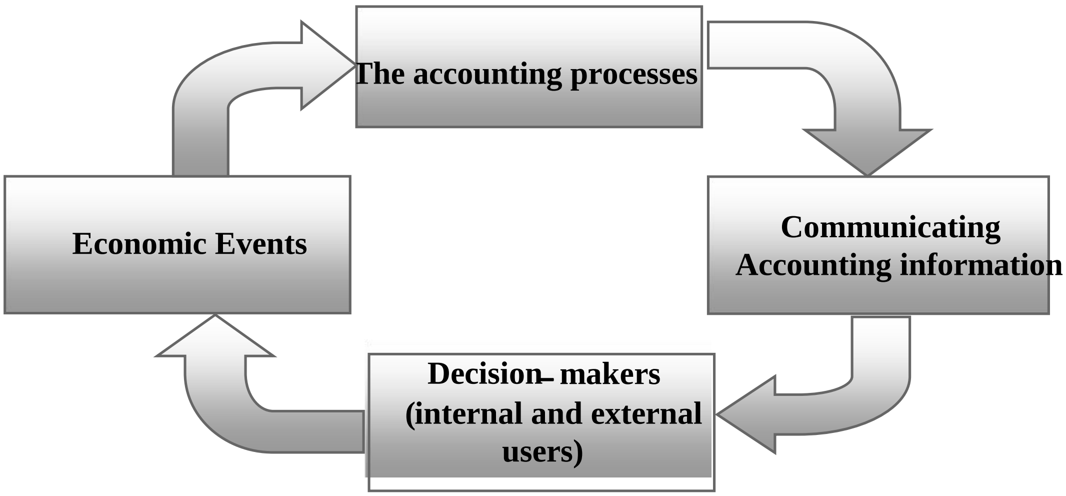


Figure 2.1: The Process of Accounting**.** **Source**: Tasos (2018)

The basic tenets of accounting as summarized in Tasos (2018) are thus, an observation of economic events, classification and analysis of the data resultant from economic events, communicating the accounting information that would culminate in control by decision markers. On another level of talk, accounting processes are scientific techniques based on operations of scientific rules and constraints of economics leading to a single solution in a cyclical performance management theoretical fashion (Hansen *et al.*, 2018; Kabir, 2017; Nistor & Stefanescu, 2018).

Celik's (2017) perspective of performance management, combined with the differences among the administrative principles, leads to the thought that the public sector and the private sector are not different. He went on to claim that the positive applications of the private sectors concepts effectively, efficiently and enthusiastically adapted to the public sector led to the new management techniques gaining prominence.

The move towards a private sector oriented public sector had led to the opinion that the due process of setting standards could not be alien to each other. The designated essence of the connection between quality of financial statements and the application of corporate governance principles in the public sector accounting standard setting process was groomed (AlcaideMuñoz *et al.*, 2017; Jorge *et al.*, 2019; Kidwell & Lowensohn, 2019; Lubbe, Dhansay & Anthony, 2015;

“Rep. Obs. Stand. Codes, Account. Audit.,” 2017). According to Polzer (2021) the studies on public sector accounting standards have been found to assist in the synchronization and collaboration between implementers and subscribing to standards was voluntary limited by social, institutional and political domination resulting in communication with reformers and expects being selective.

Most governments, the world over administer the public sector using rules and regulations; with legislative provision to prepare general purpose financial reports in compliance with generally accepted accounting practices. However, Local Authorities and other public entities are organized in corporate form and are expected to operate according to sustainability principles oriented towards the fulfillment of the needs of service seekers (Christensen, 2018; Franczak, 2019; Maseko & Manyani, 2015; Obradovic, 2014). According to Collin *et al*., (2009) it was a worldwide view that local Authorities are exposed to business risk which may mean making of surplus, but are forbidden to operate with a capitalistic objective (Sharba *et al*., 2020). In that light the study engaged its discussions in explaining public sector accounting standards setting through the tenants of the agency theory, political theory, positive accounting theory (PAT) and institutional theory (IT), in an intertwined manner. It took cognizant of the view that the public sector was a political arena (Sonnerfeldt, 2015), where agents through institutions must be conservative in their conduct if public interest was to be fulfilled (Hansen *et al.,* 2018).

2.3 The Role of Accounting Theories

Accounting theory is the “cohesive set of conceptual, hypothetical and pragmatic proposition explaining and guiding the accountant's actions in identifying, measuring and communicating economic information to users of financial statement” (Unegbu,2014, page.2.). Accordingly, it is a composition of basic assumptions, definitions, principles and concepts and their derivatives (Muhasebe & Yönetimsel, 2020; Savchenko et al., 2020). The theories provide general principles and logical reasoning that buttress a common framework to accounting practitioners’ guidelines for the improvement of new practices and procedures (Augustine, 2020; Kordecki & Bullen,2018). In view of that, Unegbu (2014, page 2) summed up the argument by opining that, *"It is the rationalization of the rules of accounting which further explains the manner in which accountants gather, record, classify, report and interpret financial data especially when monetary amount is determined in the financial statements".*

The accounting doctrines bequeath credibility to general applicability, comparability, and appropriateness of financial statements. However, accounting conventions are man-made-laws on data collection, recording, categorizing and scrutinizing financial information with a monetary character and resulting in interpretation for management decisions (Kabir, 2017; Obeng et al., 2019). Therefore, the standard setting process must observe that the emergence of these theories exists to minimize fraud, error and misappropriation of organisational assets, and it is suggested that putting into practice prescriptions of the accounting standard setting processes and standards resultant thereof adhere to and simplify comprehension to avoid confusing and scandalous financial reports (Ovunda et al., 2015; Steccolini, 2019; Unegbu, 2014).

2.4 Conceptual Framework

The conceptual framework focuses on the policy positions and processes of accounting standards setting, taking cognizant of the themes and perspectives that set out the criteria for achieving strong financial management, demonstrating the importance of quality financial information towards achieving good corporate governance while considering both the "hard" factors of systems and procedures and the "soft" factors and processes relating to developing a strong ethical culture (Aurélio *et al*., 2017; Felix *et al*., 2019). The diagram below was an effort to extrapolate social, institutional and political dominations in the standard setting processes.

Figure 2.2 attempts to generalize theories that must be considered to understand the public sector accounting standards-setting process in light of the social, institutional and political dominations on agency and conservatism (positive accounting). The agency theory mainly conceptualized the role of standard-setters as agents of various stakeholders, and tried to understand agency conflict. The agents in the public sector have to work for political institutions, and as such focusing the study on the agency theory only was not adequately protract the agency behaviors. So, the analysis of agency theory needed to be supported by a look at the Political theory, institutional theory and stakeholders' theory. These assisted to understand the environment within which standards are set.

Source: Author

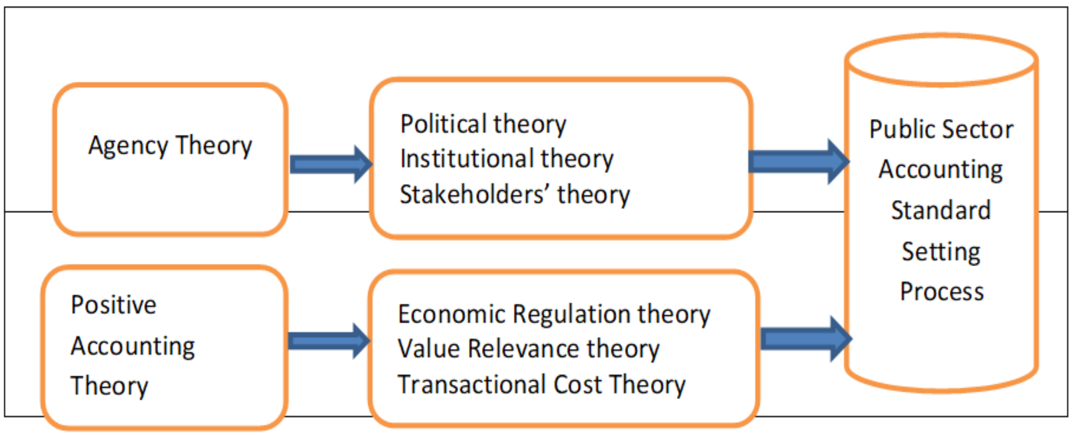


Figure 2.2: Conceptual Framework**. Source:** Author

Observing that standards are set to benefit public interest, the standard setting process must be focused prudently on achieving that objective. Accounting being a form of culture that attempts to create a true and fair position that customizes a form of equity disposition, the study brought in the principle of positive accounting. Accounting Conservatism also was to be viewed in light of or in realm of the theories of economic regulations, Transactional Costs and Value Relevance. Positive Accounting Theory cannot be divorced from conservatism and conservatism was the basis for the prudence approach in the accounting domain (Jorge *et al*., 2019; Lako, 2018). For one to achieve prudence there was need to address issues related to economy, relevance and transactional costs, hence the need to bring in these theories to re-enforce the theory of conservatism (Safriliana *et al*., 2018).

2.4.1 Agency Factors [Public Sector Accounting Standard-Setter as Agents]

Research has shown that the agency theory is actually a rational and pragmatic theory. Many studies have found out that governance structures, management ownership, information asymmetry, risk averseness, conflict of interest, separation of control from ownership and honest incompetence are the leading challenges in agency problems (Bendickson *et al*., 2016; Panda & Leepsa, 2017). According to Antwi (2021) researchers in the field of accounting have paid attention to the agency theory's impact on organisational success and this study would not be an exception. The essential attraction of this study to look into the agency factors was to extricate the role of management's control system in the public sector accounting standards setting process, since public institutions are operationalized through agents.

The major problem in the public sector is the excessive regulatory frameworks that tend to accentuate bureaucratic tendencies and requires cost assessments and information asymmetry that define the principal (the public) and the agent (manager) and lack of effective monitoring (Antwi, 2021; Attila, 2012). Managers in the public sector as agents of citizenry would be reluctant to disclose negative organisational information or delay the disclosure of bad news preferring to accelerate the release of positive ones. Withholding of bad news allows entities to continue channeling resources to poor projects, leading to greater losses. The principal –agent problem can also be the result of incompetence, that is, the notion of the failing agent who has been ignored by many researchers but is prevalent in the public sector (Schillemans & Busuioc, 2015). The accountability research has, as expected, come across reports of failing principals or forums that mysteriously chose to look the other way when it came to holding agents to account or deliberately disregarded wrongdoings or at times were uninterested in what the agents were actually doing.

The shareholders' theory propagates for citizen engagement, hence results in imputation of mechanisms that counter the incentives of agents not to disclose all the news (Bresnen, 2012; Doris *et al*., 2017). The Public Sector Accounting Standards Setters are agents that are influenced by interests of groupings trying by all means to capture and dominate the standard setting process to yield to their best benefits. The debate on understanding of the new public management (NPM) tends to complicate the search of public administration identity in developing economies. According to Celik (2017) the resonance of understanding the new public management in states with powerful traditions and bureaucracies tied up in public laws shows that the idea of private sector -based management techniques are starting to be applied in the public sector. This idea of private sector-based management techniques starting to be applied to the public and the public sector acting as private sector has begun to spread and infringe on the interests of: -

- Social groups – social impact
- Institutional groups- maximization of returns
- Political groups- retention of power.

Kholeif & Jack (2019) using the Strong Structuration Theory (SST) framework identified that the circumstances in which middle managers as embedded agents of various groupings, have limited possibilities to change their dispositions to act and identify opportunities for emancipation in the wider social context.

The new dimension of the agency factor for public entities was a point of concern as observation by Hermkens (2021) that;

> *Organisations face a highly competitive and continuously evolving business environment. As a result, many entities have been looking for ways to improve their business: that is, providing better services at lower cost, improving customer satisfaction, and staying competitive, in which the successful management of change is crucial to survive and succeed.*

Public sector reforms are conditioned to traditional and cultural planning and management changes that makes the public sees it to be the best.

Hermkens (2021) claims that middle managers play an important role in facilitating change in organisations. However, failure of any programme implementation is mainly due to obstruction by the same middle managers. When middle managers really support a programme, other parties, existing laws and regulations contribute to failures (Hermkens, 2021). The new institutional theory states that before the global ideas become accepted, they have to pass through powerful filters of local cultural and structural constraints to gain legitimacy (Polzer, 2021). The broader cultural rules and regulations should resonate with the new discourse and be harmonized with perceptions of middle managers as agents of various stakeholders for a programme.

In that light, to achieve a holistic standard setting process in Zimbabwe it's of paramount importance to have an examination of the agency and positive accounting theories that lead to the most appropriate stakeholders' participation. The standards setting teams must command appropriate authority, ability and acceptance within and without the body framework. From a conceptual view point to real understand the standards setting process the study had to be guided by the theories that have been espoused in figure 5 and being guided by one of those alone would not have assisted in unfolding the complexities faced by the standards setters, because of the divergence of public interest as the driving force for public sector standard setting. The standard setters must guard against those who intend to use them to their advantage without paying for the service and avoid being , politicised by principals, because that will decrease their autonomy leading to inefficiency (Voorn *et al*., 2019).

Public interest can be theorised in term of economic benefits (Posner, 1974). Efficient pricing benefits society because it leads to a more efficient allocation of resources, only when it's a consequence of conditional conservatism (Hejranijamil, 2020). The efficiency of distribution of resources and satisfying of public interest only holds when agencies are created for bona fide public purposes Mishra (2004, page 1) observed that, "*unless appropriate governance mechanisms or safeguards are in place, agents may under-provide or over-provide services, thereby adversely affecting quality*." It is assumed the extensive incidence of agency relationships, mismanaged agents result in public purposes not being achieved.

In Zimbabwe, promulgation of legislature meant to regulate the accounting profession, was through the creation of agency institutions. Section 6, 9 and 10 of the Public Finance Management Act (Chapter 22.19) creates agency positions to administer public resources. The other Acts of Parliament like the Public Accountants and Auditors Act [Chapter 27.12] as amended creates the Public Accountants and Auditors Board [PAAB] to be the agent to come up with Financial Reporting Standards in general and Public Sector Accounting Standards in particular.

The over regulation of the accounting profession means the accounting fraternity "captured" the office of the Accountant-General and made it a privilege for themselves. Simple interpretation shows the supremacy of Accountants through PAAB via the Accountant-General's office cannot be denied to be cartelization of accounting regulation framework (Subramanian, 2011). Ndamba and Matamande (2016) discovered that besides the progressive

regulative framework developments in Zimbabwe, there are structural gaps in the setting of PAAB where it was predominantly private sector oriented with limited inclusion of the public sector and the not-for-profit sectors let alone the other stakeholders.
That does not mean they are purely to blame when legislature assigns tasks to agencies, and they usually ask for the impossible and not surprisingly the agents fail. Political influence and irresistible external structures were the overriding stimulus on the unreflective activities of agents-in-focus resulting in the deterioration of accountability (Mutiganda & Järvinen, 2021). The Public Sector Accounting Standard-Setters (agents) must act critically by drawing on structures that facilitate strategic actions to stabilize political accountability and, in an attempt, to succeed they must not distort the efficient functioning of the regulated areas but fulfill public interest (Cuadrado-ballesteros *et al*., 2020; Gaie-booysen, 2016; Krishnan, 2021; Nderitu, 2018).

The nature of issues and the objectives of the outcome cannot be divorced from the agents assigned to formulate the agenda process (Bendickson *et al.*, 2016; Macho-stadler & Pérez-Castrillo, 2021). They further elaborate that at least two distinctions of agents can be found in literature. Private agents promote private issues on behalf of powerful special interest groups, who gain control of the 'rules of the game' through their ability to bankroll the process. The community and an important self-governing society incite debate in the context of public issues being driven by agents purporting to be representing public good.

Other authors, however, claim that the standard-setting process had been captured by private interest, based on the condition whether the issue in question was perceived to be within the restrictions of 'high' or 'low' politics. High political issues were to be solved by political leadership because they were too vital to be left to special interest groups or government entities. According to Cohen and Rossi (2016), Meli *et a*l. (2016) and Brusca, *et al*. (2016) the agents focus on the challenges of harmonization, choice and implementation of standards while the importance of good management might be overlooked. They went on to say, it would be proper to fully address the debate in the media, in Parliament and inter-organisational meetings or scholars, practitioners and legislators ought to pursue an apparently more modest, effective and convergence approach on essential points.

In trying to espouse the agency theory, researchers claim that legislature creates agencies when they have strong interest in problems to be dealt with and as time goes by insurmountable problems crop up and it finds itself not able to devote time to monitor the agencies created previously (the "life-cycle" theory of administrative regulation)(Hartley *et al*., 2020; Howlett & Newman, 2013). Gipper *et al.* (2013), Mutiganda & Järvinen (2021) and Krishnan (2021) acknowledge that politics plays a first-order role in the determination of public sector accounting standards and argue that more can be done to improve understanding by preventing the "life-cycle" theory of administration regulating consequences to those who create agencies. That can be achieved when the dynamics of coming up with regulations or standards are properly done leading to the prevention of the process being captured by the powerful, through repeated interaction with interested groups and regulatory agencies (Amor & Ayadi, 2019; Wall, 2014; Nderitu, 2018). Regulatory institutions are supposed to offer a framework for this dynamic process independent of constraints exerted from interest groups' influences. The subtleties of regulations and standards and their long-run outcomes depend on the political principal's, the regulators and the other stakeholders' time preferences and their information.

According to Hill (2015), Jenson & Meckling (1976) formalized the "agency theory" which originated from Fisher's analysis decades earlier, especially the important investment constraint, in which they clarified the Fisher's separation theorem. The theorem stipulates that the agent is motivated by self-preservation but should always attempt to act in the best interest of the principal, otherwise, failure to satisfy the principal expectations may result in their replacement. Thus, public sector accounting standard-setters, as agents, should be influenced to act in the interests of social groups – to produce standards with a social impact; assist institutional groups to maximize output and bring confidence to retain power to political groups. These groupings will try by all possible means to capture and dominate the standard setting process to yield to the best benefits of their interests (Ryan *et al*., 2017).

Kholeif & Jack (2019) using the Strong Structuration Theory (SST) framework identified that the circumstances in which middle managers as embedded agents have limited possibilities to change their dispositions to act and identify opportunities for emancipation in the wider social context. However, agents assume practices through the scrutiny of internal structures and adopt vigorous strategic roles in their separate organisations (Chapple, 2014). The bringing inward of tactics by active agents in the form of deliberate sense construction and export of issues transpire as a consequence of official meetings, casual encounters and "water-cooler talk". The agents use their knowledge to make a choice of whether or not to act in the best interest of the principal (Elbasha & Wright, 2017; Mutiganda & Järvinen, 2021). As such, the failure of any programme implementation is mainly due to obstruction by the same middle managers. When middle managers really support a programme, other parties, existing laws and regulations contribute to failures (Doyle, 2015; Hadley *et al*., 2019; Nderitu, 2018; Rouleau & Balogun, 2011; Singh & Labrosse, 2011). Hence, for a programme to succeed there should be harmony within all stakeholders and their agents towards a clear-cut agenda.

Subservience of individual interests to general interest is unique to Fayol's fourteen administrative principles, where any individual's interest conflicts with organisational interest it should be subordinated to the interests of the organisation. The organisation has to find ways to reconcile the tension between individual and organisational interests (Avelino, 2021; Grimsley, 2015). According to Fama (1965) lending credence to Fisher's separation of managerial control from ownership; highlights that the consequence of management decisions made on behalf of the principals will eventually be communicated to market participants; who quickly adjust. However, it is not instantaneous to the equilibrium value in response to "technical" and "fundamental" analysis of historical data, current events and trending media news (Chakraborty, 2010). Therefore, in participating in public sector accounting standard setting process the self-interest would be subservient to whom, the institutions that sent them or the public interest? What is public interest in this context?

Shah (2014, page 6) summing up quotes from various authors in his project on the principal-agent problem in finance concluded that;

> *The relationship between a principal and the agent who acts on the principal's behalf contains the potential for conflicts of interest. The principal–agent problem arises when this relationship involves both misaligned incentives and information asymmetry. In asset management, factors contributing to the principal–agent problem include managers' compensation structures and investors' tendency to focus on short-term performance. In the banking industry, myriad principal–agent relationships and*

> *complex financial instruments provide a fertile breeding ground for incentive conflicts, many of which were highlighted by the recent financial crisis.*

The outbreak of Covid-19 made it a prerogative that the purpose of the general government and public entities was to provide a conducive environment for development in the economic sense. In the economic sense, the context of private interest prosperity that is the context in which public sector accounting standard setters should serve will assist in improving service delivery and satisfy public good. The standard-setters (as agents) must listen to the voice of reason that's within them, even when it's hard or when it's inconvenient, they should understand that no one does big things by themselves (Kouki, 2018). According to Obama (2020) the agents must instead decide to ground themselves in the values that last, like honesty, hard work, responsibility, fairness, generosity, respect for others and so on to be alive to public's struggles, and stand up for one another's rights. However, Lafond & Roychowdhury (2008) found out that *"higher agency conflict occurs due to the lower managerial ownership, which leads to more significant information asymmetry and higher demand for conservatism by shareholders" (*p.206*).*

2.4.2 Principle of Subordination

Subservience of individual interests to general interest was unique of Fayol's fourteen administrative principles, where any individual's interest that conflict with an organisational interest must be subordinated to the interests of the organisation. The organisation must find ways to reconcile the tension between individual and organisational interests (Grimsley, 2015).

2.4.3 Environmental Influence

The public sector accounting standards adoption environment in developing economies is positively influenced by an external coercive isomorphic pressure linked to the country's desire to get external funding for other economic outcomes that negatively affect the desire to come up with locally grown and generally accepted accounting practices (MnifSellami & Gafsi, 2019). As a result, standard setters as agents that are tasked to be involved in the standards setting process are exposed to various social, institutional and political dominations which would attempt to capture the process so as to lead to their preferred outcomes. However, studies have shown that information transparency in governments is detected by institutional and environmental factors, though the heterogeneity of governments and research results makes it difficult to conclusively judge their behaviours with regards to information policies (AlcaideMuñoz *et al*., 2017).

The environment within which the standard setter operates would be influenced by administrative culture and traditions, accounting system, sway of measures used to drive a process and the level of government influence in the determination and disclosure of financial information modes. The administrative culture can be influenced by civic society and other stakeholder's pressure.

With that context, government would want to dictate to other stockholders its most beneficial position, while capital would want to have more profits retained through the standards set, while the not-for-profit entities will be driven by the best social impact obtainable (Kostyuchenko *et al.*, 2021; Krishnan, 2021; Nyawo, 2017). In an environment of contestation, the indications are perceived to yield fundamental positive correlated results where compromise will result in the standards setter mediating attenuations of pressures from the belligerents, in the process the principal-agent problem being cured, as standards setters would be kept on their toes (Panda & Leepsa, 2017; Yue *et al.*, 2021).

To achieve a holistic standard setting process in Zimbabwe it's of paramount importance to have an examination of the agency and economic regulations that lead to the most appropriate stakeholders' participation. The standards setting teams must command appropriate authority, ability and acceptance within and without the body framework.

2.4.4 The Institutional Effect on Accounting Standards

The institutional theory is a philosophy on the deeper and more buoyant characteristics of social structure, that makes the processes including schemes, rules, norms, and routines, become established as imposing guiding principles for social behavior (Ackers, 2019; Zhuk, 2019). The requirement for establishing and transforming accounting activities from an efficient organisational subsystem anchored on a social institution in the economic space made it imperative for the public sector accounting standards setting to be institutionalised (Aburous, 2019). And the accounting framework must follow stipulations of existing phenomenon which can be traced through history and evolution of the accounting concept of charge and discharge set symptoms and the effect of double entry (Unegbu, 2014; Vailatti, 2017).

The theory reveals that governing provisions unswervingly back the public organisations' direct contribution to the institutionalization process (DeSilva-Lokuwaduge, 2016; Grimsley, 2015; "Rep. Obs. Stand. Codes, Account. Audit." 2017). Thus, the theory was aimed to explain all the dynamics that provide the institutionalization of state accounts in the national sense, together with the economic, political and social processes of the period in question. Furthermore, the view that application and treatment of theories by International Financial Reporting Standard Committee and Practicing Accountants should be followed and be the basic framework so as to circumvent confusing and scandalous reporting of financial statements'(Cuadrado-ballesteros *et al.*, 2020; Hadley *et al.*, 2019; Holzinger *et al.*, 2016). The impact of institutes of accounting and auditing in terms of methodical applications, regulations, application of sustainable development and determination of the impact of formation of reporting information should be based on the institutional theory. In addition to the above, Kostyuchenko *et al.*, (2021) state that in modern conditions, an institution's approach to solving strategic tasks of sustainable economic development, it is faced with the task of monitoring current and strategic indicators. When considering the internal and external sources of financing for sustainable development, the problem of integrated accounting for direction of their use occurs, as a dilemma of the institutional set up.

None the less, in the minds of King & Waymire (1992), at the formation of an institution there are stakeholders (owners), the organisers (who usually hold property rights) and professional managers (who control). The organisers feel they bear the responsibility for charting the institution, oversee the procurement of assets and managerial labour, and craft contracts that define the legal rights and responsibilities of managers and stakeholders (Nguyen et al., 2020). The contracts define mechanisms for the division of institutional future outputs between the managers and the stakeholders through shaping the prevailing institutional structure and process execution in a particular domain, making parties to the contract believe to be ex ante mutually advantageous to them all (Vailatti, 2017). While the organizers' incentives are to maximize compensation for their ingenuity by collecting the net proceeds of the institution in the form of property rights on unique assets at the formation of the institution (Kabir, 2017; Nguyen et al., 2020; Ofoegbu, 2014). The phenomenon was true even to political institutions, and professional managers (agents) are made to oversee the hiring of other factors of production, coordinate their utilization in producing and marketing the institutional outputs (Hermkens, 2021; Rydland, 2018). They are taxed with making sure that the institution's actions are portrayed to be in the public interest. However, in essence it's the managers and the organisers who get the highest yield benefits per capita (Ason *et al*., 2021). It should be noted that the standards setting-process cannot escape such institutional dominations.

If viewed in the public interest, accounting bodies are taken as potentially enhancing economic efficiency by alleviating market failures. As such, institutional reporting was seen as largely coercive and demanded by parties seeking wealth redistribution policies that favour their benefits as espoused by the self-interest view (Ason *et al*., 2021; Gaie-booysen, 2016; Hoff- *et al*., 2020; Howieson, 2009). In that regard a contractual standard setting approach should attempt to converge the two views, because the comparison efficiency of alternatives of essential aspects of the two viewpoints creates opportunistic behaviours incentivizing various agents, to crucially reach a common ground and ownership of the processes. As such, public sector accounting standards setting processes cannot be alien to institutional jurisdiction, hence should take cognisance of the state traditions, state- society relation, political organisation and the basis of policy style for the resultant standards to take effect and assist the state to join the global village. In that vein, some jurisdictions have, instead of developing home grown standards, chosen to adopt/adapt IPSASs as they are. Despite the strong benefits that can obtain from the use of International Public Sector Accounting Standards (IPSAS), the adoptions of the same are at various stages in the developing world (Biondi & Boisseau-Sierra, 2017; Cuadrado-ballesteros *et al*., 2020; Gomes, Fernandes, *et al*., 2019; Wang & Miraj, 2018).

The slow pace of adoption/adaption was failing to bring the expected benefits timeously, maybe due to the fact that the organisers are alien to the native environments. The organisers structure institutional contracts that interrogate the features of the existing institutional infrastructure to increase the economic gains. Contracting between users and stakeholders was aimed at maximizing property rights on unique assets, taking more of an entrepreneurial role (Amaral *et al*., 2013; Andersson et al., 2016; Klein *et al.*, 1978).

In other words, the standard setters are the face of an institution with its own grounded self-interest maximization by the organisers, stakeholders and managers, considering that the compromised position was viewed to be in the public interest. Williamson (1985) argues that asset specificity was the most important assumption in transaction cost analysis by the institutions. The absence of asset specification and the cost of relocating assets to more productive uses were trivial. In the formation of an institution, the entity weighs characteristics of asset specificity role and how costly transacting will be, and creates contracts to reign them in (Melecky, 2021; Nguyen *et al.,* 2020). In other words, standard setting was one of the means to achieve that, and now it is on a global scale to the benefit of the few nations' colonisers.

2.4.5 The Economic Theory of Regulation

Government rules when backed by the use of sanctions explicitly intended to adjust the economic demeanor of persons both in the natural and the legal form are called regulations (Gaffikin, 2005; Kreitner, 2020). Regulations are created to define the rules governing the public, commerce, administration and civilization in general, hence they would be requisite to the proper function of economies and societies. The underpinning role of the regulations would be to protect the privileges and safety of citizens and guarantee the distribution of public goods and services (Jayasuriyan & Malaimagal, 2019; Simanjuntak *et al*., 2020). According to Stigler, G., (1971 page 3),

> "*the potential uses of public resources and powers to improve the economic status of economic groups (such as industries and occupations) are analyzed to provide a scheme of the demand for regulation. The characteristics of the political process which allow relatively small groups to obtain such regulation is then sketched to provide elements of a theory of supply of regulation,"*

That leads to the economic theory of regulation being a refined version of the capture theory. However, deplorably, these theories fail to add recommendations to financial reporting principles. Coglianese (2021, page 2) commented that George Stigler's article "The Theory of Economic Regulation", was one of the most celebrated political economy accounts of regulation; as it managed to shift,

> “*the prevailing explanation for regulation from a public interest model to a rational choice model. That is, it shifted regulatory scholars’ thinking from a model that once viewed regulation as emerging almost naturally from the mere existence of market failures to a model that instead sees regulation as a response to influence by businesses seeking to erect barriers against potential competitors”.*

According to Penman (2013), accounting theory habitually contracts economic information but hardly ever presents information variables that bear semblance to accounting. The positive accounting theory laid out in Watts and Zimmerman (1985) was a branch of economic theory, that regards accounting and its infrastructure as outcomes of political processes. These authors further saw that accounting standards had emerged from individuals pushing for self-interest and regulators arrived at conclusions based on the demands of constituents lobbying for their own interests based on the social, institutional and political incitements (Amaral *et al*.,2013; Gipper *et al.*,2013; Orens *et al*.,2011). Posner (1974) goes on to say that the theory of economic regulation, if properly defined refers to the taxes, subventions, jurisdictive and directorial control over rates, entry and other economic undertakings that should be accounted for in the public interest (Bernisson, 2021; Kreitner, 2020). In the realm, regulations and standards are meant to prevent “capture” of the stream of codes of practice promulgated in response to public demand for inefficiencies, corrections or inequitable market practices which end up demeaning public interest.

However, Marxists and their adversaries tend to agree that regulations are hard-pressed by and in reaction to the demands of strong political interest assemblages truculent among themselves to take full advantage of their benefit and use rubrics to settle their disputes though smoke-screened and “window-dressed” schemes purported to be in the public interest (Maguire & Delahunt, 2017; Sharba *et al.,* 2020). Stigler (1971) on the other hand claims that the original theory presumed economic policy at the period of enactment of the first Interstate Commerce Act (1887) in the USA, that government intervention was simply to rectify palpable inequities and remedying inefficiencies in the operation of the free market in response to public demand (Nderitu, 2018). In other words, regulation at the time served public interest. Whereas, the latent uses of public resources and power to advance the economic standing of groups was the foundation for the call to offer a scheme for production of regulations. The features of the political process to allow relatively small groups to acquire regulation was at that point viewed as a way to provide elements of relevance to the study (Kreitner, 2020; Maguire & Delahunt, 2017). However, theories clarify regulations from interest cluster behaviours, such interest groups can be companies, customers or consumer group, regulators or their employees, lawmakers, unions and others and the transfer of wealth to the more effective interest groups also decreases social welfare (Bernisson, 2021).

The suppositions drawn from this thesis seem to suggest that public interest must be protected and cartelization must be inhibited; especially in the development process of regulations since regulations are the basis on which procedures, practices and standards are formulated. This viewpoint might support that accounting principles are determined, as a straight forward matter, but delivers slight comprehension into the normative questions about accounting standard setting processes. With that in mind the study was at pain to define the population for its purpose due to the literacy levels of legislature in the subject under study, and had to make do with what was available employing purposive sampling to dilute the incidences of cartelization of the respondents.

Economic regulation was the solicitation of law by government or self-regulating directorial agencies for innumerable tenacities, including resolving market failure, guarding the environment, centrally-planning an economy, enriching well-connected corporations, or do good to politicians (Bacache-Beauvallet, 2017). Dudley & Brito (2018) described regulations as administrative laws or rules that are primarily a mode by which government implements laws and agency objectives. These include specific standards or instructions concerning what individuals, business and other organisations can or cannot do.

The new public management needs clear rules to function. Legal frameworks establishing and enforcing property rights and the rules of the game will assist with public sector accounting standard convergence and globalization. The regulations to be used by the executive branches of standard setting bodies affect every aspect of the citizen as they control whatever they do.

2.4.6 Transactional Cost theory

The transaction cost theory was the foundation of conceivable hypotheses about the development and progression of accounting standard-setting. Asante (2020) presents an integrative scrutiny of accounting standards as a means to reduce the frequency of conflicting selection in collaborating managerial quality in a setting where agency problems exist and the organisation's equity was diffusely held. Furthermore, he claims that conflict has devastating effects on individual agents and processes in both its tangible and intangible form and "the tangible cost is easily quantifiable and corrected; however, the intangible cost, which is difficult to identify, quantify, and correct, can have the most devastating effect of an individual" (p.89). According to Müller & Schmitz (2016) a vertical and horizontal restraint must be imposed between various levels of contracting so that conflicts arising from the agency problem do not increase the transactional costs emanating from the standard setting process. These restraints should forbid actions below specified levels, and also create limitations to freedoms in the form of territorial, locational, customer and exclusive dealings. Thus, standards setters must take cognizant of these parameters and the end product must respect the restraints.

The transactional cost in the managerial-stakeholders' contractual relation takes the form of managers having superior information which they can use opportunistically to expropriate stakeholders' wealth or shrink the performance of their duties (agency cost) (Ćetković, 2016). Information asymmetry between contracting parties increases the cost due to its quality and the cost of contracts through managers (agents) defining the rights and responsibilities of both parties (Efficiency & Mahoney, 2020; Nguyen *et al*., 2020). They go on to elaborate that, high quality information reduces the cost of transacting and less distortions to public disclosure which has the effect to reduce frauds, misrepresentations of inventory quantities, by applying specific accounting procedures to similar transactions.

Inconsistent application of procedures will raise the cost by way of, for example, selecting a different depreciation method for similar assets, thereby creating an inappropriate reward for self-interest or the information may be withheld or delayed or timing of institutional transactions and/or their accounting recognition can be altered to impact on reported information (Foote, 2007; Obradovic, 2014). Therefore, accounting standards make information disclosure constant on treatment of similar transactions over time and limits alternative treatment and distortions of information disclosure of transactions by the same organisation (Armstrong *et al*., 2010; Melecky, 2021; ACCA, 2017). The increase in potential opportunistic behaviours between contracting parties constitutes another reason to cause the demand for accounting rules innovations arising from contractually completeness of future benefits arising from current contracts.

It is also very difficult to exclusively select economic actors who could govern the development of accounting standards, because of their economic arrangements to and relationship with institutions whose values are determined in part by managerial actions to the effect that managers provide possible leverage in securing rules and innovations that favour their interests (Gomes, Fernandes, *et al*., 2019). Related to this, was the potential impairment of external auditors' independence which might be inherent, if tasking them to develop and oversee the implementation of the new accounting procedures. The probability of collusion with management on rules that favour their own interest would result in an increase in transactional costs anywhere (Chapple, 2014; Hasnan *et al*., 2013; Kouki, 2018).

Decentralization of standard setting creates the problem of maintaining property rights by organisers of accounting standards setting. This causes serious concern to institutional organisers who always hold the net values of unique assets; mostly in various jurisdictions, especially the threat of free riders associated with imperfect enforcement resulting in an inefficient status quo (Balakrishnan *et al.,* 2016; Müller & Schmitz, 2016; Watts & Zuo, 2012). It would be difficult to formulate accounting policies by managers and audit committees who do not have the required expertise in accounting matters, so would be to identify new measurement rules in a cost-effective manner in a jurisdiction that is deficient of Professional Public Sector Accountants.

An investigation by Allen & Karthik (2013) on the effect of standard setters in standard setting and how certain professional and political characteristics of affiliates and commissioners envisage the accounting "reliability" and "relevance" of suggested standards showed that transactional costs are high. Conspicuously, they established that members with credentials in financial services were more likely to put forward standards that decreased "reliability" and increased "relevance," comparatively due to their predisposition to recommend fair-value methods. They also found opposite results for members affiliated with liberal political parties, although when only excluding those with financial-services background as an independent variable.

When public sector accounting standards setters deliberate on proceedings, they should be aware that numerous of these scenarios which they are to meet will not lead to a perfect solution. The inconsistences resultant from neglecting the effects of one model may lead to ambiguous conclusions, given room for alternative treatment of transactions causing a raise in transactional costs. May be the respect of various views in public sector accounting standards setting process may reduce the level of ambiguity, hence eliminating alternative treatment and serving both public and self-interest.

. The annexation of all costs makes it easier to decide on a make versus buy decision as it goes beyond the market price (Dagdevirein & Robertson, 2016). In the process government should be considered as an organisation of last resort when all else fails. Using Rosenblatt's transitional theory's implementation in teaching of integrated reading; the public and private meaning of words signifies the role of the reader and the text in the formation of meaning. Hence, agents in the setting of standards should interact employing meaning potential of the text derived from their principals creating readers' experiential reservoir, which the users of standards thereof actively select and synthesise potential meaning of the standards.

The standards text must contribute to the selection and hypothesis, resulting in interplay of application of the same by all stakeholders (Marhaeni, 2016). According to Muller & Schmitz (2016) a vertical and horizontal restraint must be imposed between various levels of contracting. These restraints should forbid actions below specified levels, and usually also have limitations to freedoms in the form of territorial, locational, customer and exclusive dealings. Thus, standards setters must take cognizant of these parameters and the end product must respect the restraints.

2.4.7 Value Relevance Theory

The quality of accounting information is lower before the adoption of public sector accounting standards than after their adoption, showing that there is a higher association between accounting information and performance over periods due to the confidence it attracts from stakeholders (Kouki, 2018). Research has also shown that accounting information, especially the book value and earnings are value on all observed capital markets and these analyses indicate investors' appetite for more relevant accounting information shown in general purpose financial reports by all institutions across the world's nation states (Pervan & Bartulović, 2014). The backbone of the investors' confidence in financial reports emanates from the reliability of the accounting standard basis used in its compilation; drawing attention to the jurisdiction from which such information originates leading to the trust from the users of financial information of the financial statements (Khanagha *et al*., 2020).

Studies by Khanagha *et al.*(2020), Lako, (2018) and Eugenio *et al*.(2019) claim that value relevance of accounting information could have some implications for public accounting standard setters in developing economies as it is with firms and other practitioners. The inconsistency and incongruence between some of the results obtained in this study as compared to past studies conducted may be attributed to the varied characteristics of developing economies (Eugenio *et al.,* 2019). Regulatory efforts must centralize on the quality and reliability of such information, and should be encouraged to strive to enhance the decision usefulness of financial statements before, during, and after a crisis.

Public sector accounting standard setters should learn from the transition to IFRS by private sector that it succeeded in solving the problems of diversity of accounting systems and multiple accounting practices and diverse institutional conditions in various jurisdictions thereby creating value relevancy of accounting information (Kouki, 2018). Similarly, public sector accounting standards setters have the opportunity to examine the degree of public sector accounting standards' effect on the relevance of their accounting information and the results should be comparable over periods and with best practice leading to national accounting. Furthermore, for the practitioners, the compulsory use of public sector accounting standards adoption was the world‘s novel intention to effect key modifications to improve commercial conduct and new public management that will lead accountants to advance their educational setting and training programs to be able to produce value relevant general government accounts that would unlock funding and enable relevant decision making.

Allen and Karthik (2013), investigated the effect of standard setters in standard setting: and scrutinized how certain professional and political characteristics of FASB affiliates and SEC commissioners envisaged the accounting “reliability” and “relevance” of suggested standards. Conspicuously, they established that FASB members with credentials in financial services were more likely to put forward standards that decreased “reliability” and increased “relevance,” comparatively due to their predisposition to recommend fair-value methods.

They also found opposite results for FASB members affiliated with the Democratic Party, although only when excluding those with financial-services background as an independent variable (Kouki, 2018). They intimate that jackknife processes demonstrated that results were robust to omitting any individual standard setter.

The price model was often related to the “scale effects” problem, while the returns model was restrained by the termed “accounting recognition lag” and “transitory earnings” dilemma. So, when standards setter deliberates on proceedings, they should be aware that none of these models leads to a perfect solution (Barrak, 2011). The inconsistences resultant from neglecting the effects of one of these models may lead to ambiguous conclusions, which might give room for alternative treatment of transactions. May be the respect of both models in standards setting may reduce the level of ambiguity; hence eliminate alternative treatment (Eugenio *et al*, 2019).

2.4.8 Positive Accounting Theory [The Essences of Accounting Conservatism]

Accounting conservatism is defined as the courteous verifiability prerequisite for the acknowledgement of economic gains versus losses, also known as the prudence doctrine (i.e., was a dogma of expecting probable imminent losses but not future gains) (Balakrishnan et al., 2016; Bhutta *et al*., 2021; Hejranijamil, 2020; Ne & Ma, 2015). Other researchers further gave a contracting explanation of accounting conservatism based on Glöckner (2016), Hansen et al., (2018) and other scholars explained that it was expected to enhance organisational value through yielding better terms of borrowing and reducing managerial opportunism. The European Investment Bank (2020), claimed that the organisation can reduce financial constrictions by tightening the wedge between the cost of internal and external funds. When given the limited horizon and limited liability, agents have the incentive to overstate the going concern level of an organisation to increase the size beyond the optimal level and continue poor performance as a wedge for their retention resulting in financial constrictions in real terms (Andersson *et al*., 2016; Balakrishnan *et al*., 2016).

Nguyen *et al*. (2020) assert that the block between the cost of internal and external funds was a result of hidden information and agency problem. However, accounting conservatism restrains agents' ability to overstate performance and over-investing (Alkhafaji *et al*., 2020; Ason *et al.*, 2021). Using a differences-in-differences design, it was found that entities with less conservative financial reporting, experienced a sharper decline in investment activities following the onset of a financial crisis compared to those with more conservative financial reporting (Roychowdhury, 2019; Hansen *et al*, 2017). Watt & Zou (2011) writing in a study paper on accounting conservatism's effects on organisation value during the 2008 global financial crisis, showed that organisations with more conservative financial reporting experienced less adverse crisis period performance and further revealed that there was a progressive relationship between accounting conservatism and crisis period performance as it was more prominent for organisations with greater ex ante agency expenses. This relationship was stronger for organisations that were financially constrained, faced greater external financing needs, or had higher information asymmetry (Balakrishnan *et al*., 2016) and more conservative organisations experienced lower declines in both debt-raising activities, and performance reduced under-investment in the presence of information frictions (Aurélio *et al.*, 2017; Melecky, 2021). Taken together, the evidence was consistent with accounting conservatism by showing improving borrowing capacity, reducing under-investment, constraining managerial opportunism, and enhancing organisational value (Amaral *et al*., 2013; Sen, 2017). Accounting conservatism takes care of both the hidden information problems and agency problems as the basis for dilution of group thinking cartelization in the public sector standard setting processes. Primarily, accounting standards lessen the agency conflicts interlinked to managerial opportunistic behaviour motivated by trying to give good news of an account and delay the bad news. In an effort to address that, the positive accounting theory propagates the diminishing of management's influential bias through conservative accounting and assists the outsider to develop the effective appraisal of their privilege and commitment contracts in the occurrence of information asymmetry (Amor & Ayadi, 2019; Eugenio *et al*., 2019; Kouki, 2018; Obeng *et al*., 2019).

Pegler (2016), opined that the important objective of a standard was to be "principle based", implying that standards may be based on fundamental concepts or 'principles" that should contribute a sound, comprehensive and internally consistent framework in order to result in coherent financial accounting and reporting. International Public Sector Accounting Standards (IPSAS) aim to improve the quality of general-purpose financial reports by public sector entities, leading to better informed assessments of the resource allocation decisions made by governments thereby increasing transparency and accountability (Afterman, 2015; Doris et al., 2017; Gomes, Fernandes, *et al.*, 2019; Melecky, 2021). Therefore, all frameworks should attempt to assist standard setters to harmonize accounting practices, standards and procedures to ensure that accounting standards published by accounting bodies are inherently consistent as they will theoretically conform to and provide a basis for reducing the number of alternative accounting treatment (Afterman, 2015; Ason et al., 2021; Kouki, 2018).

The phenomenon of accounting conservatism brings a trade-off between principals, agents and corporate governance; only when all stakeholders are involved in the Public Sector Accounting Standards Setting Processes to the effect that there is a common understanding on how; through the outcomes and outputs of the process each stakeholder group will achieve the best of their objectives.

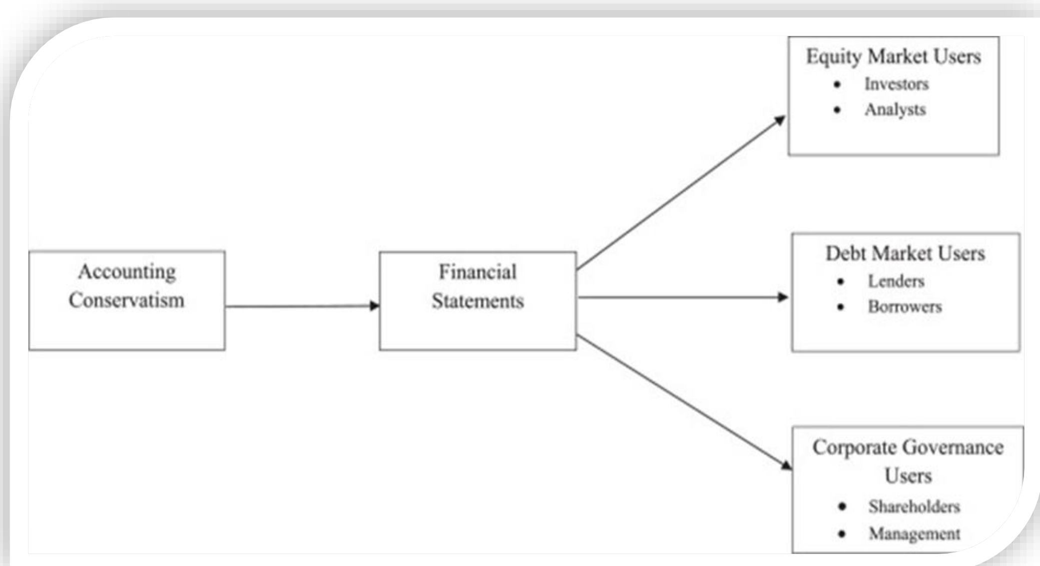


Figure 2.2: Accounting Conservatism: source: [www.sciencedirect.com (2018)]

The phenomenon of accounting conservatism brings a trade-off between equity market users, debt market users and corporate governance; only when such stakeholders are involved in the Public Sector Accounting Standards Setting Processes to the effect that there was a common understanding on how, through the outcomes and outputs of the process each stakeholder group will achieve the best of their objectives (Fraser & Sheehy, 2020; Kidwell & Lowensohn, 2019). Therefore, the principle of conservatism yields congruency and concurrency amongst stakeholders, hence, would reduce friction and polarization if applied in the setting of public sector accounting standards.

The key drivers of the future of Zimbabwe's public sector are society's expectations and its definition of chart of accounts identified in reports. The accounting profession in the country had been shaped and will continue to be shaped by the socio-economic, cultural and legal environment, especially by embracing public sector accounting standards and the new financial management and accountancy disciplines and practices (ACCA, 2017). The professional public accountants needed to lead the way by creating an environment that provided greater transparency and accountability through more robust financial and management reports and the key to this would be putting in place a robust and above board public sector accounting standards setting or adoption process that met the socio-cultural expectations.

2.4. 9 The Political Impact on Accounting Standards Setting

One of the political processes that is affected by the impact of several lobbying groups in contemporary times is the public sector accounting standard setting process (Hoff- et al., 2020; Vogel, 2022). Nation states are assigned the tasks to bring about public resources and service delivery management in a comprehensive, cost-effective and sustainable manner. However, the Bretton Woods Institutions have observed that many governments are still facing notable difficulties in producing quality financial reports especially with regards to reliability, comparability and culpability often caused by lack of essential accounting systems that internment all economic undertakings (Almalki *et al.*, 2016; Okungu, 2015; Schmidthuber & Hofmann, 2022).

Modern accounting researchers have brought to light that political lobbying was tricky in the standard setting process and had far reaching impacts due to the dominating influences of governments, corporations, boards and regulatory bodies (Cuadrado-ballesteros et al., 2020; Sen, 2017). Other scholars revealed that the key actors over the IASB and IPSASB were various regulators, standards-setters, accounting firms and various representatives from professions, industry and governments (Lapsley & Miller, 2019; Mutiganda & Järvinen, 2021). They further found out that some key actors essentially influenced the standards that affect resources that they held, especially using their strategic positions to dramatically affect the standard-setting process and the development of the standards. It seems no key player was outside the regulatory space, however, Mutiganda and Järvinen (2021) claim that public officials and political decision makers eventually curve in when faced with irresistible change from external structures.

The political theory thus, approaches the development agenda through voting support from stakeholders instead of purchased voting power that brings in political influence directly into any institution's governance system (Bischof *et al*.2020), resulting in public interest being reserved as government participates in institutional decision making, taking into consideration the cultural changes (Celik, 2017; Krishnan, 2021). Whereas, the political model highlights that the allocation of institutional power, benefits and privileges are determined through government favour based on their strong political influence over other institutions and the governance system (Gipper et al., 2013; Hoff- et al., 2020). The entrance of politics into the governance of accounting standards setting institutions' structures and mechanism cannot be ignored as represented by the involvement of the Accountant-Generals, the Auditor-Generals and the legislature's recognition criterion of the output. Also, the entrance of political actors in processes results in agents doing what makes them feel good, easy and convenient (Kholeif & Jack, 2019; Mutiganda & Järvinen, 2021; Sharba et al., 2020). Unfortunately, some of the so-called grown-ups who represent political and self-interests including some with fancy titles and important jobs act immaturely by blindly sticking to their principals' standpoint resulting in things being messed up, due to the power of voting as well as party polarization.

In most parts of the developing world, people live in "dual polities". They are ruled by the general government and brought together collectively for decision-making within their ethnic community according to traditional rules (Ackers, 2019; Koenane, 2017, 2018). The traditional–

state dualism's focusing on the internal organisation of traditional polities, interaction with the state, and the political consequences of the dualism are mostly ignored (Holzinger et al., 2016; Malik, 2013). The descriptions of the internal organisation of traditional polities as scattered and lacking in the comparative perspective misleads the modern polities to think that they have more influence over the natives (Baldwin & Raffler, 2017; Mutiganda & Järvinen, 2021).

In Zimbabwe, dualism was recognized in the Constitution, to the extent of toning down the influence of traditional leaders through appeasement packages and privileges and their judicial power was cosmetically positioned. The application of standards was tossed aside when it comes to their revenue collection and expenditure roles, thus causing unnecessary information leakages causing production of national accounts difficult. The dualism stand-point will definitely create stability in the native approach but will not have takers in the international community resulting in capital fight (Howlett & Newman, 2019; Munzert & Yang, 2021). The Traditional Leaders act (Chapter 22.17) recognizes them as revenue collectors and agents of revenue collection for the Rural District Councils, but the revenue and expenditure statistics thereof, never finds them in national accounts. Borrowing from Afful (2015b, 2015a) and Koenane (2018) an integrated scenario of a system (traditional representation & modern democratic representation) creates an understanding of the governing system of developing economies which eradicates the "sellout" mentality. The public sector accounting standard setting process thus should not be exclusively biased towards modern discourse but should take cognizant of the societal power dynamics.

The globalization and privatization era processes should not undermine the influence of traditional and native social arrangements in activation of the state (Ackers, 2019; Baldwin & Raffler, 2017; Koenane, 2018). The necessity to take fast and efficient decisions that would change the public service to take managerial techniques based on private sector and market orientation of doing business, in an endeavor to strengthen public administration match world class trends blow by blow (Afful, 2015; Bacache-Beauvallet & Perrot, 2017; Cuadrado-ballesteros *et al*., 2020; Celik, 2017).

2.5 Government Conduct

The conduct of governments, in developing economies, operating a general framework of the principles of fund accounting has a problem when it comes to the absolute application of the principles of financial reporting (AlcaideMuñoz *et al*., 2017; Cuadrado-Ballesteros & Bisogno, 2020; Penman, 2013). In these economies the size of government budgets and contribution of public expenditure to Gross Domestic Product was enormous, hence the need for the use of accounting information control mechanisms to effectively report on economic performances and corporate governance; in an endeavor to give a national account (AlcaideMuñoz *et al*., 2017; GFSM, 2014). With the globalization drive at full throttle, there was a thin line between private sector and public sector accounting when looking at the concepts and techniques that were being envisaged. The emerging need and use of information technologies by both sectors made the studying of public sector accounting necessary in the world in general and pertinent in developing economies (Amaral et al., 2013; Ismail & King, 2007; Van Hoa & Harvie, 2016).
There is a thin line between private sector and public sector accounting that could be tracked and enforced by accounting systems, in the public sector that was under appreciated by society in general and traditional leadership in particular(Boundja, 2019b; Dabbicco & Mattei, 2020; Penman, 2013). Due to this under appreciation the same society was not interested in understanding how accounting standards came to be until when a crisis arises (International Monetary Fund, 2016). Henceforth, this literature review looked at an appraisal of intellectual cradles that made available, an impression of this particular theme without shadowing conversation of the statement of the problem or the exploration objectives.

In the United Kingdom, Canada, Australia, New Zealand plus the United States of America public sector accounting standards are divided between those for National Governments and those of Local Government institutions and the other public entities and communities (Calmel, 2017; Wadesango *et al*., 2016). The scientific literature contains mainly theories that are engaged in explaining accounting choice that are linked to positive accounting theory and institutional theory (Doris *et al*., 2017; Unegbu, 2014). Given the aim to explain accounting choices in the public sector, the study was confronted with the choice of sticking to the two theories but realised that public entities act through their employees as mostly directed by elected board members (Mutiganda & Järvinen, 2021; Safriliana *et al*., 2018). That then brought in the political theory and agency theory as grounded in the corporate governance equation.

2.6 Research Inertia in Public Sector Accounting

Accounting like business and economics or any other system has experienced vicissitudes, reforms, modernization and enhancement in recent years. However, lack of progress between 1400 to early 1990 was due to cultural, political and ideological differences, government policies, language and currency barriers (Ackers, 2019; Cortese, 2009; Unegbu, 2014). Lack of statistical data, non-availability of research personnel and institutions, illiteracy and also superiority complex among academic and professional accountants are among other factors that contributed to that inertia (Oulasvirta & Bailey, 2016; Perumpral et al., 2009). This has improved because of the introduction of regional groupings, international accounting standard committees, exposure drafts and statements of intents, including research institutes (Daoyang & Daoyang, 1989; Hertog, 2000; Kouki, 2018). On that note, literature review for this study was examine articles, books, journals and other sources relevant to this particular issue, area of research, and by so doing provides a descriptive understanding and global evaluation of the research objectives.

Furthermore, the conversation was guided by the definition of accounting standards as conventions of guiding principles affirming how specific transactions and other related proceedings ought to be conveyed in financial information (Penman, 2013; Purkyn, 2019). These conveyances should be expected to be arrived at through a due process undertaken by agents representing various stakeholders (Mutiganda & Järvinen, 2021; Ogbonnaya, 2019; IASB, 2019). Cognizance of the object of accounting standards must be taken, as to necessitate placing the users of financial facts in the best conceivable situation to form their own judgment of the plausible conclusion of the proceedings described. Prudent reporting based on a healthy incredulity-built self-assurance in the results and, in the long run, preeminently attendances to all of the different interests of stakeholders, was considered to be the basis of public sector accounting standard-setting process (Bradshaw *et al.*, 2014; Bradshaw, 2018; Ryan *et al*., 2017). The argument of accounting standard-setting was to preserve permanence, responsibility and pellucid throughout the financial world (Unegbu, 2014).

Based on an analysis of the literature, scholars characteristically shift toward a valuation focus, from the narrow interpretative objective, causing the world's demographic multiplicity regions, nation-states and commercial sectors, favoring public sector accounting standards which have an environmental responsive influence on stakeholders from various social, institutional and political dominations (De George *et a*l., 2016; Heald, 2017; Madhekeni & Studies, 2012; Müller & Schmitz, 2016; The Association of Chartered Certified Accountants (ACCA), 2012). The technique of setting accounting standards was critical because it generated information that nature people's engagements. As such, the accounting standard setting process has been analysed, remarked, and commented by many researchers in modern times and it has been demonstrated that it defends the notion that Standard setters cultivate and guarantee compliance with reporting frameworks (Aggestam *et al*., 2014; Cortese, 2009; Cuadrado-Ballesteros & Bisogno, 2020; Sinclair & Bolt, 2013). Wherein, it has also been observed that those countries that adopted globally acclaimed public sector accounting standards or are seen to develop their own standards, convergent to international practice, tend to benefit the most in terms of international business and investments. Advocates suggest that a global adoption of international financial reporting standards would save money on alternative comparison costs and individual investigations, while also allowing information to flow more freely (Cuadrado-Ballesteros & Bisogno, 2020; Fajardo, 2016; Tasos, 2018).

In Zimbabwe, the research has observed that the government incurs unauthorized excess expenditure evidenced by the transfers to other departments from unallocated reserves. The Constitution of Zimbabwe through section 307 provides for regularization of such expenditure through the legislative process. However, that seems to be wantonly ignored without any consequences to the violators (Office of the Auditor-General Zimbabwe, 2019). The cause of such unethical conduct emanates from lack of public sector accounting professionalism, lack of correctly experienced staff, delay of relaying of information from public entities and undefined programmes implementation timeframes (Huy & Phuc, 2020; Rogošić & Ph, 2021; Subramanian, 2011;Wang & Miraj, 2018). Other researchers observed that the situation was as common in South Asian countries as it is in most developing economies. However, Nepal, Bangladesh, Pakistan, and Sri Lanka like in South Africa worked to correct the analog using a different approach and direction to the extent that Nepal produced NPSAS that is natively friendly. If there was research on the causes of the inertia in developing economies, the situation could be addressed sooner than later, and the adoption of public sector accounting standards setting process and the standards themselves could be adapted to local environments using international best practice as the basis.

2.7 The Effects of Traditions and Cultures on Accounting Standard-Setting Process

Management traditions and cultures have emotional impacts when putting into practice performance supervision in various jurisdictions. Scholarly analysis showed that Anglo-Saxon countries (UK, USA & Commonwealth) performed better than Organic cultured countries (German & its former colonies), Napoleonist states (France and the Francophone world) and those of the mixture of German-Anglo-Saxon (Scandinavian countries) (Celik, 2017).

The reason has been derived from the under listed characteristics: -

Characteristic	**Anglo-Saxon**	**Organic**	**Napoleonist**	**Mixed German-Anglo-Saxon**
State tradition	Not a legal basis	Legal	legal	legal
State-Society Relationship	pluralistic	Organistic	antagonistic	Decentralized organistic
Political Organisation	Limited federalist	Integral organistic federalist	Jacobean	Decentralized unitary
Basis of Policy style	incremental	Legal corporatist	Legal technocratic	consensual

Table 2.1: Management Traditions **Source:** Celik (2017)

Based on the political theory, the global community was enthusiastic to do business with countries understood to have a democratic system, with emphasis pressured on developing economies. According to (Boundja, 2019b, 2019a), the tenacity of power in the African Tradition was to protect people's lives. Contemporary democracy was to a lesser amount, inept to solve the problems of social peace in developing economies. That was because the doctrine was alien to the natives' way of life. Boundja (2019) supports that the four normative pillars of traditional norms enshrined in the traditional leader which are celestial right, natural rule, civic law and customs that give credibility of the purpose of power. Power was to be collectively and consensually administered and public sector accounting standard setters may learn from revisiting this doctrine for the process and the outcomes to get credibility.

(Afful, 2015) further observed that governments who incorporate traditional institutions into their governmental systems have the possibility of economic development accelerated. He based the comments on his research on Botswana, Ghana and Zimbabwe investigating signs of progress towards democratization in the Continent. He further opined that international trade enhancement, resultant from the stability realised from the link of traditional leaders and the democratically elected government was a fertile ground to harmonise reforms. The commonality of these three countries emanated from British colonization. However, an Anglo-Saxon democratic approach infringed on traditional values but if fusion with native traditional approaches it created stability within developing economies. That stability with the fused political approach may be fertile ground for development of public sector accounting standards provided the processes do not infringe on the social and political discourse (Vailatti, 2017). This gives credence to the notion that traditions and culture play an important role in any standard setting process and should not be ignored because the standards produced must be seen to serve public interests.

Philosophically, the issuance of standards and any other regulatory measures can be summed up to the extent of conquest of power and was increasingly seen as the larceny of community riches by the political actors and their cronies. Public Sector Accounting Standards are therefore, to be seen as the deviation from that discourse. However, the public sector accounting standard setting process would not escape the narrative unless the agents (standards setters) are aware of the social, institutional and political theatrical aspects and pressures thereof which might be exerted on their physical independence and free minds.

2.8 The Influence of Stakeholders.

The stakeholder's theory states that the main objective of an entity is to balance the conflicting demands of the stakeholders (Nderitu, 2018). Voters, taxpayers, fees payers, guarantors & creditors, employees, contractors and civil society are stakeholders in the general government financial reports (Bernisson, 2021). They further claim that the theory provides a framework to identify the composition of the parties to the external socio-political forces regardless of whether they are private or public sector. However, non-voters and non-taxpayers' obligations stand as side constraints to the pursuit of service delivery, as governments try to appease them (Lassou & Hopper, 2021). If government can be over weighed by such forces, what should be expected by public sector accounting standard setters?

The awareness of issues on stakeholders' participation in the development of accounting rules for financial reporting was aroused on request by world leaders, Europeans and preparers of financial statements reacting mostly to the financial crises and other international organisations trying to display a more balanced view of making it appear that everyone was being involved (Huian, 2015). Conversely, the stakeholders' theory, recognizes that the institutions are not purely controlled or affected by their owners and the notion that those who have governance rights in them call the shorts was fiction (Grinsted, 2017; Kidwell & Lowensohn, 2019).

Accordingly, Parmar *et al.*, (2010) observed that managers typically wield the greatest power in conventional organisations models, in both managerial and legal form; but others have a say in the operations of organisations and what is expected of it. They go on to say that the theory necessitates the understanding of governance structures that promotes alignment between agents, principals and the other broader parties with reasonable interest in an institution, which standard setters should have precise multifaceted approach to understand them. The standards setter must also be aware that the systems in place have failed to discipline "self-serving" managerial behaviours, and should rise above such unethical conducts. Stakeholders demand for more culpability from the public entities in the national context (demand pressures) and appeals for better transparency from international financial societies in the transnational context (supply pressures) are two most important causes of gravitating the desire by the state to act in its pursuit for greater legitimacy (Krishnan, 2021; Nyamita *et al*., 2015; Parmar *et al*., 2010). Krishnan (2021) goes on to note that: "*This is demonstrated through a triggering event such as political scandals evoking responses from the government to reinforce its weakened legitimacy by adopting public sector accounting reforms" (*page 1*)*. The quest for legitimacy by the governments was thus influenced by the general stakeholders' demands hence their participation would yield greater legitimacy for the state and other public institutions (Angeloni, 2016; Wang & Miraj, 2018).

Harrison *et al*., (2019); Parmar *et al*., (2010) went on to say that accounting was a cultural artifact that aids an imperative social welfare role in wealth flow and influences the survival of every person in society, conceivably individuals who know very little about accounting and/or have never seen a financial report. In other words, everyone in a society becomes a stakeholder as far as public sector accounting issues are concerned. Standard-setters carry the task to be responsible to and for the multiple, competing interest which give intellectual rigors to a stakeholders' framework (Camfferman, 2020; Cohen & Rossi, 2016). The stakeholder's theory, however, recognize that trying to meet stakeholders' interest also leads to corruption, as it offers agents the opportunity to divert the wealth away from others.

The tendencies of corruption would be caused by the possibility of an opportunity of premium accruing from making others jump the queue; and the possibility of the premium personally benefiting management (Okungu, 2015; Rogošić, 2021). Baker & Modell (2021) in their contribution to rethinking of performativity, using a structuralist approach found out that performance pays more attention to casual relationships that underpin conditioned tendencies by pre-existing social structures, conceptualized in terms of multiple, intersecting norm circles. They are otherwise suggesting that performance should be centered on the notion of shared values embedded in casual power within a cultural set up, legitimizing the procedures observed in the delivery of corporate social responsibility. On that note, firstly, regulators determine the accounting disclosures and secondly, studies recognise that standards setting was a mixed power game where other stakeholders are viewed as external social and political forces that put pressure on standards setters to come up with accounting policies that satisfy their interests (Kingdom, 2017; Legge & Lockett, 2013).

Government would want to dictate to other stakeholders its most beneficial position, while capital would want to have more profits retained through the standards set, and the not-for-profit entities will be driven by the best social impact obtainable in the power game (Huian, 2015). Whereas, Howlett & Newman (2013) observed that an upward pressure for tough rule, restrictions from governments, globalization drive, the profession and the media, are opposed by noticeable downward push for flexible standards from corporations. They proceed to state that, departments, agencies and regulators when they recognise that the standard's setting process was a power game, it's then their responsibility to recognize impacted participants, native people and expressively consulting and engaging with them during the development, organisation, and evaluation of procedures of setting standards. In doing so, the agents should follow the best practice in citizen engagement strategies and guidelines for consultation and engagement. They should try to find opportunities to use modern, digital, available and protected platforms and tools for discussion and/or engagement. Communication apparatuses ought to support meaningful and wide-ranging consultation and/or engagement, with attention assumed to any restrictions on convenience for participants and native peoples (Markwell, 2010; Nyamita *et al*., 2015; Rogošić, 2021). Departments and agencies must follow the requirements for e-governance and communication as set out in national policies and directives.

In the final analysis the stakeholder's theory was pre-occupied with sustainable corporate responsibility. The focus was to prevent managers (agents) from abusing the theory as an excuse for opportunism as its preoccupation was to facilitate the phenomenon of equitable distribution of financial outputs, with all stakeholders being treated equally and where possible theory advocate for review of current regulations to facilitate equitable representation in processes that govern them (Harrison *et al.*, 2019). On another level of talk, the shareholders' theory was a moral doctrine that attempts to legitimize the involvement of other people in the processes that have an impact on their existence, with the intention to explain their findings that complex agency fights arise due to the lesser managerial ownership, that primes to more noteworthy information asymmetry and greater petition for conservatism by stakeholders.

Managers of organisations must take into account the viewpoint that maximize the overall well-being of every person and everything impacted by them, explaining that they have an obligation to distribute benefits to any disadvantaged stakeholders. The stakeholder's theory attempts to show exposures which agents tasked to be involved in the standards setting process have on various social, institutional and political dominations that would attempt to capture the process so that it yields preferred outcomes.

2.9 The Evolution of Accounting

Accounting was said to have originated in Babylon, Assyria, Mesopotamia and Sumerian (Merangin *et al.*, 2018; Mukhametzyanov *et al.*, 2017; Onuoha & Enyi, 2019). A prodigious deal of the evolution has remained in the record keeping domain of accounting. The advent of computers transformed the landscape of accounting and turned it into a high speed and energetic occupation (Ackers, 2019). The practice of record keeping is as old as man-kind and has been bestowed on man to be dutiful and provide stewardship to the citizenry and all around it by the Lord himself (Genesis1vs 29-30). It is on record that the earliest observed accounting records were found between 450 B.C. – 500 B.C. in ancient eastern civilization of Egypt, Mesopotamia (home of numbers), Crete, and Mycenae. These were mainly records of physical quantity and goods mainly transactions and property among parties (Unegbu, 2014). The ancient Greece and Rome (the cities that created coinage) records indicates that accounting systems were mainly concerned with recording and exposure of losses dues to theft, fraud, inefficiency and corruption (Merangin *et al*., 2018). There are no signs that the records were used for decision making or asset protection but avoided financial reports to be accessed by outsiders or income determination or tax due to government and allied parties (DeFond *et al*., 2019; Napier, 2001; Tasos, 2018).

According to history the accounting process was meant to record, arrange, analyse data and communicating the accounting information to both external and internal decision-makers. These users would base their choices of action for future economic events based on the interpretations derived from past economic events (Ackers, 2019; Aiken *et al*., 1993; Daoyang & Daoyang, 1989; Solas & Ayhan, 2008). Theoretically, the accounting process was cyclical in nature.

2.10 Coinage and Cruciform Script (Records)

Coinage was invented in Lydia (700 B.C) as a result of difficulties experienced in maintaining the records and other inherent factors associated with barter trade system. These records were prescribed in stone and marble tablets and kept in the Parthenon Building accounts in Athens and Acropolis (Merangin et al., 2018; Solas & Ayhan, 2008; Pereira & Mathew, 1966). These system inventions had processes used to come up with the set standards, but nowhere is the issue of standards setting and processes discussed. Where these systems brought into existence by design or by default?

The 5th century B.C-Athenian Empire created estate recording using Zenon Papyri and this saw a methodical, elaborate and meticulous data collection, data analysis sufficient to detect errors, fraud and inefficiencies within the system. The approach had little concern for decision making, efficiency or profitability (Tasos, 2018; Unegbu, 2014). The Zenon Papyri system was later modified by the Romans resulting in the memorandum book (adversaria in Greek) and the ledger (codex tabulae in Greek). The Zenon Papyri discovered in 1915 contains business information, agriculture and construction projects of private estate of Apollonius, kept under the accounting system and had elaborate provision of responsibility accounting, written records of all transactions, personal records for wages paid to employees, inventory records, records of asset acquisition and disposal and also proof of auditing of all accounts (Accountants, 2006; Tasos, 2018; Yamey, 1994).

In China accounting systems were concerned with recording of merchants temples, and estates using clay tablets impressed with the markings of cruciform script scribers - the forerunners of present accountants (Botes, 2009; Augustine; 2020; Unegbu, 2014; Yamey, 1994). They further noted that, the feudal and expansionist accounting system for merchants and estates under the Chou dynasty in China (1122-1256) ensured compliance for the need to collect taxes used by the imperial government (Daoyang & Daoyang, 1989). The system must have been used to stringently and appropriately penalize defaulters for non-compliance. The Western Zhou Dynasty (1100-771 B.C.) had calculations, memoranda and records notched on wood shown aspects of the embryonic stages of Chinese accounting during the long centuries of feudalism (Aiken *et al*., 1993). They went on to say that the Tang Dynasty (618-907 A.D.) developed the BI-BU system of auditing. Also the Sung Dynasty (960-1279 A.D.) invented an elaborate government accounting system. Feasibly, the Chinese condensed their civic economics to a civil service routine in which book-keeping stood to be used predominantly to evaluate the accomplishments of government programs and the efficacy of employees more than other pre-Christian nations. However, the processes of coming up with the accounting systems and expected procedures were not explained predominantly due to feudalism.

The discussion on the evolution of government accounting unfortunately, does not provide historical materials on the public sector accounting standards setting processes. A review by Lee (2018) Kuo' work, shades some highpoints in Ancient Chinese civilization as branded by elongated history of agricultural economy with ethos, rich in literature, art and ways of life. However, almost nothing was acknowledged about the history of accounting in China, though an effort by Professor Kuo in his two volume book unearthed the growth of accounting in ancient China, in political systems and theoretical sphere were basically anti-business. The following extracts of the review gives a synopsis of what ancient Chinese feudalism played on the development of the current public sector accounting practices.

> *As early as the Shia Dynasty (2205-1766 B.C), remains of shells and bones showed records of goods and livestock in kind and quantity, a written language had already been developed. At the first stage of the development of accounting, spanning three dynasties: Shia, Shang(1766-1122B.C.), and the Chou (1122 B.C. -250A.D), transactions were recorded chronologically in single entries and in words. Also, the term "accounting" (Kwai-ji) was officially established in the early part of Chou Dynasty. A significant development made during the Han Dynasty (206 B.C. -220A.D.) was to adopt the format of using three sections in accounting reports to higher authorities. Thus, the headings "In", "Out" and "Balance" became standardized usage in reports submitted on a monthly, quarterly and annual basis. Tha main accounting books included the "Grain Inflow- Outflow," all kept on bamboo or wooden tablets and source documents were numbered. Accounting reached a level of sophistication due to unification of the monetary system and standardization of accounting figures during the T'ang Dynasty (618-975 A.D.). Cash journals, general and subsidiary ledgers were kept in bound volumes of paper. The government accounting office was responsible for internal revenues and the national budget, and the audit department performed audits on reports from all levels of the general government units. Another significant improvement of the reports was made during this period, which required four sections:' Beginning balance", 'In', "Out' and "Ending balance" on the reports. Volume I end with the Sung Dynasty 9960-1279 A.D.) during which government accounting system were further refined and standardized, but never went beyond single-entry bookkeeping. Apparently single –entry bookkeeping was adequate to generate accounting reports for the China's governments for many centuries (page 1).*

On the other had India has a long tradition of maintaining accounting records known as the Chopadis that had to be closed at the end of the year. The day (Lakshmi Poojan- Diwali) on which the books were closed was worshiped in preparation of the day (Bash Pratipada) the new books were to be opened (Amaral et al., 2013; Krishnan, 2021). Indian- Deshi Nama system (1100 B.C): varied from region to region; community to community and from business to business. Under this system books were written in regional languages such as Muriya, Sarafi etc. and books were called "Bahis" or The Natyashastra manuscript. It was older than double entry system and was complete in itself. The Deshi Nama was seriously meant to protect the dignity of the family in the community, addressing both family and public interest (Pillai, 2021; Tanvi Patel, 2018; Unegbu, 2014).

Figure 3: The Natyashastra Manuscript **(**Now Preserved in Citronyl Oil**). Source:** Outlook India.

The principle of accounting periods was grounded in the Indian Tradition around 4th century B.C. This was made famous by Chanakya also traditionally known as Kauṭilya or Vishnugupta who transcribed scripts comparable to a financial management book, in the period of the Mauryan Empire. His manuscript "Arthashasthra" encompassed limited detailed facets of keeping books of accounts for a Sovereign State. The manuscript prescribed the accounting theory that included bookkeeping, preparation of financial statements, auditing and fraud risk management. This approach was used and worked by various Kingdoms in India until the colonial rule in the 15th century(Wall *et al*., 2015).

These works established bookkeeping rules to record and categorize data stressing on the critical role of sovereign intermittent audits. They also projected the creation of two offices, that of the Treasurer and the Comptroller-Auditor for intensification of answerability, specialism and condensed the possibility of conflict of interest; through proponenting for double entry and the accrual of receipts into cash and debtors (Orlandi, 2021) . Over and above the family and government accounting, the corporate form of accounting was used around 800 B.C. until the advent of Islamic invasions around 1000A.D (Krishnan, 2021; Nistor & Stefanescu, 2018).

The evolution of accounting in Africa like in Greece, Italy, Mesopotamia, China and India began with very rudimentary systems. The use of lines on walls and notches on sticks were typical of the Igbo approach in Nigeria. Counters were frequently used relating to agricultural products such as grains, palm kernel and other items like pebbles and cowries in the rest of the continent (Onuoha & Enyi, 2019; Boolaky, 2017).

Egypt was one of main world countries that started accounting and bookkeeping and it would be impossible to talk of the evolution of accounting without mentioning it. Africa and specifically Egypt during biblical times already had scribes and tax collectors who kept accounting records. It was well documented that Egypt in ancient times traded in gold, ivory, aromatic resins, monkeys and baboons amongst other commodities (Ackers, 2019; Onuoha & Enyi, 2019;). According to Soetan &Ajibade (2018), the rapid booming of business activities during those medieval times necessitated the need for keeping of proper and appropriate records in order to trace transactions. During those times Egypt processed papyrus plants that grew on the banks of the River Niles to manufacture paper and boats. The paper was used to write books of accounts. They went further to state that record keeping was strengthened by the introduction of the Zakat around 624 A.D., which was an obligatory tax to assist the poor. Not much has been discussed on the standards setting processes employed to develop accounting standards at any given time.

In Nigeria, before colonization the Yoruba Kingdom that was divided into states used a guild system that served as the central government body which controlled the political, social and commercial activities for the community members. Cowry shells were used as medium of exchange in a well-organized manner (Onuoha & Enyi, 2019). However, the first professional accounting body in Nigeria was the Association of Accountants in Nigeria in 1958, and was charged with the responsibility of training, examining and graduating accountants in the country. In 1965 the Institute of Chartered Accountants of Nigeria (ICAN) was formed and later in 1979 the Association of National Accountants of Nigeria (ANAN) was established (Lassou, *et al*., 2021; Soetan & Ajibade, 2018).

Historically, in India and other ancient civilizations records were used by the feudal systems to account for national resources, collection of taxes and their utilization. The gap was on how the rule process was carried out and how that national accounting system disappeared to the extent that the now developing nations of Asia, Africa and the Americas are being coerced to implement public sector accounting standards, in a manner that is alien to the nation states (Ackers, 2019; Martins, 2021). South Africa's accounting system can be traced back to the 17th century due to its established economic activities. British accountants moved to the country in 1806. In 1820, the colonial masters allowed accountants to be part of the colonial administrative systems. The accounting profession was largely charged with the protection of public interest (Nyamita *et al*., 2015; Vorster, 2007).

2.11 Public Sector Accounting Standards

General government accounting has the purpose of determining the budget, revenues, expenditures and encumbrances and obligations, transparently showing how much money was received and its sources, how much was spent and for what purposes and the quantum of financial obligations (Helden, 2019; Wang & Miraj, 2018). Unlike the private sector which has profit as the prime focus that is determined over a given period; public sector provides services to satisfy the needs and wants of the general citizenry. As a result, many factors influenced government role in many fields including the security forces, health, education and creating a conducive environment for private sector to flourish through setting policies to achieve various goals and aspirations (Christensen *et al*., 2019; Cuadrado-Ballesteros & Bisogno, 2020).

Therefore, public sector accounting was interested in information gathering and report presentation to assist decision-makers and the generality of stakeholders to make informed evaluations on how the resources were expended. The public can only make such an analysis if there are mechanisms to guarantee the benchmarks used as a basis of accounting. Accordingly, the study considers that accounting standards are conventions of guiding principle affirming how specific transactions and other proceedings ought to be conveyed in financial information (Dabbicco & Mattei, 2020; Steccolini, 2019). The object of accounting standards necessities was to place the users of financial facts in the best conceivable situation to form their own judgment of the plausible conclusion of the proceedings described. Prudent reporting based on a healthy incredulity-built self-assurance in the results and, in the long run, preeminently attends to all of the different interests of stakeholders (Bradshaw *at el*, 2017). The argument of accounting standards was to preserve permanency, responsibility and transparency throughout the financial world (Unegbu, 2014). Based on an analysis of literature, scholars characteristic shift toward a valuation focus from the narrow interpretation of stated objective, causing the world's demographic multiplicity regions, nation-states and commercial sectors favoring public sector standards that have an environmental responsive influence to stakeholders allowing for the various social, institutional and political dominations as was the case in medieval times (Bisogno- Pontoppidan, *et al*., 2019; Lassou & Hopper, 2021) .

In line with that desire, IFAC through the IPSASB developed internationally authoritative public sector accounting standards (IPSAS) for adaptation or adoption by various jurisdictions; and 38 of 41 IPSASs are equivalent to IFRS and are accrual based (Chow & AggestamPontoppidan, 2019; Jensen, 2020b; MnifSellami & Gafsi, 2019). This was a result of the consideration that the cash-basis reports did not adequately provide for the needs of users; and were mostly the ones produced by developing countries, who happened to be the majority of the global village. Six of the IPSAS were public sector specific and were accrual based and had no IFRS equivalence. These dealt with impairment of non-cash- generating assets (IPSAS 21), disclosure of financial information about the general government sector (IPSAS 22), revenue from non-exchange transactions i.e. taxes and transfers (IPSAS 23), presentation of budget information in financial statements (IPSAS 24), service concession arrangements: Grantor (IPSAS 32) and first-time adoption of accrual basis (IPSAS 33). IPSASB also developed three recommended practice guidelines (RPGs) which apply to information reported outside of the financial statements. These provide guidelines for good practice on reporting the sustainability of entities finances (RPG 1); financial discussions and analysis (RPG 2) and reporting service performance information (Bergmann *et al*., 2019; Bisogno, Aggestam -Pontoppidan, *et al*., 2019; Kidwell & Lowensohn, 2019).

However, the developed countries, besides being the major organisers of IFAC, considered IPSASs to be just authoritative with no legal bearing in their nation states (Brown, 2017; Nistor & Stefanescu, 2018; Pontoppidan & Brusca, 2016). Unfortunately, making International Public Sector Accounting Standards (IPSAS) are being observed and respected in many parts of the world, including the European Union, Asia, Africa and South Americas but not in the United States of America. As much the standards are just considered authoritative but are not legal (Gipper *et al*., 2013; Jamal & Sunder, 2014; Vogel, 2022). Also, other jurisdictions have their own different legal processes they use to set public sector accounting standards or adopt/adapt IPSASs. Research has shown that, the developed nations have their own national public sector accounting standards developed using various processes suitable to them and some of the developing countries are taking a cue from that (Calmel, 2017; Heald, 2017; Makaronidis, 2017).

Mussari (2014) and Polzer *et al.,* (2022) , opined that the important objective of an accounting standard was to be “principle based”, implying that standards may be based on fundamental concepts or ‘principles” that should contribute a sound, comprehensive and internally consistent framework in order to result in coherent financial accounting and reporting. Therefore, all frameworks should attempt to assist standard setters to harmonise accounting practices, standards and procedures to ensure that accounting standards published by accounting bodies are consistent as they all conform to and provide a basis for reducing the number of alternative accounting treatment. The study, thus aimed to establish the scenario in Zimbabwe, which could be a mirror of the developing economies.

2.12 The New Public Management (NPM)

In the 1980s the developed countries advocated for small sized governments based on dubious "new conservatism theory that meant to reinvent government towards being better and cost effective. These reforms were mainly radicalized in Australia and New Zealand as well as in the United Kingdom, as liberal leaders then bashed bureaucratic tendencies of government and pushing for denationalization, market testing, contracting out, adopting theories of free choice and "quasi-market" (Asim, 2020; Erbacci & Catalano, 2019). This was the phenomenon of the New Public Management (NPM). This is not an established theory but a sort of a mixture of diverse ideas, meant to transform the structure of government to become decentralized small units that are more customer-friendly as opposed to centralized, hierarchical bureaucracies. A cocktail of prescriptive reforms aimed at splitting of the planning core of government and implementing agencies based on external appraisal of the agency performance thought out from the "neo classical" and "new institutional" economic theories (Grace, 2016; Steccolini, 2019). These theories assume that the public can regulate a "wasteful" bureaucratic government by pitting it against private competition.

In light of the pervasive and relentless corruption in many developing countries, the Brenton-Woods institutions set it as a condition that the developing countries' financial integrity was critically functional for them to extend credit facilities to governments (Ijeoma & Oghoghomeh, 2014; Wang. & Miraj, 2018). The IMF extended staff monitoring programmes to assist developing countries to implement new public management reforms. These institutions felt that only ethical and competent public management, if efficiently and effectively implemented would reduce poverty and achieve other socio-economic goals (Alsharari, 2019; Amor & Ayadi, 2019).

Traditionally, public sector management was pre-occupied with equity and fairness goals, and in recent times it was being replaced by the new public management model [NPM]. The NPM aimed to re-organize government activities to address public financial management, promote result-oriented management and introduction of accrual-based accounting management through the use of market-oriented mechanisms (Nguyen *et al*., 2020; Obeng *et al*., 2019). The new public management (NPM) was driven by civil servants who were expected to uniformly provide service delivery to everyone within a jurisdiction. It moved away from the traditional bureaucratic model to flexible terms and conditions of organisation, with senior managers achieving results and personal responsibilities in a more dedicated rather than non-partisan or neutral to the government of the day. Under NPM, government functions are more likely to face market forces, with a trend to reduce them through privatization and private sector partnerships (Helden, 2019; Kettle & Schnetzler, 2019; Nyamita, 2015). The NPM was premised on adoption of private-sector management practices where managers have enough discretion and freedom to use public resources for the public interest. The new approach requires a firm system to constrain the managers to deliver service based on standards and the utilization of public resources based on the public sector accounting standards being used to monitor performance through related rewards system (Cuadrado-Ballesteros & Bisogno, 2020; Adhikari & Nesbakk, 2019; Krishnan, 2021; Polzer *et al*., 2021).

According to De Vries and Nemec (2013) NPM from the American perspective should be catalytic, community-based, inject competition into service delivery, mission driven, result-oriented, customer-driven, enterprising and anticipatory decentralized and market-oriented. These demands tend to exert enormous responsibility and accountability on managers, especially with the intention to serve the government of the day.

2.13 Governance and Legitimacy of the Standards Setting Process

Wingard *et al*., (2016), defines “legitimacy” as the probability that a command will be obeyed based only on its content and any obedience induced by any other means is just compliance. They further opined that rules based on agreements deserve obedience based only on the contents and not on the rule setters. Legitimacy secured through engaging in a practical discourse where all those parties or their proxies are freely and equally allowed to contribute without coercion or other forms of force exerted but based on the participants’ arguments yield “cooperative truth’ (Bhutta et al., 2021; Chow & Aggestam-Pontoppidan, 2019; Martins, 2021). So, legitimacy is what was required by standards setting bodies, standards setting processes, staffing and funding. The capture of any of the above would not attract obedience and compliance would have to be forcefully attained, thereby creating room for management of institutions expected to enforce them to leverage their powers in an effort to advance self-interest leading to corruption of either the public sector standards or the public sector accounting standard setting process or both (Ackers, 2019; Cuadrado-Ballesteros & Bisogno, 2020; Kreitner, 2020; Lapsley & Miller, 2019).

Europe, United State of America, Australia and New Zealand have developed their own national standards that are adapted to IPSAS which are convergent with international practice and national accounting. They consider IPSASB to have short comings in terms of governance, independence and on the oversight of the standard setting process (Biondi, 2014; Eulner & Waldbauer, 2018; Gomes, Fernandes, *et al*., 2019). This is evident in that Canada (hosts the IPSASB), Europe and USA are major organisers in the IPSASB standard setting process but they do not use the IPSAS because they claim that the standards are produced and issued without the public's authority being involved in the drafting process (raising agency issues). They also claim that the principal framework translations do not take account of specific needs and interests of public sector financial reporting (public interest). The standards are blamed to have limited coverage for heritage assets, social benefits and taxation, lack of linkage with budgets, hence offer many alternatives for accounting. There was no consideration for the cost of their adoption by all types and sizes of public sector entities expected to use them (Bisogno, Aggestam- Pontoppidan, *et al.*, 2019; Cuadrado-Ballesteros & Bisogno, 2020; Dhliwayo *et al.*, 2018; Mann *et al*., 2019; Mussari, 2014; Polzer *et al*., 2021, 2022). The discord being raised here point to something wrong with the blind adoption of IPSAS.

The governance process of standard-setting arrangement was said to provide assurance of independence of mind of standard-setters, to act in the public interest. The standards developed were a result of widespread consultation and careful consideration of comments from interested stakeholders around the jurisdiction (Felix *et al*., 2019; Jensen, 2020b, 2020a; Jensen & Meckling, 2017; Mark *et al*., 2015; Wingard *et al*., 2016). They further claimed that during a governance review group chaired by IMF, OECD and World Bank with other members drawn from the Financial Stability Board (FSB), International Organisation of Securities Commission (IOSCO), International Organisation of Supreme Audit Institutions (INTOSAI) recommended the establishment of the Public Interest Committee (PIC) and a Consultation Advisory Group (CAG) to improve legitimacy of IPSASB. In other words, a standard-setting body should have some monitoring and evaluation mechanism within its institutional arrangement, whose composition may reflect the diversity of its stakeholders.

2.14 Public Sector Accounting Standards Setting Institutions

The financial crises caused by economic recession triggered a reform of public sector accounting systems and nations sought improvements to the ways in which accounting standards were set for the public sector. Various stakeholders participated in the reform administrative institutions, national assemblies and professional bodies in an endeavor to curtail a repeat of previous calamities (Augustine, 2020b; Singh & Labrosse, 2011; Singh & Ovadia, 2018; Van Hoa & Harvie, 2016). Various jurisdictions had different approaches to those reforms and as much as the world was becoming one big village, nations still produced their own public sector standards. Through IFAC, standards have been considered authoritative but have been used as a benchmark by nations to come up with their own suites that are palatable to their social, institutional and political dominations. The structures of accounting standards, standards setting bodies and due processes vary between jurisdictions, while legitimization of the resulted standards vary from government designation to public involvement (Amor & Ayadi, 2019; Caperchione *et al*., 2017; Chapple, 2014; Kidwell & Lowensohn, 2019; Lubbe, Dhansay & Anthony, 2015; Mann & Lorson, 2019). The sticky issues of nomination of standards setters were addressed by drawing members from both the private sector and public sector by some countries with the criterion being very diverse.

2.14.1 International Public Sector Accounting Standards Boards (IPSASB)

International federation of Accountants (IFAC) transformed its Public Sector Committee (PSC) into an international public sector standard setting body (IPSASB) in 1996. PSC used to discuss and share information about the public sector and the wider public sector management issues). PSC brought about the issue of public sector accounting and the relevance of the accrual-based approach for central government and national accounting, which also included financial and budgetary reporting. This also, activated research in government accounting and national accounting by the World Bank, IMF and IFAC and complemented by academics including the

European Union working group in an endeavor to cartel the occurrence of future world economic recessions (Caruana, Dabbicco, Jorge, & Jesus, 2019; Grace, 2016; Version & Reichard, 2019).

IPSASs like IFRSs are developed through an international consultation process, the "due process", which involves interested individuals and organisations from around the world and developed to support public sector interests. Accordingly, IPSASB had 18 members who are appointed by IFAC based on recommendations made by IFAC's nomination committee. The IPSASB committee was composed of 5 females and 13 males with 2 from Africa, 6 from Asia and Australia, 5 from Europe and 5 from the Americas. The members were appointed for a three-year term. IPSASB members are expected to promote good quality reporting that benefit a particular jurisdiction or a particular organisation's interests rather than accounting treatment (Kidwell & Lowensohn, 2019). The board members of IPSASB are supposed to meet four times a year - three times in Toronto, Canada at their technical department offices and the fourth time at any region or country that might invite them (Jensen, 2020). She further opines that most IPSASB members are supported by a technical advisor who is allowed to accompany them to meetings. The technical staff members are employed by IFAC to manage IPSASB affairs that include research, drafting meeting papers and developing draft pronouncements. IPSASB meetings are attended by official observers drawn from groups interested in public sector reporting which are the Asian Development bank, the European Commission, the European investment bank, Eurostat, IASB, UN, UNDP, OECD, World Bank, INTOSAI and IMF. These observers have the right to speak at the meetings (Jensen, 2020). In other words, they provide ongoing input to the IPSASB works supports or endorses its works.

2.14.2 The European Monetary Union

In the late 70s the UK and later the developed commonwealth countries implemented public sector financial management reforms based on market-oriented theories in response to unproductive and inefficient political and administrative government departments who failed to support the countries out of the crisis (Nyamita *et al*, 2015). The success of these reforms attracted almost all Organisation of Economic Cooperation and Development (OECD) countries to come on board; as demonstrated by liberal market economic countries privatizing and out-sourcing public services, enhancement of public financial management, prominently focusing on performance management and performance related rewards for civil servants. It was noted that though the European Countries used similar financial management approaches, each of them carried out its own specific translation of modernization, new financial accounting management ideas and concepts (Polzer & Reichard, 2019).

The European Monetary Union signed the Maastricht Treaty in 1993, setting some fiscal convergence criteria for the block, based on national accounting figures that were to be extracted from general accounting data mainly drawn from budgetary reports. In 1995 the block then adopted a European System of National Accounting (ESA 95) which was based on the United Nations' 1993 system of national accounting (SNA 93). SNA (93) was deeply rooted in the accrual-based approach (Biondi, 2017; Chow & Aggestam-Pontoppidan, 2019;Caruana et al., 2019). The European Union's objective to come up with their own criteria was to make sure the block's complete economy was ready for economic analysis through national accounting to meet the needs of decision-makers and politicians for policy formulation (Lequiller & Blades, 2014). The block continued to upgrade their own standards consistent with the World Bank and IMF developments. UN and IMF's SNA (2008) were adapted to ESA (2010). In 2013 the block came up with its own European Public Sector Accounting Standard (EPSAS) and because the EPSAS are in their formative phase as a project, IPSASs are being used as the "benchmark" for government accounting making sure there are divergences with national accounting and to deal with issues to be managed by standards setters in the two conceptual frameworks (i.e., framework for government accounting and framework of national accounting) (Caruana, Dabbicco, Jorge, Jesus, *et al*., 2019; Efficiency & Mahoney, 2020; Eulner & Waldbauer, 2018). The issue of ESA as a framework for national accounting in the Eurozone, the harmonization of Government Accounting with business accounting (notably through IPSAS), and the sovereign debt crisis, incited discourse on the development of relevance for the EPSAS project that would provide comparability, transparency and surveillance of government reporting within the block (Glöckner & Glöckner, 2016).

The following figure shows some of the stages that have been covered since 1996.

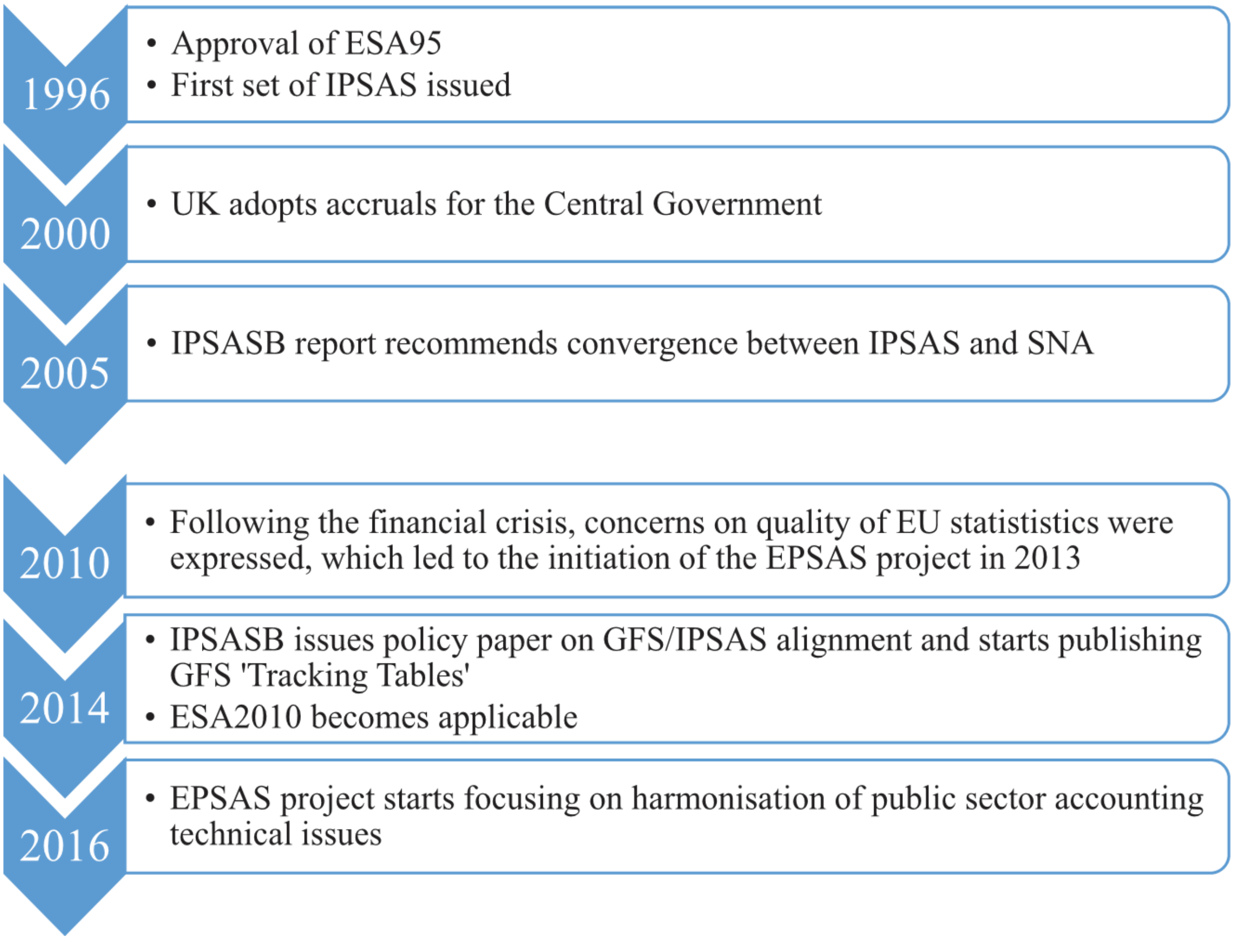


Figure 8: Development of EPSAS. Source: Caruana *et al* (2019)

Caruana *et al*. (2019) delved into the conceptual frameworks of both government accounting and national accounting comparing and contrasting the two reporting systems and found out that, government accounting information could be used for decision-making. They further noted that, accounting for public spending focused on service recipients (citizens or as represented by legislature), resource providers in the form of taxpayers, donor agencies, creditors and other users. The accountability of government accounting context was dependent on the institutional environment, which required understanding of the underlying framework, suitable accounting concepts, standards and processes (Alsharari, 2019; Kouki, 2018). The fact that IPSASs are related to financial statements and are not legally binding but only considered to be authoritative to jurisdictions that decide to adopt them, the Eurozone has a project to develop specific standards which are adaptable to IPSAS but specifically specialised to suit their social, cultural and economic environment. The desire to achieve both government accounting and national accounting, at the same time trying to converge the two to bring in the role of budgetary reporting and auditing; while at the save time produce reports that are internationally comparable and adapted to IPSAS was the basic motive of the block (Caruana, Dabbicco, Jorge, & Jesus, 2019; Jensen, 2020).

2.14.3 Public Sector Accounting Standards Setting in the United Kingdom

Public Sector Accounting Standards Setting can be traced to as early as the 13th century that financial reporting in the public sector was of essence in England, when it was acknowledged that the then governments had to account for the expenditure of the taxes they collected to the public (Ndeirtu & Koori, 2018). According to Endo & Inoue (2012), the Treasury set standards for the national government and the CIPFA/LASAAC Local Authority Code Board (CIPFA/LASAAC, 20`17). Both standard-setters had to consult with the Financial Reporting Advisory Board (FRAB) before issuing or revising the standards. FRAB was established within the Treasury. The public sector accounting standards were centered on EU-adopted IFRS/IPSAS with some adaptation for public sector. There are two sets of standards in the UK, the Financial Reporting Manual (FReM) for the national government and the Code of Practice (the Code) for local authorities. The Financial Reports for the year were organized in accordance with the Accounting Code for Local Authorities as issued by the Department of Environment, Community and Local Authority. There was consistency in the application of the standards because each standard was prescribed in a respective law or regulation to achieve consistence with each other, since they were primarily based on EU-adopted IFRS/IPSAS. Exposure drafts developed by both standard-setters needed to be publicly consulted for at least eight weeks. There was no specific rule to designate who decides on agendas or how to treat dissenting opinions in those standard-setting bodies. FRAB was also monitored by the FRAB review group. The scope of the review included the future roles, structures and operational arrangements.

2.14.4 Public Sector Accounting Standards Council - France

In France, the standard setting – function used to be performed by the general Directorate of Public Finance in the Ministry of Finance until it was moved to the Public Sector Accounting Standards Council (Calmel, 2017), an independent department that prepared the accounts for the state, but was staffed, overseen and financed by the Ministry of Finance. The standards set by the council were adopted by ministerial decrees as the government's accounting policies and enforced by the court of audit, making them a form of administrative orders (Rossi, 2015).

The national government standards were set by the Ministry for Economy and Finance (MEF) and those for local governments by the Ministry of Internal Affairs, making the country to have different sets of standards (Endo and Inoue, 2014). They further state that, CNOCP (Le Conseil de normalization des comptes publics or the Public Sector Accounting Standards Council) an advisory body established by MEF to appraise all of the administrative orders conscripted by Ministries. No orders could be issued without seeking CNOCP's views. CNOCP's draft views were not subjected to public scrutiny, but were publicly published and submitted to ministries once they were approved (Calmel, 2017).

CNOCP was monitored by an 'Advisory Committee for Orientation' when deciding on its agendas. CNOCP members who had dissenting opinions about the draft CNOCP views could present their opinions to the competent Ministries (CNOCP, 2014). The general chart of accounts called "Plan comptable général" was applied by all entities in France and that prevented entities from adopting extremely different accounting treatments or unique types of charts of accounts.

In a discussion paper on how France was supporting accrual accounting in the public sector the following comments were made:

> *The third part is about budgeting and accounting and I would like to expose you what is the French context regarding this difficult subject. The driver for the French public accounting reform was the Parliament with the approval of a constitutional Bylaw on Budget Act of 1st August 2001, known as LOLF. The LOLF provided for the introduction of accrual-based General Government accounts on 1st January 2006 while maintaining*

the conventional budget presentation in terms of receipts and payments (cash basis which remains the main reference of annual Budget Acts). The LOLF required the holding of three independent accounting systems that would be articulated: Budgetary (cash basis) accounting, accrual basis accounting and management or costs accounting (Calmel, 2017, p.129).

The CNOCP had been known to produce public sector accounting standards and had supported accrual accounting for a period dating back to 2012. The country had supported accrual accounting in respect of the principle of subsidiarity and proportionality and consequently favoured the principles binding detailed standards (Calmel, 2017). France contemplates that the reliability and the transparency of the European Union countries' public accounts were to be upgraded through the advancement of an extensive use of accrual accounting. According to the French experience, the adoption and the implementation of accrual accounting was a long process and an expensive project and to achieve it, a strong political support and a methodological integration by many public sector entities was needed.

2.14.5 The Belgian Government

Belgian preparers originated from a regulatory experience characterised by domestic accounting standard setting originated by the government. This was different for the practice in the UK where preparers were requested to contribute in the private accounting standard setting process (Merangin *et al*., 2018).

2.14.6 United States of America: The Securities and Exchange Commission (SEC).

The neoliberal reform called the new public management (NPM) had its roots in USA before it proceeded to UK, Canada, Australia and New Zealand (G4 +1). In North America, (USA, Canada and Mexico who have federal governments, the NPM occurs at all level of tiers of governments i.e., federal, state, provincial and municipalities (Nyamita *et al*., 2015). USAID pushed for these reforms in South America and the Caribbean region. The reforms' progress resulted in changes in budget laws, accounting and audit systems and the computerization of public sector financial information (Aurélio *et al*., 2017; Bradshaw *et al*., 2014; Brusca & Martínez, 2016; Pontoppidan & Brusca, 2016). However, lack of trained professionals, mazes of incoherent regulations and excessive focus on legal procedures hindered the rate of use or adoption of public sector accounting standards (Amor & Ayadi, 2019; Chow & Aggestam-Pontoppidan, 2019; Wang & Miraj, 2018).

According to King & Waymire (1992), accounting rules setting started in 1917, when American Institute of Certified Public Accountants (AICPA) developed the audit guidelines and financial reporting formats. It later worked with the New York Stock Exchange to define five sets of accounting rules in 1930. During the same year it formed the Committee on Accounting Procedures (CAP) to promulgate rules to govern the accounting methods. This committee was followed by the Accounting Principles Board (APD) in 1959, which in turn was replaced by the Financial Accounting Standards Board (FASB) in 1973. Unlike the other two who were formally part of (AICPA), FASB also included preparers of financial reports, analysts and members of other constituents. Also, issues that did not require full examination by the FASB, were quickly resolved by an Emerging Issues Task Force which was established in 1984, whose other task was to identify accounting controversies (Cortese, 2009; Glöckner & Glöckner, 2016; Hejranijamil, 2020; Kabir, 2017; Sinclair & Bolt, 2013; Wingard & Bosman, 2016).

In the United States of America (USA) the growth and diversity of accounting regulation-making institutions created prospects to equate alternative provisions. The Financial Accounting Standards Board (FASB) set accounting standards which were applicable to both private and public sectors and also to private non-profit organisations (Endo & Inoue, 2014). Literally, the Securities and Exchange Commission (SEC) was a government agency legitimately responsible for setting accounting standards in the USA, though it could assign other institutions to do so on its behalf. The federal government's fiscal system was separate from those of each of the 50 states and their local governments. The FASB set standards were generally accepted accounting principles (GAAP) until 1980, before the formation of the Federal Accounting Standards Advisory Board (FASAB) in 1991 (Fajardo, 2016). The FASAB was based on an agreement between the Treasury and the budget office (the executive branch) and the legislative audit office. However, the board's mandate was restricted to financial accounting (Allen & Ramanna, 2012) while laws and administrative regulations set budget and budget accounting rules. In an attempt to meet independence requirements of the American Institute of Certified Public Accountants (AICPA), for FASAB standards to be considered as GAAP applicable to the federal government, the initial 2/3 majority of government officials on the board was changed to 2/3 public members (Jamal & Sunder, 2014; Vogel, 2022).

In brief, American GAAP was an umbrella word to describe various sets of standards for the federal government, the states and local sector, and business enterprises. However, the federal government continued to use laws and administrative rules to control their own budgeting and budget accounting. The majority adopted GASB standards for annual financial statements preparation to meet stakeholders needs (Allen & Ramanna, 2012; Endo & Inoue, 2014). Accordingly, FASAB and GASB, works projects were required to be exposed for stakeholders' consultation for at least 30 days (usually 60 days or more).

"Dissenting opinions of members presented while setting the standards are to be included in the core text of the standards (FASAB), or the basis of conclusions (GASB), with names of the members attached to each view. Agendas for the meetings are decided at the board meetings (FASAB) or by the chair (GASB)" (Endo & Inoue, 2012. p,1). They further state that AICPA recognizes FASAB and GASB as GAAP standard setting bodies to give legitimacy to the standards set by them.

2.14.7 Canadian Accounting Standards Board (AcSB's - Canada

In Canada, the Canadian Accounting Standards Board (AcSB's) decided to accept IFRS for public companies and develop separate GAAP for private enterprises, when they spotted that 'one financial reporting framework did not fit all entities' (CICA, 2010). The Chartered Professional Accountants of Canada (CPA Canada) formed the Public Sector Accounting Board (PSAB) to issue public sector accounting standards (PSA Handbook). The PSAB in CPA Canada was monitored by the Accounting Standards Oversight Council (AcSOC) that gave preliminary consent to any PSAB agendas. According to Endo and Inoue (2014), PSAB projects were issues for public consultation for 60 days and dissenting opinions were noted in the conclusion of the standard report; with names of those members who presented them kept confidential. It must be noted that professional accountancy bodies established and operated the accounting standards setting bodies and oversight organisation with a single set of public sector accounting standards applicable to the general government with federal and provincial laws being designated applicable as well. The government of Canada claimed that it was not required to follow IPSASs, since its accounting policies were based on the standards set by its PSAB which was under CICA though it is interested in the works of IPSASB, considers them as a secondary source of GAAP (Bradshaw, 2018; De George *et al*., 2016; Office of the Auditor General of Ontario, 2016; Receiver General for Canada, 2014).

2.14.8 Asia and Australasia

Asian countries adopted processes of the NPM reforms for various reasons; at times the impetus came from internal pressures and most of the times from outside forces. The British-American liberal democratic model of the public sector management model advocated for these countries to be characterised by principles of separation of power, political neutrality and public accountability (Huian, 2015; Lumpur, 2017; Mann & Lorson, 2019; Nyamita, 2015). These countries were expected to be maintained through constitutional provision, legal system, legislative means, ministerial supervision, budg-+et and audit performance evaluation. However, research has observations that the outcomes of NPM reforms varies from country to country and country-specific contextual factors significantly influenced, apart from economic and fiscal pressures, by domestic political changes including regime changes, democratization and collapse of pre-existing political orders of governance, such as innate administrative traditions like colonial, military or imperial legacies (DeSilvaLokuwaduge, 2016; Khanagha *et al*., 2020; Nyamita, 2015; A. P. Version, 2021). Though some scholars regard privatization as the most effective public sector financial management reforms in countries like China, Sri Lanka, Indonesia, and Malaysia; China and India have emerged to be economic giants without liberalising their economies (Mateev, *et al*, 2013; Adhikari *et al*, 2013). With that background, some countries have their own public sector financial reporting standards set by government or some other authorized body though at the same time they are moving towards a cash-based IPSAS and non are yet compliant (ACCA, 2017). It is further stated that these countries have codes of conducts, for civil servants, which were not specifically related to public sector accountants or reflected any of IFAC codes aspects of professional competence and adherence to technical standards. IPSASB was cooperating with the national accounting standards setters in preparing and issuing some form of public sector accounting standards in their jurisdictions. Only one country in the region, had a law that specified international accounting standards for public sector accounting and reporting but in most of them, including India, the Audit General and the Controller General of Accounts (CGA) was the authority to set accounting standards for the general government sector. In other words, there was no due process to talk about (Celik, 2017; Gomes, Fernandes, *et al.*, 2019; Huian, 2015) .

However, in a study carried out in 2016 by Muniraju, and Ganesh it was found that India had adopted IFRS as the reporting standards for the 3600 multinational companies operating there and reporting their financial statements as per IFRS, Indian GAAP, Japan GAAP, etc. This approach attracted foreign direct investment (FDI) though most of the respondents were not fully aware of IFRS, and that posed as a challenge to their adoption. Of note, was that the Indian Chartered Accountant Institute (ICAI) developed the GAAP that were convergent with IFRS; with permission from the Ministry of Corporate Affairs (MCA). The scenario seems to suggest that there are numerous accounting alternatives in the private sector and no motive yet to have harmonization in all sectors at the moment in India which was supposed to be the leader in the region.

Krishnan (2021 and Sarada (2016) opined that in India the demand pressure and supply pressures of transparency and accountability in the public sector from the public in the national context and from international financial institutions in the transnational context have been the driving force for the adoption of public sector accounting reforms. The pressures are also established through prompting episodes like political scandals inducing retorts from government to strengthen its declining legitimacy by adopting public sector accounting transformations. However, they found out that the implementation was not satisfactory due to lack of commitment by government and due to lack of funding and agreement had been reached to introduce accrual accounting based double entry formats as per National Municipal Accounts Manual. Besides having started the reforms in 2008, the country business entities were still using cash based accounting system through they had identified pilot provinces and they was yet to set a timeframe for the full adoption of IPSAS.

2.14.9 New Zealand

The New Zealand Accounting Standards Board (NZASB) put in place a suite of accounting standards (PBE standards) applying to both national and local governments. Those standards are based on the International Public Sector Accounting Standards (IPSAS) with some modifications in view of New Zealand public sector context. NZASB also issues accounting standards that apply to not-for-profit entities. Agendas of the NZASB are decided by the XRB (External Reporting Board). Draft standards are generally exposed for public consultation for three months (required to be exposed at least for one month). Accounting standards are taken as regulations, and therefore, come into effect after the approval by New Zealand Assembly. XRB Board monitors NZASB. XRB Board and NZASB are organisations under the XRB, (Endo & Inoue, 2014;Christensen *et al*., 2019; Newberry, 2014).

2.14.10 Australia

In Australia a single set of accounting standards based on IFRS applies to both private and public sector entities, with additional provisions set for the matters specific to public sector entities in sector neutral approach, or to be exact, 'transaction neutral' approach. Standards were set by the Australian Accounting Standards Board (AASB), which is one of the government agencies (Chapple, 2014). Commonwealth law and state laws designated accounting standards that applied to the governments. Draft standards needed to be publicly consulted for at least 30 days. Dissenting opinions were included on the basis for conclusions of each standard. The Australian Financial Reporting Council (the Australian FRC), which is also a governmental agency, monitors the AASB. Australian FRC gives the AASB advice on its priorities and strategies, but the final decision on its agendas would be made by the AASB (Invitation, 2018; *The AASB ' s Approach to International Public Sector Accounting Standards*, 2019).

According to Stevenson, (Chairman and CEO of the AASB) (2014), his organisation was an independent statutory authority that set Australian Accounting Standards applicable to all Australian reporting entities in the preparation of general purpose financial statements. The AASB's approach to setting standards for Australian governments was to adopt International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), modified where necessary to deal with public sector specific issues, usually, modifications for public sector specific issues were made after considering the IPSASB's approach to the issues and works with close support from IPSASB.

The AASB believed that standards were predominantly designed and aimed at enabling economic decision-making and that, even though circumstances differed between the for-profit, private not-for-profit and public sectors fundamentally economics were not sector specific. In that regard, it claimed to work to guarantee a high degree of consistency in Australian financial reporting standards applicable across all sectors. The AASB had been setting standards for all sectors since 1983 and, despite not adopting IPSASs directly, targets to attain compliance with them wherever possible and the compliance effectively achieved would be among the highest in the world (Ason *et al*., 2021; Efficiency & Mahoney, 2020; Fajardo, 2016). Australia has become the only country adopting 'pure' sector neutral approach both in its form and in practical terms, since New Zealand had revised their framework for accounting standards.

2.14.11 China

The establishment of the People's Republic of China in 1949 saw the replacement of the previous regime's capitalist oriented accounting system being replaced by a socialist budgeting accounting system. The centralized budgeting accounting system had been used for almost fifty years from 1949, with the national government virtually monopolizing all aspects of the economy and the public sector until the 1978 market reforms. Recently, the People's Republic of China's central government has since transferred some of the authority to collect and the responsibility to provide services to provincial and local government in a devolved manner (Anggraeni, 2019; Gan, 2022; Hadley *et al*., 2019; Huian, 2015; Melecky, 2021).

The budget law and accounting law provides the legal framework for the Ministry of Finance to promulgate regulations on all aspects of accounting by all entities in the private and public sector for all levels of government in the public sector. The Ministry creates and receives advice from the China Accounting Standards Committee, which has a sub-committee in government and not-for-profit accounting. The national Audit Office performs all audits of public sector entities, with minimal roles played by the accounting (audit) profession (Zhang, 2020).

The Chinese Government Accounting Standards-Basic Standards were promulgated in 2015 as a great step in reforming and being an important futuristic influence on improving the incorrect financial reports. The reforms were to be built on an accrual accounting reporting system, as outlined by the Ministry of Finance's "accrual government financial reporting system reform plan of 2015 which was the first specific government accounting document (Gan, 2022). He further, opined that the document laid a rock-solid base for impending government accounting reforms as supported by the Accounting Standards Board in December 2015. It was also anticipated that with leadership and supervision by the Government Accounting Standard Board the Chinese would modernize their financial management systems. However, the public sector accounting standards setting process was not documented in China, though accounting reforms are being implemented to match those of Contemporary and Anglo-Saxon Europe (Gan, 2022; Schmidthuber & Hofmann, 2022).

Accounting researchers need to unravel the phenomenal economic growth by the People's Republic of China despite what is considered as "weak" institutions in market-based economies. The unravelling of the puzzle of the institutional framework of regionally decentralized Authoritarian regime responsible for phenomenal economic growth may provide insights into the role of accounting and control systems in non-market –based settings (Radhakrishnan, 2014). China as a key member of the G20, seeks clear overall recognition through a narrative on its policies on international accounting standards to affirm its status of a great power and a major player in international accounting standards setting (Camfferman, 2020). He further, elaborated that though China was shoving international geopolitics as an alternative economic and political model to challenge western hegemony, so far there are no signs that it seeks for a different type of accounting standards to support its economic model.

The substantial relationship between geopolitics and international standards setting arising out of United States of America domination of world affairs was being challenged as the rest of the world especially Europe was pushing towards globalization of financial reporting standards as the contribution to the overall quality of global institutional framework rather than a one-sided pursuit of United States interest and its leadership in accounting standards setting. Currently, prominence obligated primarily on getting Chinese companies to bow to the same audit and audit oversight auditing standards as US companies (Camfferman, 2020). That demand was envisaging creating a scenario of leveling the playing field. However, he stated that discussions in the US over Chinese reporting practices shows that the notion of weaponising accounting standards in setting geopolitical tension is not wholly theoretical.

2.14.12 Japan

Traditionally, Japan is a strong state since the Meiji era that transformed it from the old empirical regime to a full flagged democracy that led to economic recovery after the second world war (Koike , 2000). Following a barrage of criticism by Eurocentric countries for closing its market from foreign direct investments, in 1981 the country established the Provisional Commission for Administrative Reforms to reorganize government finance with no changes to tax regimes in an effort to prepare for the age of globalization and implementation of the new public management. The devolution and proposed overhaul of government was seriously opposed by private enterprises but got traction from the public resulting in the “cozy-triangles” – Politian’s, bureaucrats and business groups- ignoring recommendations of the Reform Commission (Celik, 2017a;Nyamita, 2015).

The reforms resulted in Japan’s public sector accounting standards being set by standards setting advisory boards and study groups formed under government ministries in a decentralized manner. The challenge was that the members of these groups were appointed by the respective ministers with no other consultations resulting in lack of due process. This fragmented approach of standards setting meant that standards were specific to each public entity. The standards setters themselves did not have a measure of independence (Endo &Inoue, 2014).

2.14.13 South Korea

South Korea was one of the developing economies whose economic growth was influenced by reforms in accounting and corporate governance. The reforms were a result of pressure from the IMF and World Bank for the country to tighten the loose regulations that hindered external inspection of financial environment in the country. The loose accounting regulations and absence of accounting standards gave room for intra-group institutions manipulating the expansion of their external size and arbitrary relocation of profits and externalization (Takahashi & Okuda, 2017).

In response to the pressure from the Breton-Woods Institutions, South Korea agreed and implemented the new corporate accounting standards reforms in 1999 as part of the conditions for the rescue package for the poor performing economy. The conditions also included amongst others, trade liberalization and import certification procedures, allow a maximum of 55% foreign ownership of listed companies, reforming of accounting standards etc. (Ahn & Jacobs, 2019; Takahashi & Okuda, 2017).

Based on the reformatory environment the Korean Association for Government Accounting (KAGA) advocated for public sector accrual accounting, using civil society groups taking advantage of the country application for the IMF bailout package and that also caused the formation of a new government. KAGA in conjunction with public servants, coopted accounting professors and CPA- qualified accountants, together they defined and designed public sector accrual accounting as a measure of public accounting reforms and the broader government budget process (Ahn & Jacobs, 2019).

South Korea had two separate suites of standards for the national and local governments designated by laws and presidential or ministerial orders. Accounting standards for the national government were within the jurisdiction of the Ministry of Strategy and Finance (MOSF), whereas the Ministry of Security and Public Administration (MOSPA) was a competent authority for accounting standards for local governments (Henderson, 2015). When the standards were set or revised, both Ministries needed to consult with their advisory committees; namely, the National Accounting System Deliberation Committee for the national government, and the Financial Accounting Advancement Sub-committee for local governments. As accounting standards were set in the form of ministerial orders, they sought public comments as required by the Administrative Procedure Act. The National Accounting Standards Center (NASC) supported the MOSF in establishing and improving national accounting standards. It drafted accounting standards and conducted in-depth research on a contract basis with the MOSF, in accordance with its ministerial orders. The Korean Institute of Certified Public Accountants (KICPA) administers NASC. The Korea Research Institute for Local Administration (KRILA) conducted research, and studies on local governmental issues for the MOSPA (Amaral *et al*., 2013; Financial, 2019.; Henderson, 2015; Lee, 2019).

2.14.14 AFRICA

The million-dollar question is and was whether Africa practiced accounting or was it active in the evolution of the profession or was a by-stander as global accounting developed? Some researchers concluded that despite Pacioli being considered as the “Father of Accounting”, history has shown that the progress in the field of accounting in Africa predated Eurocentric developments (Ackers, 2019; Onuoha & Enyi, 2019). They proceed to observe that some African accounting artifacts range from 40,000 to 77,000 years old, giving evidence of accounting systems predating the development of the same in medieval Europe. Illustrations can be drawn from the large and prosperous ancient Egypt, Ghana, Ethiopia, Mali and the Munhumutapa Empire in Southern Africa to name just a few, that Africa had sophisticated trading economies that developed equally sophisticated taxation systems that were decimated by Western colonization and slavery. The accounting and taxations systems in those medieval times in Africa required the engrossment of vastly skilled accountants to reconcile all the revenues and expenditures.

The main reasons for suppressing African countries' role in accounting practice development, was due to centuries of colonisation, slavery and other forms of institutional exploitation. Now the Eurocentric dogmatism give reasons that African economies embraced public sector financial management reforms practices due to macro-economic imbalances in the 1980s, and the belief of theoretical liberalization arguments persuasions. The impetus to reform was expected to bring improvement in the countries, under pinned by the world being a global village philosophy (Ackers, 2019).

The public sector financial management reforms have been on the agendas of the African governments and their development partners for some time since the 1970s and 1980s yet the problems persisted. These reforms caused most of the governments to experience overall decline in motivation and performance from civil servants, causing low revenue collection and accounting by the general governments, partly from the economic structural adjustment programmes (SAPS) adopted at the instigation of the World Bank and IMF (Amor & Ayadi, 2019; Adhikari & Nesbakk, 2019). The reforms were not accompanied with respective accounting and reporting frameworks to assist in the reporting of performance. Like in South Korea, where they were a success, these SAPS were to be adopted as a carrot linked to obtaining direct loan advancements and other short-term credit facilities from the Bretton-Woods institutions. Several prescriptions have been adopted including some international accounting standards with considerable resources and attention, especially to low-income countries and fragile states, with no evidence to the degree these reform agendas had been implemented nor the improvement in service delivery and outcomes (Nyamita *et al*, 2015).

Though there was still systematic ignorance of the critical value on good accounting to governments in developing economies, the public's demand for radical public sector management caused a wave of organisational, managerial, financial and accounting reforms (Monari, 2015; Opanyi, 2016). The lack of public sector transparency during the reforms presented a major risk to the efficiency of capital markets, national financial stability and long-term sustainability (Nderitu, 2018). There was need to sensitize the public to take greater interest in the management of their resources and in that endeavor, all should gain a better understanding of the importance of the financial reports. The reactions by governments brought about the new public management (NPM) that focused on the use of economic regularities and market efficiency principles (Monari, 2015). The attempt to narrow the difference between public and private sector practices cause complications in that the countries did not have competent public sector professional. The NPM orientation led to the adoption of accrual accounting in the public sector by some governments. Though the public demanded these reforms, researchers observed that the natives, taxpayers and voters did not understand what they were asking for or how to use the financial reports to make decisions, right from the legislatures to the general public (Savchenko et al., 2020; Schmidthuber & Hofmann, 2022; Steccolini, 2019). How could they understand the financial reports and use them to make the general government accountable when they do not even know the basis of measurement of the standards, who made those standards and for who?

Nderitu & Koori, (2018) claim that in a research carried out by Krambia-Kapardis (2010) it was identified that there was a deficiency of information on debts incurred by governments, pension funds and budgetary reporting among others. They further found out that information was also submitted out of time, hence stale and useless to the recipients. In response, the East and Southern Africa region formed a regional body for Accountants-General of 14 of its countries, with a mission to develop sound Public Finance Management systems (http://www.esaag.co.za).

A research carried out on ESAAG region showed that Lesotho, Mozambique, Namibia and Zimbabwe prepared their financial reports using the cash basis accounting in an effort to match the reports to the institutional budgets. Kenya, Malawi and Zambia were using the modified cash basis IPSAS, while Botswana, Mauritius, Rwanda, South Africa and Uganda were on modified cash basis accounting (Dhliwayo, A. 2018). The same research observed that debt accounting was being done on an accrual basis, and the ESAAG region also agreed that financial reporting should be accountable and transparent. However, the research was using Accountant-Generals only who did not elaborate on how they envisaged developing sound public finance management practices and each country seemed to have its own approach to achieve the mission.

Similarly, due to the various approaches by the continent, Africa's influence to the development of financial accounting practices and standard setting had been trivialized and calculatingly overlooked to propagate the primacy of Eurocentric civilization. It is suggested that the historical origins of "Ubuntu" concept were traceable to medieval Egypt (1500 B.C.) that anthropologically brings out the African philosophy of unity in diversity and communal accountability that developed counting and records for tax computation (Ackers, 2019; Lassou & Hopper, 2021). The Africapitalism emphasized on the obligation of the private sector to operate in the framework of socio-economic development pursuant of financial gains through creating of social wealth, with growth and prosperity in attendance of state of affairs making life more gratifying rather than just the nonexistence of poverty and famine (Ackers, 2019). He further hastened to say that;

> *In this manner, the colonisers deliberately created a sense of African amnesia about its own history, values, culture and achievements. Despite its ostensibly Eurocentric origins, the evidence suggests that Africa has always been, and continues to be, at the forefront of advances in the accounting sciences* (page 165).

However, there was neither literature on how the continent established the accounting systems nor evidence of public sector accounting standards setting processes, which warrant Africa to be regarded as at the forefront of advances in the accounting sciences.

2.14.15 Kenya

Kenya's financial reporting for the public sector is governed by the constitution of 2010 chapter 12, the Public Finance Management Act of 2012, Corporation Act, Companies Act and other relevant legislations (Monari, 2015). IPSAS were adopted through section 194(1)(f) of the

Public Finance Management Act,2012 for the applications and guidelines on implementation of the standards. Section 192 of the same act provides for the establishment of Public Sector Accounting Standards Board, with a mandate to provide frameworks for setting generally accepted standards for the development and management of accounting and financial systems by all state organs and public entities as well as adopting IPSAS.

The professional accounting bodies in Kenya championed the adoption of International Public Sector Accounting Standards(IPSAS), through boardroom discussions, conferences and seminars, until the Treasury, Auditor-General and Ernest and Young teamed up to take over the IPSA adoption process (Okungu, 2015). He further opined that the adoption of IPSAS value-added culpability, comparability of financial reports and amplified consumer consummation by augmenting their confidence to bank on them for economic decision making. However, he concluded that IPSAS do not provide information to evaluate performance in government ministries and counties, though it can be used to justify the need to raise taxes by all tiers of government.

On another level of talk, Opanyi (2016) commented that the introduction of IPSAS in Kenya was an essential reform in the public sector to align government accounting with global trends that called for greater government financial accountability and transparency as a necessary norm of democracy. He went on to state that the adoption of IPSAS focused on the production of quality financial reports that met decision-usefulness criteria.

On the other hand, financial reporting standardization has enhanced budget information reporting in the public sector in Kenya. At the same time, it has contributed to accountability and transparency reducing complexity of the current financial reporting in the process enhanced stakeholders' understanding of service concession agreements in the devolved tiers of government. IPSAS adoption in Kenya and the alignment of the Public Finance Management Act enriched financial reporting in the public sector and was decisive in promoting transparency in administration of public resources, disclosures and proper expositions that were straightforwardly understood by consumers of the information (Nderitu, 2018).

Nevertheless, the implementation costs were expensive, trained staff on IPSAS were scarce, resistance to change and the complexity of the accrual accounting system to first time adopters were some of the challenges faced by Kenya (Monari, 2015). Nonetheless, there was no literature on the process of adopting IPSAS in Kenya.

2.14.16 South Africa

The Accounting Standards Board of South Africa was established in line with section 89 of the Public Finance Management Act (Chapter 11). The board was fully funded by the National Treasury and reported to the Ministry of Finance (infor@asb.co.za). The board was composed of ten (10) members all appointed by the Ministry of Finance after consultation with the Auditor-General. The board was mandated to prepare and publish guidelines and directives in line with government recommended practices (GRAP) for use by the public sector. GRAP in South Africa is a fusion of IPSAS, IAS, IFRS and National developed standards based on the issue being dealt with (ROSC A&A, 2013; www.asb.co.za). In other words, the public sector in South Africa could use any accounting standard provided it regarded it to be able to give a good picture of the issue being reported.

According to the South African Accounting Standards Board [ASB] (2017) the adoption of public sector accounting standards was done in a phased approach. Municipalities and their entities moved from fund accounting to accrual in 2008/2009, followed by national and provincial entities that migrated from IFRSs equivalents in 2009.Parliamentary and Provincial legislatures moved from modified cash basis to accrual in 2010. The rest of the whole of government excluding national and provincial department changed in 2014.

The process in South Africa was done in eight stages. The first phase involved research and development of the proposed standard done by the secretariat of South African Accounting Standard Board. The next phase focused on stakeholders' consultation and amendments to proposed standards and was promoted by a project group that was drawn from technical expects and subject expects. The third phase was administered by the board that also included representatives from the Accountant-General and the Auditor -General. The phase was the point of approving an exposure draft. Once the exposure draft had been approved, public consultations were done through roundtables and workshops that included Treasuries, Professional

Accounting Organisations Public Accounting Groups and Chief Financial Officers. The fifth phase focused on consultations on comments and amendments of the standards by the project group. The board approved the standard at the sixth phase. However, after approval of the standard's further consultation of the effective date was done during the seventh phase. Also, to be determined during this phase was the development of transitional provisions. The last phase that was, phase eight was the application and implementation of the standards. During the same phase the board and other stakeholders review and amend and improve the project, through the secretariat (www.asb.co.za).

The various recapitulations on codes of corporate governance for South Africa advocated for a stakeholders' standpoint. Though, Mervyn King was universally ascribed with the global assimilated reporting initiative, South Africa's role and contribution in both corporate social responsibility and integrated reporting was readily acknowledged , it was the authentic traditional African communal values of Ubuntu, over and above Africa's early contribution to the development of accounting practices that was purposefully discounted in the overriding Eurocentric paradigm (Ackers, 2019).

2.14.17 Zimbabwe

The Public Finance Management Act's (Chapter 22.19) lack of alignment to the Constitution of Zimbabwe brings about the absence of proper frameworks allowing for parliamentary oversight in public borrowing and limited participation of the citizenry in budgetary processes. This gap generated opportunities for government to get loans in defilement of constitutional requirements and the Public Debt Management Act. This subsequently led to massive public borrowing (Brief, 2019). The Act was also not aligned with various legislations that impact on public finance management. The act should make it exclusive for persons who misuse public resources by setting instruments that encourage the discovery and sanction of wrong doers and build a favorable and empowering atmosphere that inspires citizen involvement and parliamentary oversight in public management.

Companies, local authorities and not-for-profit organisations independently adopt financial accounting standards depending on which accounting body their principal accounting personnel belong to. Thus it has been observed in Zimbabwe, that spending reviews and specific government evaluations commissioned through the national budget have always missed set targets (Gazettes, 2018). The Zimbabwe Revenue Authority (ZIMRA) had been in disagreement with companies as to the profit determination formula for tax purposes which suggested a variance on performance information treatment. Other researchers established the view that there was a requirement for bringing up-to-date legal structures to support putting into practice accounting and auditing standard (Subramanian, 2011). It also advocated for the capacitation of the Public Accounting and Auditors Board (PAAB) in advancing the degree of compliance with applicable accounting and auditing standards in Zimbabwe. The report further observed that the various institutional frameworks such as the Companies Act, Insurance Act, Banking Act, Public Accountants Act, Auditors Act, Securities Act, Public Finance Management Act, Chartered Accountant Acts, and Chartered Secretaries Act concentrated on the establishment of body corporates to deal with their composition and administration structures. These acts cause the preparation and maintenance of proper records, financial management systems, internal controls and development of skills-sets for those agents who safe-guard public entities' assets. The same acts also cause accounting authorities to prepare financial statements in accordance with generally acceptable accounting practices (GAAP), with no specific mention of who to issue GAAP or specific GAAP framework or the standard setting process.

Section 3(1) of the Public Accountants and Auditors Board Act [27.12] prescribed that the PAAB for its purpose shall be constituted by the Zimbabwe branch of the Chartered Association of Certified Accountants incorporated by Royal Charter in the United Kingdom [ACCA]; the Zimbabwe branch of the Chartered Institute of Management Accountants incorporated by Roya1 Charter in the United Kingdom [CIMA]; the Institute of Chartered Accountants of Zimbabwe established by the Chartered Accountants Act [Chapter27:02][ICAZ]; the Institute of Chartered Secretaries and Administrators in Zimbabwe established by the Chartered Secretaries (Private) Act [Chapter 27:03] [ICSAZ]; the Zimbabwe Institute of Public Finance and Accountancy, a locally incorporated company limited by guarantee. The composition of the constituents of PAAB on paper showed a robust and independent organisation with international flavour. The board also had the power and responsibility to recommend to the Minister of Finance by way of a statutory instrument to declare any board, which was established in Zimbabwe to advance the interests of public accountants or public auditors to be a constituent body. On that same note, declare that any constituent body, whose membership has fallen below a level which, in the opinion of the Board, no longer merits representation on the Board, shall cease to be a constituent body. The PAAB had powers to amend subsection of the act that dealt with membership to give effect to any declaration or any change in the name of a constituent body specified in subsection 3(1). In 2014 section 3(1) was amended to split constituent classes into principal constituent bodies and associate constituent bodies as listed in the Seconds Schedule of the PAAB Amendment Act.

Legally, Zimbabwe was at the level of best practice as the law provided for independence of the accounting standard board and its affiliates were components of internationally acclaimed Professional Accounting Organisations. The proclamation in the Public Finance Management Act [Chapter 22.19] when read together with the PAAB Act [Chapter 27.12] made its proclamations more authoritative and legally binding once they were gazetted. In other words, the standards set or adopted by PAAB had greater sway than any other international accounting standards setting body, as outlined by section 4(3) of Public Accountants and Auditors (Prescription of International Standards) Regulations, 2019 [Statutory Instrument 41 of 2019] which stipulates that:

In the case of any inconsistency between a local pronouncement issued by the Board through a notice in the Government Gazette and any international standard, the local pronouncement shall take precedence to the extent of the inconsistency.

To buttress the above acts, the government of Zimbabwe also promulgated pertinent statutory instruments on public sector financial management. These statutes provided a further legal position on issues mainly addressed in Public Finance Management (General) Regulations, 2019 [Statutory Instrument 135 of 2019] and Public Finance Management (Treasury Instructions), 2019 [Statutory Instrument 144 of 2019], as these dealt with generally accepted accounting practice; and standard operating procedures. Further regulations to improve best practice were made in the form of: -

i. Public Procurement and Disposal of Public Assets (PPDA) Act [Chapter 22: 23]
ii. Public Procurement and Disposal of Public Assets (General) Regulations,2018
iii. Public Debt Management Act, [Chapter 22:21],

iv. Public Debt Management Regulations, SI 79 of 2019

v. Draft IPSAS - based financial Accounting Policy [September 2020];

vi. Other instructions emanating from the Accountant-General's Office .

2.15 Setting Public Sector Accounting Standards

The process of public sector accounting standards was sandwiched between globalization and geopolitics and continues to swing between the two depending on the narrative of the power games of dominant nations. The word geopolitics refers to the liaison between the political power and geography of territorial states' control of resources mainly relying on military proficiency (Camfferman, 2020). He questioned what geopolitics might imply for international accounting standards setting within a world that seemed to lack appetite for international cooperation and increased rivalry of the super powers. This further raised questions even for this study on whether nations in the developing economies should adopt IPSAS as they are.

Setting aside geopolitical influences, the technique of setting accounting standards was critical because it generated information that natured people's engagements. Accounting standard setting process had been analyzed, remarked, and commented by many researchers in modern times and it had been demonstrated that it defended the notion that Standard setters cultivated and guaranteed compliance with reporting criterions (Bisogno, Aggestam Pontoppidan, *et al*., 2019; Cuadrado-Ballesteros & Bisogno, 2020; Polzer *et al.*, 2021, 2022). Aggestam *et al*.(2014), Martins *et al*.(2018) and Merangin *et al*.(2018) established the view that there was a need to bring up-to-date legal structures to support putting into practice accounting and auditing standards, build up the capability of professional accounting bodies and standards setting institutions to advance the degree of compliance with applicable accounting and auditing standards.

In Zimbabwe, it was observed that the various institutional frameworks such as the Companies Act, Insurance Act, Banking Act, Public Accountants Act, Auditors Act, Securities Act, Public Finance Management Act, Chartered Accountant Acts, and Chartered Secretaries Act concentrated on the establishment of body corporates to deal with their composition and administration structures. These acts caused the preparation, maintenance of proper records and financial management systems and internal controls; those safe-guarded assets of entities. They also caused accounting authorities to prepare financial statements in accordance with generally acceptable accounting practices (GAAP), with no specific mention of who was to issue GAAP or specific GAAP framework or the standard setting process.

International Accounting Standards are observed and respected in many parts of the world, including the European Union and many countries in Asia and South America, but though not in the United States. The Securities and Exchange Commission (SEC) was in the process of deciding whether or not to adopt these standards in America (Brown, 2017; Oulasvirta & Bailey, 2016; Schmidthuber & Hofmann, 2022).

2.16 The Value Relevance of Public Sector Accounting Standards Setting Process

Financial information is value relevant when used by decision makers to reflect on past performances and useful in predicting the future operations and achievables of an organisation, as they take trust in the financial statements thereof (Asim, 2020; Khanagha *et al*., 2020; Lako, 2018). The volatility of economic activities experienced during the great recession and financial crisis of 2008 raised the imperative to control the value of financial information (Eugenio *et al*., 2019) .

When the value of financial information is out of control the essential idea of value relevance as a measure of decision makers' perception of reliability of financial disclosure falls away. The value relevance of financial statements can be revealed by either a loss or increase in investor confidence in the organisation that produce them. As such, value relevance was instrumental to estimate quality of accounting information whose prime importance to the information was of paramount importance to the well-functioning of the economy (Asim, 2020; Khanagha *et al*., 2020).

Countries that benefited the most from the standards are those that did a lot of international business and investing, of which the investor's perception was swayed by the value relevance of financial reports from investment destinations. Advocates suggested that a global adoption of international financial reporting standards would save money on alternative comparison costs and individual investigations, while also allowing information to flow more freely (Ackers, 2019; Felix *et al*., 2019; Sharba *et al*., 2020). These benefits of accrual based accounting was that the world views that the important objective of a standard is to be “principle based”, implying that standards may be based on fundamental concepts or ‘principles” that should contribute a sound, comprehensive and internally consistent framework in order to result in coherent financial accounting and reporting information that would be value relevant (Anggraeni, 2019; Doris *et al.,* 2017; Muhasebe & Yönetimsel, 2020; Obeng *et al.,* 2019; Savchenko *et al*., 2020). Therefore, all frameworks should attempt to assist standard setters to harmonize accounting practices, standards and procedures to ensure that accounting standards published by accounting bodies are inherently consistent as they will theoretically all conform to and provide a basis for reducing the number of alternative accounting treatment and gain investor confidence (Ason *et al*., 2021; Hansen *et al.,* 2018; Hejranijamil, 2020; Polzer *et al*., 2022).

Value relevance of International Public Sector Accounting Standards (IPSAS) emanates from the aim to improve the quality of general-purpose financial reports by public sector entities, leading to better informed assessments of the resource allocation decisions made by governments, thereby increasing transparency and accountability (Alsharari, 2019; Cohen & Rossi, 2016; Pontoppidan & Brusca, 2016). They proceed to elaborate that the results disclosed in the financial reports may be helpful to investors for understanding and may also provide insight to public sector accounting standards setters and regulators, as investor and regulators had a habit to be forbearing or overvaluation when economies and financial markets are doing well and not as much of tolerant for the duration of bear markets and economic slowdowns.
Therefore, all frameworks should attempt to assist standard setters to harmonize accounting practices, standards and procedures to ensure that accounting standards published by accounting bodies are inherently consistent as they will theoretically all conform to and provide a basis for reducing the number of alternative accounting treatment (Kouki, 2018; Barrack, 2011).

2.17 Summary of Diversities

2.17.1 Cultural diversity

Some scholars like Camfferman (2020); Hermkens (2021) and Holzinger *et al*.(2016) propagated that there is no relationship between culture and decision making to adopt international accounting standards. However, individualism and indulgence dimensions shows that there is significant influence on international accounting standards adoptions. That is penciled out by observing that countries with a more individualistic features are more likely to adopt these standards as they promote the accumulation of private wealth, while on the other end those countries with more indulgence characteristics are less likely to adopt the standards preferring home –grown or modified ones (Rotberg, 2016). That indicates that culture had a bearing in the adoption of public sector accounting standards and the process thereof. Anglo-Saxons cannot be comfortable with Jacobian culture and Ubuntu cannot be pushed aside from the African norms and its influence on adoption decisions (Tasos, 2018).

The most essential apparatus that comes out to deliver effective and efficient public services are the management tradition and culture that greatly influence the implementation and success of processes and techniques. As an example, continental Europe state tradition appear to be detached from these techniques and processes by giving importance to theory and public institutions, while on the other had Anglo-Saxon state traditions ascribe prominence to organisational motivation to adapting to modern management techniques and public administration (Celik, 2017).

2.17.2 Linguistic logy

Studies have revealed that the level of basic financial literacy the world over was low, due to its language diversity. This was serious in primary sectors, self –employed entrepreneurs, in mature businesses, the public sector and more traditional businesses. The sophisticated knowledge of financial concepts seemed to escape the generality of people as traditions seemed to dictate the business models in native economies; to the detriment of transition to a more conservative basis of doing business even at national level because of the use of a language believed to be of world acclaim (Trombetta, 2016).

English language has borrowed many roots, prefixes, suffixes lexical items from different languages. Borrowing from another language may necessitate the process of accommodating native languages in many different ways. The complexity of accommodation arises from the fact that every language system owns its morphology, lexicography, lexicology, semantics, pragmatics that all are to be embodied within the borrowing language (Kavaklı, 2016). The fossilization in pronunciations becomes problematic in that meaning may be lost in the translation, though the ailment can be cured. The creative use of the English language that was being used in most of reforming economies was hindered by the problem-causing situation against communicative fluency that cou;ld cause loss of interpretation of the International Accounting Standards or the spirit within which certain human behaviour was expected to turn out (Cardona-Cardona *et al*., 2014;Rakow, 2019).

The process of public sector accounting standards setting being an opportunity to bring oneness of mind between the various stakeholders should rid itself of linguistic problems. Training practices of financial literacy must receive appropriate attention for the generality of the populace to be privy to the effects of corporate scandals, understand the role of financial planning that stirred market recessions and state failures. It should be noted that there has been a marked increase of individuals and institutions that turn to accountants for financial advice and interpretation on the national environments and for these clients to comprehend the decisions thereof; possession of a strong foundation by professionals is required and basic financial literacy must be common (Rakow, 2019).

Financial literacy education should be a national responsibility; and the continued evolution of the accounting profession has noticed an increase in the demand for accountability and transparency and the broader populations are troubled by interpretations of financial statements that seem not to give fair pictures of what they can understand (Srdar, 2017). Most often, what may seem minor issues from linguistic western perspectives are embedded institutional problems within the native domain when reports are solely in English rather than in native languages as that poses significant understandability problems, weakens persons control and can be perceived as cultural colonization (Oulasvirta & Bailey, 2016). In that regard, the adoption of international public sector accounting standards must be guided to escape the linguistic ogy and the associated difficulties arising from the neglect of basic language understanding.

2.17.3 Lack of research orientation of early practitioners

It was Lapsley's (1988) observation that there was lack of a systematic research in most public sector accounting issues and distinctive features due to the heterogeneity of the organisations, diversity of operations and the scale of organisations. Research picked up during the 1980s when the public sector accounting became a technical language to support traditional shift to new public management ideologies and neo-liberal tools and systems. Accounting reforms had been observed to be fundamental in the implementation of the new public management, technically driven by the new public financial management and had been central to the study of public sector accounting (Steccolini, 2019). The study, hence got on to the band wagon to explore the subject of public sector accounting especially the process of setting standards as it increasingly seems as an model setting for cementing the power of accounting's transforming role and context of influencing the new world order. NPM appears to be an Anglo-Saxon imperialist reform tool in the eyes of the other traditions meant to imby the public service into a free for all (Kordecki & Bullen, 2018); the position that led to other nations not adopting IPSAS wart and all.

2.17.4 Lack of consensus between academics and practitioners

Questions have been raised on the relevance and value of accounting research published in accounting journal to accounting profession, practioners, and society in general and the course of public sector accounting reforms. A study by Fraser (2020), found out there were major differences in sourcing information in accounting research than in other fields especially with respect to the need and utilization of academic material. It went on to state that accounting researchers were almost totally divorced from real-world profession of accounting, leaving them very vulnerable to adverse decisions to attract allocation of future funding from governments.

In Romania, the accounting profession was characterised by a disruption between the interests of practitioners and academics due to lack of a thought forum of the two sides. The gap was caused by divergent interest with practitioners looking for immediate solutions to challenges while researchers were driven by a desire for high research productivity translated in the number of publications and international visibility (Grosu *et al*., 2015; Jansen, 2018).

It would be prudent for public sector accounting standards setters to be aware of this view and its consequences when provoking debate to stimulate participation and general responses from stakeholders' views that academics' contributions in accounting are held in contempt.

2.17.5 Government policy diversity and complexity

The neo-liberal one –size – fit- all reforms policies prescribed by the Bretton-wood institutions indicated the tendency to weaken developing economies, especially in Africa and Asia. The World Bank and IMF imposed perceived western best practice without consideration of local policies and complex traditions (Alawattage & Azure, 2021). They continued to state that the so called best practices evidence needed to be fused to local environment that would be socially, institutionally and politically feasible and where that had not been done the practices failed.

The developing economies still retained the power to accept and how to implement economic reform recommendations besides the power asymmetries due to the governments' dependency on Bretton woods institution for international finance and aid. It's quite arbitrary to compare the developing economies' level of accountability and transparency at a similar stage of development's level of corruption due to societal culture, tradition and historical differences (Lassou & Hopper, 2021). In that light, the inhabitants' traditions, social, economic and political dominations of developing economies if not properly considered in public sector accounting standards setting processes will instead yield negative results.

2.17.6 Judicial application and interpretation of business transactions

The drive towards the importance of public sector accounting practices have been driven by the numerous global changes towards a market oriented public sector. Accounting on its own comprises of mathematical, legal and other financial science studies, that accounting professionals must master as part of their competence and knowledge base (Leite, 2022). The expertise may be instrumental to the process and application of the law fairly.

International Public Sector Accounting Standards are a conceptual design tested in compliance with specific laws, ethics and practices that ensure safety and assurance of financing transactions and can be re-performed to check compliance when need arises. The standards setting process is the preliminary step in the long process of reforming the accounting system in government, which if not adequately catered for will result in porous systems that would not protect public resources rendering them useless for prosecutor purposes (Alawattage & Azure, 2021; Toudas et al., 2013).

2.17.7 Institutional (Accounting bodies) ideological education non-unification

There is no adequate knowledge base, to prescribe a uniform set of accounting requirement for all governments given their diverse environments, traditions and political landscapes. On the other hand, comparative international government accounting (CIGAR) was just being developed and could not deliver consistent knowledge that permitted in confidence explicit requirements for various governments to be able to be ascertain on the reform path that could transform their fortunes (Toudas *et al*., 2013).

The revolution for IPSAS adoption has started with high ideas and incomplete conceptualization of the terrain on which the implementation scheme would ride and as observed by ACCA (2017) most of the countries that ventured into this revolution were at various stages of adoption with none having scored success to write home about. The diversity and differences between public sector accounting and private sector, and focusing on private sector technics lead to the high risk associated with infringing on local ethos. The failure to prepare schemes of incorporating local conditions in the standards and standards setting processes created a cultural and ideological gap that would require unification to yield acceptance and respect of the whole exercise (Toudas et al., 2013; Sekaran et al., 2018).

2.17.8 Illiteracy

Basic financial literacy in the general public has been identified to be surprisingly low by recent studies. Results from studies by Onuoha & Enyi (2019) and Trombetta (2016) concluded that the level of knowledge tended to affect the ability of the business and government to implement growth oriented financial modeling due to being debt averse at both micro and macro level. This then caused the widespread tendency to measure financial performance on a cash basis, making it difficult to distinguish economic and financial yields.

2.18 Accounting Standards Setting Process

Accounting standards are set by organisations granted by default a high degree of monopoly by various governments, essentially to establish the status, legitimacy and market power of the accounting profession, hence demonstrating its tigertudes in the process (Hoff- et al., 2020; Jensen, 2020b; Krishnan, 2021). Furthermore, other researchers state that the idea of due process was popular in the Anglo-Saxon world since 1215 (Kidwell & Lowensohn, 2019; Wingard & Bosman, 2016; Unegbu, 2014). Early private standard-setting organisations had a bottom-up process aimed at eliciting participants' views from the constituents. It has also been observed by other scholars that, the 1791 fifth amendment to the USA Constitution as part of the bill of rights required the government to follow due process in order to protect citizens from the federal government (Kidwell & Lowensohn, 2019). The US Supreme Court then interpreted it to mean that the government required a formal consultation process for all federal government agencies. The philosophy had been adopted by most institutions which purported to do things in the public interest (Obradovic, 2014).

Ryan, *et al*. (2000) commenting on the process being followed by the Public Sector Accounting Standards Board (PSASB) in developing accounting standards for the public sector in Australia, noted that the routine 'due process' had been technologically advanced to protect openness, neutrality and independence of accounting standard-setters, though previous research could not conclude that the 'due process' operated in an open, natural and independent manner. He further observed that preparers' contributions were played down because they used less sophisticated strategies than some constituents that had favourable entree to the 'due processes.

Internationally, both private and public sector standards were established through similar international consultation processes. The same process is used by other national standard-setting bodies which have some degree of private sector participation (Fajardo, 2016; Polzer et al., 2022). This similarity was persuaded by the accounting standards convergence drive aimed at achieving globalization. The due processes are characterised by six stages for most of the standard –setting bodies in Anglo-Saxon countries, because IFAC committees are dominated by citizens from English-speaking countries. Of note, was that the IASB which had greater influence on IFAC was organized by the G4 +1 in its creation (Cuadrado-ballesteros *et al*., 2020; Jamal & Sunder, 2014). The above organisations, have a procedural 'due process' developed to protect the openness, neutrality and independence of accounting standard-setting (Christensen *et al*., 2019) with a 'health' representation from the entire spectrum of stakeholders and interested parties for it to retain its integrity. However, it has been found that the local government sector, a major group of accounts preparers of public sector accounting reports are usually not involved.

Another disturbing phenomenon on standards is that accounting and statistical bases for broadcasting financial information in the public sector have different intents and focus. Besides dealing with similar if not the same transactions, public sector entities are usually confused by the difference between statistical and accounting bases, and public sector accounting standards setters should be comfortable to explain those differences and convergence of similar transaction treatment and events to all contributors to the process of standards setting otherwise the divergence of views might be a result of ignorance, illiteracy or mere confusion between the two (Foote, 2007; Orens *et al*., 2011) .

2.18.1 Setting the agenda

The cardinal reasons when deciding whether a proposal for setting standards will be to consider if the information resultant of the future standard will be reliable and relevant to users, will bring a paradigm shift to the existing guidance and the quality of the standard and the resource constraints are worth to achieve the intended outcomes (Cuadrado-Ballesteros & Bisogno, 2020; Foley *et al*., 2010; Gipper *et al*., 2013; Oulasvirta & Bailey, 2016; Wingard & Bosman, 2016). Using IPSASB as a model, staff members of the board are asked to identify, review and raise issues that might warrant its attention, and will consult on the development of its strategy and work plan (Jensen, 2020b; Lapsley & Miller, 2019). In addition, the board raises and discusses potential agenda items in light of comments made by interested parties, other standard-setters from other jurisdictions, the advisory council, interpretation committee, staff research and other recommendations. The decision to put items on the agenda is approved by a simple majority vote of the board (Aburous, 2019b; Jamal & Sunder, 2014; Wingard & Bosman, 2016).

According to Orens, *et al*. (2011), there are two different traditions which can be used to come up with an agenda for standard setting in Europe. The first approach is the code (civil) tradition which is more prominent to continental Europe, and indications are that the government takes the initiative to promulgate the accounting standards especially for the public sector with minimum allowance for non-state actors. Then, there is the common law tradition which emerged from the Anglo-Saxon countries where standards agendas are said to be initiated by 'neutral' private sector which goes on to set the standards through a due process that provide opportunities for formal participation of other players (Bisogno, Aggestam Pontoppidan, *et al*., 2019; Camfferman, 2020; Doris *et al*., 2017).

Other researchers have shown that there are formal and informal ways of participating in setting agendas for standard setting by stakeholders in general. In the public sector outside IFAC and FASB boards initiatives are mainly done by governments, succumbing to lobbying by some stakeholders following some crisis and of late in the developing world, international financiers have been the instigators and promoters of agenda setting for governments accounting reforms with a clear shift to NPM (Adhikari, et al., 2015; IASB, 2015;Ahmad, 2015; Gaie-booysen, 2016; Gipper et al., 2013).

It must be observed that when you come up with an agenda, it’s an endorsement that the current treatment of transactions is wrong and telling the users of financial reports and analysts that their current thinking about transactions is also wayward. The condemnation of the current way of thought and doing things will definitely provoke interests and arouse the desire to anticipate in change and how the future is intended to appear as this would affect future values and net worth (DeFond et al., 2019). Finally, technical staff of the IPSASB evaluates standards against research and consultation findings and formulates recommendation to board. Projects on the standard-setting agenda may or may not result in updates to standard(s) (Fajardo, 2016).

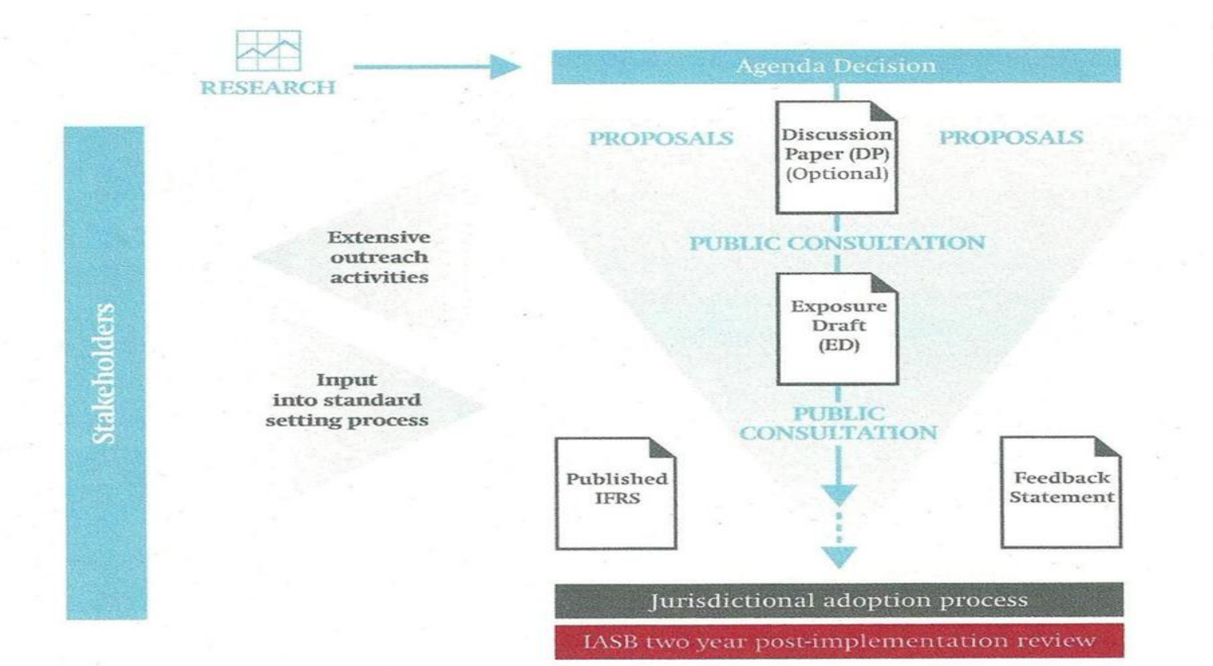


Figure 9: Jurisdictional Adoption of Agenda Process**: Source** : CPA Ireland- Foley C. (2017)

The diagram above depicts the due process of standard setting and the other activities thereof**.**

According to Sharba et al. (2020) and Trombetta (2016) the IPSASB standards- setting undertakings follow a due process that affords a chance for all stakeholders in financial reporting for the public sector to express their opinions for consideration in the development of standards. The development and implementation of standards involves suggestions being established in some draft that should be released by the standards setting body for commentaries, and the due process allows for the same drafts to be sent out prior to making an allowance for a topic to be discussed and debated in details (Bhutta et al., 2021). Consultation further enhances the process through the responsiveness of the facilitators to the constituents and transparency building more on project implementation plan for either public sector accounting standard setting or the adoption process of new or revised standards.

2.18.2 Planning the project

The source of items to be put on the agenda for discussion are mainly comment letters received from various lobby groups; and for practitioners, its mainly responses to auditors as espoused in audit reports and these sources are considered to be genuine proxies (Bisogno, Pontoppidan, et al., 2019; Fajardo, 2016; Rogošić, 2021). They further highlighted that in other countries the source of agendas are the governments with non-state players not having any part to play, especially were public sector accounting standards are concerned. The planning process should take note of the ‘black box’. The ‘black box’ metaphor refers to an attempt to make sense of the complexities of social interactions that permeate the standard setting process but difficult to determine empirically. The ‘black box’ can be the explanation for outcomes which have no apparent visible input into the standard setting process. In other words, explains the provision of space in which the ‘hidden hand’ can contribute to the process from ‘behind the scenes’ lobbying (Avelino, 2021; C. Cortese & Irvine, 2010; Obradovic, 2014).

The advocacy of the NPM to Asia and Africa can be an example of other nations using the World Bank and IMF to lobby for transformation and reforms in other countries. This ‘black box’ phenomenon could be the cause for the failure of the developing economies to come out of their predicaments, as geopolitics of countries lobbying would be a hidden hand directing the course of reforms that might not be traditionally acceptable to the reforming state. These covertly 'unseen influences' by lobbying constituents and advocacy groups usually lead to lack of legitimacy of the outcome and consequently the expected impact is missed due to the inconsistencies of the outcomes to the overt inputs (Aburous, 2019a; Aggestam et al., 2014; Ben Amor & Damak Ayadi, 2019; A. Martins, 2021) .

Setting aside the hidden agenda , an item will be added on the agenda of a standard setting body after an assessment of whether the item clarifies guidance and wording; or it was be correcting relatively minor unintended consequences, conflicts or oversights; or its well defined and sufficiently narrow in scope that the consequences of the proposed changes have been considered and will be completed on a timely basis as a planning criteria (Christensen, 2018; Foley *et al*., 2010; Rydland, 2018).

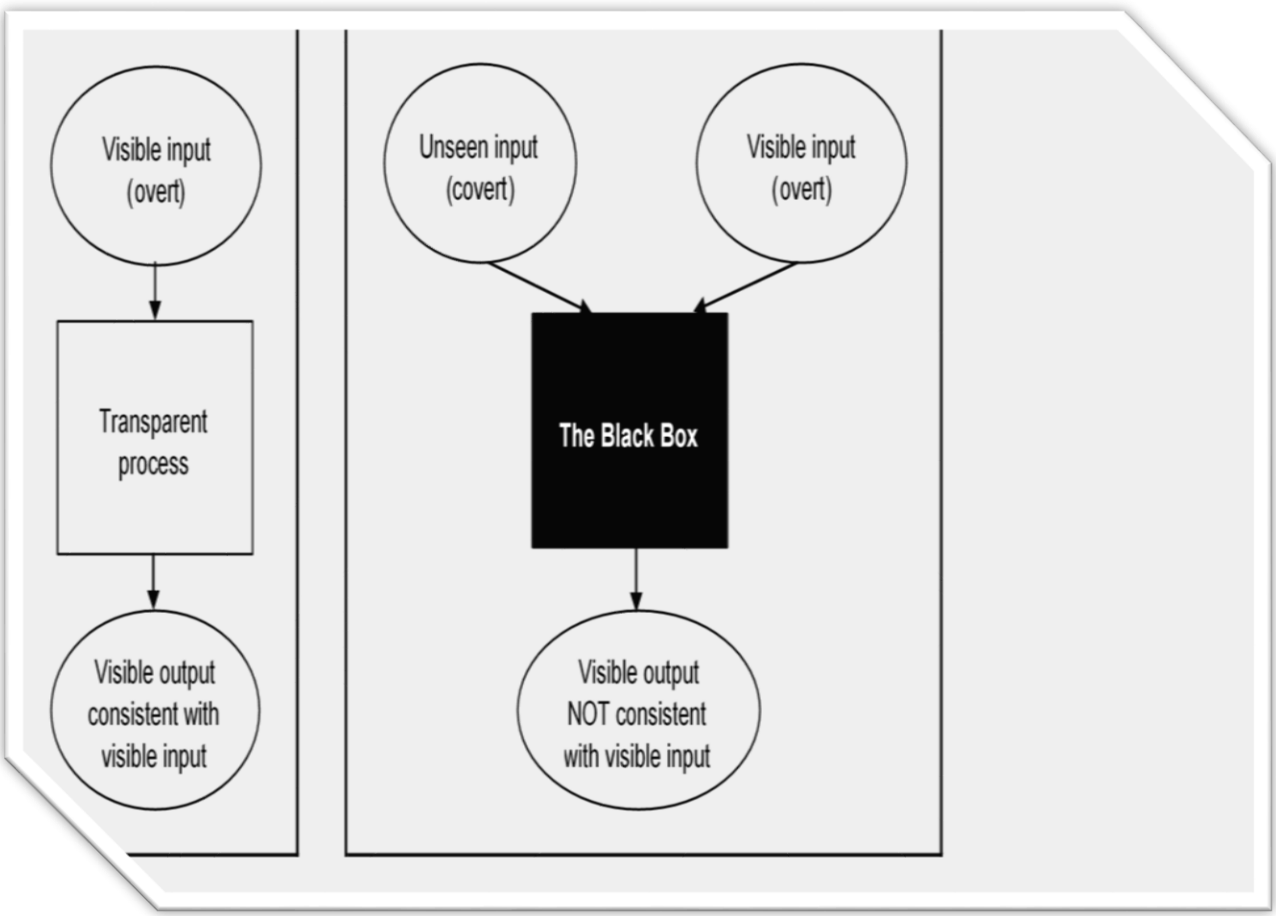


Figure 10: The Black Box of Accounting Standard Setting **(**Adapted from Hodges &Mellett, 2008)

Once the criteria had been met the project would follow the normal due process, based on the nature of the issue and level of interest exhibited by constituents that had been considered, i.e., a working group is established, and a project team is selected. The project manager draws a plan under the supervision of technical staff directors. The project team could include members of staff from other accounting standard setting institutions deemed appropriate by the board. When adding an item on the agenda of the board, whether doing it with other accounting standard setters due process would be followed (Foley et al., 2010; Huian, 2015).

2.18.3 Developing and Publishing the Discussion Paper

The third step of the "due process" was publishing of the discussion paper which is not mandatory for the IPSAB's. When this stage is omitted reasons are given. The discussion paper, on it own, is usually given as a first publication to introduce any new issue. It is used as a vehicle to explain the new issue and solicit comments from constituents (Bergmann *et al*., 2019; De George *et al*., 2016; Foley *et al*., 2010; Penman, 2013). The paper covers a comprehensive review of the issue, possible approaches, and preliminary views of the authors or the invitation for comments. The approach may differ when other accounting standard-setters are involved in the development of the research paper (IASB, 2015). The study has not come across literature on how the discussion paper is developed and published when governments departments are responsible for setting standards.

2.18.4 Developing and Publishing the Exposure Draft

Public sector accounting standards setters make considerable judgment on specific accounting issues and then invite stakeholders to provide comments detailing their opinions on the matters raised and the way forwards. That is achieved through the development and publishing of an exposure draft at times emanating from a discussion paper that would have been prior pushed out (Jensen, 2020).

The draft will outline the deadline for submitting opinions, the conveyance method (e.g. links), and the addressee. The draft would usually be divided into sections that starts with the explanation clarifying the issues under consideration, a summary of the main provisions, a list of those likely to be affected, an outline of effective date of the resultant standard and details of the transitional period and requirements (Jorge *et al.*, 2019).

The developing and publishing of the exposure draft is a mandatory step of the due process because it is the main vehicle of consultation with stakeholders setting out specific proposals. On top of that Foley (2017) claims that the exposure draft is developed from research and recommendations made by the technical staff members, as well as comments received and suggestions made on the discussion paper by various respondents. According to IASB (2015) an exposure draft requires a minimum of nine (9) members of the board to vote for its publication.

The exposure draft, when it has accumulated enough votes, is to contain an invitation for comments, draft amendments, proposed requirements on recognition, measurement and disclosure; and may also include mandatory application guidelines, implementation guidelines, basis for conclusions on the proposals and alternative views dissenting from board members (Kidwell & Lowensohn, 2019). There are various periods allowed for constituents to comment on the exposure draft ranging from 30 days in the Americas to 120 days for IPSASB. When the development is done by government departments no exposures are done, a statutory instrument becomes a standard after the approval by a parliamentary committee (Editors *et al*., 2019; Foley *et al*., 2010; Jensen, 2020). In the case of IPSASB, the board may conduct field visits or arrange public hearing and round-table meetings as a way to solicit further comments and suggestions (Foley, 2015).

2.18.5 Developing and Publishing the Standard

A public sector accounting standard is developed by IPSASB after comments on the exposure draft are received and issues arising from submissions have been resolved. For the development or revision of a standard, a meeting is convened and at times a project summary is prepared by the board and feedback is given to those who would have contributed or given comments on the draft (Foley *et al*., 2010). They said the feedback that would deliberate on the important issues raised and how the boards dealt with them are posted on the website.

Other researchers claim that, IPSAB concurrently prepares an analysis of the likely effects of the new standard or amendments with regards to the application, compliance costs, and analysis of cost on users for its adoption, data measurement criteria, the quality and usefulness of information in future reporting and comparability of the information between periods and entities. The final draft, drawn by staff members is subjected to external reviewers (interpretation committee) and posted on the limited access subscribers website, once the board reaches a conclusion on issues arising from the exposure (Editors *et al*., 2019; Merangin *et al*., 2018; Polzer *et al*., 2022).

The due process is then completed by putting the final draft to a vote, on whether to publish it as a standard or not. At this point it should be critical to note that the decision forms an important domain to consider in understanding standard-setting. Further from a neutral effort to identify that which needs to be repaired, the processes reflect the same political dilemmas that pervades the balance and legitimacy of the standard-setting because of the inescapable strategic interests, survival objectives or the wishes of a process dominated by both visible and unseen constituents (Gan, 2022; Gipper *et al*., 2013; Hoogervorst, 2015; Nyamita, 2015). Such influence should be identified at the agenda setting and exposure graft development point, to assist in minimizing conflict between stakeholders, and take of the skepticism associated with the public-sector domain.

2.18.6 After the Standard Is Issued

The difference in contexts of nation states, administrative structures, attitudes of citizens and civil society to interface with public sector generates obstacles and resistance to the adoption of new set of standards. However, a campaign to enlighten the stakeholders on the benefits of such adoption with regards to comparability and clarity may reduce the level of resistance to those standards. The other reason for adopting the standards should be a strong political backing above all other technical reasons otherwise the process is bound to fail (Bisogno, Pontoppidan, *et al*., 2019). In countries were public sectors imbalances, certain lobbyist will push for the adoption of Anglo-Saxon preferred resolutions compatible with Western political agenda of educating the quality of fiscal data. While the developing world adopts IPSAS at face value, the European Commission recommended against direct adoption as they consider them as a starting reference for nations to produce their own public sector accounting standards. The reason for the recommendation was that IPSAS and the ultimate standardization policy depends on the strength of the resistance from national accounting culture, and the extent of the political forces to tolerate the reforms in the national and local context of individual countries (Oulasvirta & Bailey, 2016; Vogel, 2022).

The IPSASB offer post standard service by holding regular meetings with interested parties to assist in the comprehension of unanticipated issues related to the practical application and potential impact of the provisions of the new standard published or amendments thereof. The Board cannot compel any state to adopt or implement the new changes, because it does not have jurisdiction over any state. It can carry out post implementation reviews, which are normally mandatory done two years after the effective date of the standard only at the invitation of the respective country that would have chosen to implement them. These reviews usually focus on limited important issues identified as contentious during the standard development, and at times the reviews become sources of future agenda items (Ben & Damak, 2019; Calmel, 2017; Foley *et al*., 2010; Gan, 2022; Oulasvirta & Bailey, 2016). According to Bryan (2009); some stimuli on the technical agenda unmistakably occur at the institutional and political level. However, it is also clear that agendas are formed on the basis of decisions made by standards setters as individuals and collectively.

2.19 Implementation of Public Sector Accounting Standards

The impact of the legal system of a country determines the ability of that country to adopt and implement public sector financial reforms (Wingard *et al*., 2016). It has been observed by Lokuwaduge and Silva (2020) and Polzer et al.(2021) that IPSAS implementation was smoother in those countries with flexible legislative systems that allow easy integration of reforms, such as Anglo-Saxon countries and their former colonies. The legal environment in these countries was principle based in nature, because they neither restrict legal definitions nor regulate accounting standards requirements as is the case with other traditions (Ben & Damak, 2019). In Contemporary European countries they use their own harmonised public sector accounting standards in established law, called EPSAS, and that makes implementation of IPSAS difficult, due to the absence of strict rules and requirements generated by external forces. Countries like

France are of the view that implementation of the accrual concept should be based on a non-binding recommendation and an encouragement to public entities and governments (Bae *et al*., 2017; Calmel, 2017).

The cost of implementing public sector accounting reforms is huge hence it will make some nations hesitant of the reforms in the process exposing the country to a sovereign debt crisis. That scenario has caused developing economies to succumb to external pressures that facilitate strict rules and requirement attached to accounting system reforms as a carrot for investment. Those who would fail to bite the bait usually continue to suffer from backwardness and a backlog of Information Technology equipment that is usually part of the package (Ben & Damak, 2019). However, some studies observed that the implementation of IPSAS was never forced on any country even when its highly indebted irrespective of whether its underdeveloped or developed but those financially dependent tend to apply external requirements and adopt recommended standards (Andersson *et al*., 2016; Calmel, 2017; Fenyves *et al*., 2019). The narrative shows that the cost of implementing public sector reforms can have a negative impact on the adoption of the standards and economies in crisis will do so under external pressures.

Though, financial reporting was one of the foundations of good fiscal management since the advent of world crises that caused increased demand for the general government accountability, reduced public sector accounting standards paucity and increased effort to achieve greater efficiency in service delivery, it failed to escape the scourge of social, institutional and political domination and now it is affected by geopolitics(Camfferman, 2020; Dhliwayo *et al*., 2018; Krishnan, 2021; Melecky, 2021) .The demand has caused governments to move away from cash basis reporting (framework) and towards accrual basis to produce high quality financial reports that can be used by legislators, auditors and the public to hold the government for financial and management performance (ACCA,2017).

Governments around the world potentially own over US$75 trillion in assets that are inappropriately managed or accounted for, leading to loss of over US$750 billion in public revenue emanating from the way the general governments report performance (Detter et al,2015; Dhliwayo *et al,* 2018). The cash basis of reporting leads to lack of a robust, transparent report which could fail to capture the full net worth of a country. The adoption of accounting standards based on accrual concept is considered to assist policy makers and the public to pay attention to acquisition, disposal and management of assets and liabilities by governments (Global, 2013; Glöckner & Glöckner, 2016; Polzer *et al.*, 2021). Dhliwayo *et al.* (2018), explained that government could improve the quality of financial reports if they focused on “best practice” as opposed to adopting IPSAS that are onerous to apply. Other studies, further advocate that the standards should be timeous, are understandable, transparent and consistent enough for people to make informed decisions. In other words, the study propagates that there is no International Accounting Standards which is a one size - fit – all for different jurisdictions, hence each country should adapt or modify adopted standards or produce their own which can assist them to national account.

According to Aggestam *et al.* (2014), Bisogno, Pontoppidan, *et al*. (2019) and Chow & AggestamPontoppidan (2019), there was little or no research that had been done to have an in-depth understanding of the overall challenges faced by public administrators within countries or across borders to harmonise reporting frameworks or the cost-benefit analysis of adopting IPSAS or IFRS in the public sector. The few researches carried out to find out the type of reporting frameworks being used in Nigeria, New Zealand, South Asia and Europe consequently showed that countries adopted IPSAS while others use EPSAS, GFS, IFRS, national accounting standards or continue to use the cash basis system.

2.20 Adoption of IPSAS in Developing Economies

According to ACCA (2017), the level of consciousness and understanding of the PSAS agenda was wide-ranging pointedly transverse jurisdictions, as did the degree of interested parties engagement when adoption was implemented. Public sector organisations, government ministries, legislatures, office-bearers and the public were accustomed to cash accounting principles; hence effective IPSAS adoption entailed the thoughtful edification and engagement of key stakeholders, including political office holders, auditor generals, accountant’s generals, state banks and government ministries. That was difficult and the executive arm of government needed to be engaged and be supportive of the process, along with the public accounts committee, and the audit and finance occupations (Aboagye, 2014; Bisogno, Pontoppidan, *et al.*, 2019; Oulasvirta & Bailey, 2016; Version, 2021; Vogel, 2022). The change would not succeed if it was imposed: execution involved political will and ‘champions’ to generate impetus. Correspondingly, IPSAS adoption required positive inner engagement too. Nation states and their public sector could take a very long time to fully achieve the implementation of IPSAS, and while they were waiting for that to happen what should be done?

The observation so was that most developing countries are legislating the adoption of IPSAS, besides them not having adequate knowledge. In Zimbabwe, section 37 of the Public Finance Management Act (Chapter 22.19) stipulates that public entities should prepare their financial reports in line with generally accepted accounting practice [GAAP], which was an open invitation to comply with accounting standards. Which standards and how would such standards been brought into being? There are no processes that inform the legislature on these public sector accounting standards. Again, through Statutory Instrument 41 of 2019, IPSAS was adopted as the country’s public sector accounting standards. The standard-setting board [PAAB] did not spell out the process by which such standards were adopted or implemented. Secondly, the implementation process was being championed by a player who lacked both technical expertise and subject knowledge, which was the Accountant-General’s office [AG]. The reasons for adopting public sector accounting in Zimbabwe was more of a coercion by the international community in driving the country to achieve accountability and transparency in the general government including in the municipalities sector; in an endeavor to optimally utilise public funds in service delivery. The external drive for reforms was taken on board in Zimbabwe on the belief that government financial reports are a translation of the actual approved appropriations and use of public resources based on a uniform, verifiable, understandable and comparable measure of national accounts. According to Wang & Miraj (2018) and Sharba et al. (2020) the adoption of IPSAS brings a collective measure of accountability that ascertains disclosures that determine efficiency and effectiveness in the administration of funds in the public sector.

Zimbabwe was not the only developing country having been coerced onto that path, as a number of developing countries have either adopted or are in the process of adopting IPSAS standards including but not limited to Southern Africa, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Swaziland, Tanzania, Uganda and Zambia (Dhliwayo et al., 2018; Nderitu, 2018).

2.21 Developments on Adoption of Public Sector Accounting Standards (PSAS) in Developing Countries Check

Truthfully, for developing nations to achieve ambitious socio-economic goals, they require public sector institutional capacity for setting and implementing public policy, which in turn necessitates government accounting reforms (Monari, 2015). The social value of government accounting reform therefore lies in its contribution to development goals, including poverty reduction. This rationale has led international and multilateral lenders and donors to endorse International Public Sector Accounting Standards (IPSAS) for adoption by developing countries (Augustine, 2020; Muhasebe & Yönetimsel, 2020; Wingard *et al*., 2016).

As a result, developing countries are increasingly incorporating performance information in their governance processes, as means of achieving better results, promoting greater value for money and increasing transparence of spending decision (Chigumira *et al.*, 2020; Merangin *et al.*, 2018). That, emanated from the view that good performance information could contribute to better decision making regarding the use of resources. The belief to run particular programmes in line with specific accounting standards which are universal to all reporting entities created recognition from developed countries was also a motivation (Pelger & Pelger, 2020). Also, greater transparency of performance and resource allocation increases the accountability of general governments, their agencies and business for their expenditures when set bench marks to gauge their performance and reporting are in place (Merangin *et a*l., 2018). However, Jorge, Caruana & Caperchione (2019) have identified that developing countries have three categories of performance reporting systems whereby: -

i. performance information was produced and shown alongside funding allocations but not necessarily utilized to make spending decisions;
ii. in other scenarios but very rare, such information explicitly influences the allocation of resources;
iii. and lastly funding was strictly linked to output and outcomes with little consideration of the quality of the information and its presentation.

Countries chose to develop regulations and policies or adopting public sector accounting standards and those who chose to adopt other institutions' public sector accounting standards were at various levels of implementation (ACCA, 2017). Some of these states were adopting

American GAAP, EPSAS, and the majority exclusively those in the developing world have been coerced and were attempting to adopt IPSASs (Caruana, Dabbicco, Jorge, Jesus, *et al*., 2019; G. Jensen, 2020b; The Association of Chartered Certified Accountants (ACCA), 2012). However, others like China, Japan, India and Argentina have either developed their own public sector accounting standards or allowed the use of various standards where applicable (Muniraju & Ganesh, 2016; Penman, 2013; Version, 2021; Wang & Miraj, 2018). Most of the Asian countries were coerced to embark on financial management reforms that included adoption of IPSASs by the World Bank and IMF, as a condition to receiving financial aid following the Asian Crisis in the 1990s and the conditions were impressed on those countries who were hard hit by the crisis, such as Indonesia, Korea and Thailand. While others gave in, countries like Malaysia, Philippines and those in the middle-east were asked to follow suit for them to access aid. Most had been left with little choice other than accepting the conditions (Ahn & Jacobs, 2019; Melecky, 2021; Van Hoa & Harvie, 2016).

National audit reports, public documentations and presentations, articles of research, reports by supreme audit institutions and reports by finance ministries/ treasuries have highlighted challenges being faced by those nation-states who embarked on implementation of IPSASs. The challenges were said to be mainly at individual entities level characterised by almost every aspect of public sector accounting. The challenges ranged from asset recognition, revenue recognition, testing for impairment of goodwill and financial assets, depreciation of assets over their useful life, determination of an asset life, preparation of consolidated reports, accounting of leases, approval of spending of annual budgets, the presentation in the financial statements of government and extra-territory contributions, investment properties fair-value estimations, payments of annual bonuses, staff incentives, recognition of profits etc. Other countries had legal requirement that these statements be presented in their native languages (Abu Dhabi-Arabic; China- Mandarin, etc. thereby creating a linguistic logy (Aggestam *et al*., 2014; Ijeoma., 2014; Schmidthuber & Hofmann, 2022; Wang & Miraj, 2018).

In Bangladesh, among other challenges, all public sector entities' cash is managed by the Controller-General of Accounts (CGA) through a consolidated fund (CF) with the Defense and Railways granted a self-accounting entity status (SAE). The Auditor-General has been tasked the responsibility to set public sector accounting framework and to audit it as well. This set-up has made it difficult for the CGA to produce financial reports on time because the SAE usually bring their reports very late (Wang & Miraj, 2018). They proceed to opine that it led to various commentaries predicting that the country will take a very long time to achieve full compliancy with IPSASs, arguably because its financial reports never reach the public or if they do, they will be out of time to be of any relevance for decision making.

According to the Asian Development bank (ADB), India uses a cash basis with certain accrual disclosures made in the financial statements. The Government Accounting Standards Advisory Board (GASAB) commissioned a report on adoption of accrual basis IPSAS, sighting that the implementation be over a period of 10-12 years after approval by government. The implementation was to be done through a project management task force team which would ensure leadership and political by-in. Again in India, the implementation of IPSASs will also take a very long time because of a paucity of information on assets and liabilities in the general government and the need to come up with a common chart of accounts for the sector (Ben & Damak, 2019; Cuadrado-ballesteros *et al*., 2020; Wang & Miraj, 2018; Welham *et al*., 2017).
Indonesia, started the process of public finance management reforms in 1999, and targeted to adopt IPSAS in 2015, the time by which they anticipated to have the reforms overhaul by giving the Ministry of Finance the authority to implement administrative reforms (ACCA, 2017). According to the Asian Pacific Economic Co-operation, (2013), Indonesian Government Accounting Standards (IGAS) were based on IPSASs as set out in four interpretations and nine technical bulletins (Simanjuntak, 2016). The opinion from the above stated people and institutions, the country has done well to the extent that the country's central government financial report received an unqualified audit opinion for the year 2016; which other public entities' implementation are expected to emulate (Aswar *et al*., 2021; Merangin *et al*., 2018; Ritonga, 2016).

Ghana has no accounting standard setting body and its IPSASs adoption was based on a five-year step by step approach that began in 2016 (Alawattage & Azure, 2021). The adoption of IPSASs was recommended by the Institute of Chartered Accountants Ghana (ICAG), the Controller and Accountant-General (CAGD) and the Audit services. ICAG partnered with CAGD to boost capacity; while the Chartered Institute of Public Financial Accountants (CIPFA) of Scotland partnered ICAG for the roll-out (ACCA, 2017; Alawattage & Azure, 2021).

The Nigerian Financial Reporting Council Act of 2011 established a Financial Reporting Council (FRC) that was mandated to set public sector accounting standards which should be in line with IPSASs. According to Ugwamadu (2015), the Nigerian Federal Government fully adopted IPSAS with effect from January 2016 and the 36 independent states would determine their own adoption periods. Some government agencies failed to move to IPSASs, as alluded by the Accountant-General, it was due to lack of capacity in terms of accountancy to cope with the IPSAS implementation emanating from commentaries that the quality of financial reporting and accountability in the Nigerian public sector "left a lot of room for improvement", and is worsened by the ongoing challenges within the internal audit function in most public entities (Akhidume, 2012; World stage, 2017).

South Africa uses GRAP though it's not yet fully compliant, it partially adapted to IPSAS (The Association of Chartered Certified Accountants (ACCA), 2017). Tanzania's adoption approach was legislative, facing further challenges of not having a standard-setting body and lack of actuarial valuation expertise among others. While Zambia, did not have a standard-setting body and no standards of their own; would intend to adopt cash basis IPSAS by 2020 (ACCA, 2017).

According to ACCA (2017), Zimbabwe announced that it would have adopted IPSAS by 2021.The Herald (2015) reported that the World Bank had offered $20 million grant for the country to implement financial management reforms. IFAC (2016) stated that it was being funded by the UK's Department of International Development (DID) for capacity building through undertakings by accountancy organisations in Zimbabwe. While CIPFA received funding in 2016 from IFAC, for sensitization workshops on IPSAS implementation which they did using Institute of Chartered Accountants Zimbabwe (ICAZ).

2.22 Trends in Developing Countries

The OECD surveys on performance indicated that most member countries are generally decentralizing the aspect of reporting to line ministries and agencies. The exceptions are spending reviews, where the central authorities and chief executives (Accounting Officers) play a pivotal role (Analyst, 2018). Most African countries are very much occupied with developing corporate governance instruments and very few are concerned with setting accounting standards which are compatible with their national norms and codes of conduct which may assist in more accurate metrological valuation of their financial conditions.

Zimbabwe has a history of a strong accounting profession, however, the profession suffered significant setback during the period 1998 – 2008, when the economy went through a major downturn and chronic hyperinflation, which saw accounting professionals leaving the country. The economy is recovering but the financial reporting infrastructure still requires strengthening to support economic growth (Subramanian, 2011). The Ministry of Finance in Zimbabwe is the central authority which develops accounting standards and instruments, as pronounced by the Public Finance Management Act (Chapter 22.19). The Act through section 78 (Treasury Instructions) decentralizes the development of accounting guidelines through allowing line ministries to come up with their own Accounting Officers' Accounting Manuals which would suit their own operational environment, that would definitely be influenced by social, institutional and political dominations (Chigumira, Chipumho, et al., 2020; Dube, 2015). The Companies Act (Chapter 10.03) sets the framework for operation of private and public companies which also includes state enterprises but does not address the adoption or the standard setting processes. ". Section 2 of the Public Finance Management Act defines financial statements as follows; a statement of financial position; a statement of comprehensive income; a statement of cash flow; audited or unaudited monthly, quarterly and annual financial accounts; and any other statements that may be prescribed," however the office of the Auditor-General has advised that most of the submissions to that office are not consistent with the above terminology.

Report on Standards and Codes (ROSC,2011) instituted by the World Bank at the behest of Zimbabwe Government in 2010, recommended amongst others the establishment and development of an Accounting Standards Committee and an Auditing Standard Committee within the PAAB. Despite the progressive regulatory framework development in Zimbabwe, there are gaps in the public sector accounting standard setting framework, structural setting and regulatory instruments governing the accounting profession in Zimbabwe (Ndamba & Matamande, 2016). They further allude to the fact that there has been little research done in that regard. These recommendations provide a case for this research to give a descriptive and qualitative grounded research study evaluating the extent to which these recommendations have contributed to the current public sector accounting standards setting framework and the establishment and development of the Accounting Standards Committee of PAAB. The purpose of this qualitative grounded research study was to inquire into the convergence and divergence of Public Sector Accounting Standards Setting in Zimbabwe with international practice. As illustrated in the literature review, little research has been done on this subject with reference to Zimbabwe, especially on accounting standards setting process and its impact on the accounting practice.

2.23 Conclusion

Chapter Two focused on pertinent literature and established an appreciation of the origins of the accounting rumpus on IPSAS setting. The literature supported the researcher to understand the environmental scenarios that govern the process of public sector accounting standards setting within the suspicions by the developed world on IPSAS and illegitimacy on constituencies whose mandates are drawn by and large from a political electorate. Although there are these suspicions, the world happens to agree that there should be a global convergence on public sector accounting, but does not have a common stand point on the public sector standards setting processes due to the various traditions and cultural history. The study then aims to investigate the public sector accounting standard setting processes in developing economies, based on the impact of lack of cross-directorships, which, to the researcher’s knowledge, has too little prior study. The following Chapter Three illuminates the research methodology employed in the study.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

Chapter Three outlines the research methodology comprising, among others the research design, the research approach, the population, sample, sampling techniques, the methods of data collection, selection of the sample, the research process, the type of data analysis, the ethical considerations and the research limitations.

3.1 Background

Research methodology, as attested by Kapur (2018) is a system of enquiry which moves from the basic suspicions to research designs and data collection; coming full circle in the improvement of legitimate thinking that consolidates contemporary judgments with the settled techniques for thoroughly considered basic stages. Martelli & Greener (2018) further alludes to the fact that research methodology is more about attitude to and understanding of research and the strategy or approach chosen to answer research questions. They further say business research 'problematization' will be conducted to achieve a practical outcome that can be achieved in a theoretical context. On another level of talk, the terms make allusion to the way data collected and investigated derive representation of the goals aimed at creating modes of knowledge. Kothari (2004) said, when we talk of research methodology, we are not only dialoging of the research procedures but also include the clarity behind the devices we used in the framework of learning and explain why they were used in a certain scheme or technique instead of other methods, so that research outcomes are capable of being appraised whichever way by the researcher himself or by others.

In that vein a cognitive and conclusive research methodology yielded three types of modes of knowledge. The knowledge created by academics for intellectual purposes to further and add to what was known as mode 1 knowledge. Mode 2 knowledge is to be practically applied and comes out of collaboration with practitioners and policy makers (Gibbons, 2013; Huff & Huff, 2001; Maseko & Manyani, 2015; Mogashoa, 2014), which was the type wanted by decision makers and policy developers and considered to be "real world' knowledge that depends on understanding context. Mode 3 knowledge, according to Carayannis, Campbell & Rehman (2016) was produced for understanding the bigger picture in relation to society survival and common good. The methodology employed in this study was trying to achieve all the three modes of knowledge and as Martelli & Greener (2018) observed, such methodical objectives and information would not find a business sponsor because it does not have specific immediate practical value, resulting from the academic inquiry; yet it could be of profound importance to international economics, social policy and business organisation.

3.2 Study Setting: Zimbabwe as Case Study

The case study (Silverman, 2010; Adhikari, *et al*, 2013) was used to designate and elucidate the public sector accounting standard-setting process in a developing economy (Zimbabwe) and inquiring into its convergence and divergence with international practice. The case study allowed for an empirical investigation of this contemporary phenomenon of standard-setting within its real-life context, especially in the scenario where the boundaries of phenomenon and context are not evidently distinct (Yin, 2014). The case study was used as it allowed the researcher to retain the holistic characteristics of natural setting such as organisational and managerial processes, international relations and maturation of stakeholders' brevity (Akhtar, 2016). This permitted the study to theorize the research settings using a range of data collection techniques including document analysis, questionnaires, interviews and group discussions.

Zimbabwe is a land locked developing country in Southern Africa surrounded by South Africa [South], Mozambique [East], Zambia [North] and Botswana [West]. The population of Zimbabwe was estimated to be 15.1 million persons at the time of the study having increased from 5.67 million persons in 1972; with the last censors having been carried out in 2012 at which time there was an estimated 13.1 million persons (Zimstats, 2021) and growing at an average rate of 2.02% per year.

At the time of the study the country was going through an economic recovery being buoyed by a shift from political development towards economic recovery through re-engagement with the whole world, having been under sanctions because of its land resettlement programme that took place in the early 2000's. The country was part of the global village through being a signatory to most of the UN treaties. From that perspective the country was expected to live up to world expectation and abide by best practice.

The country was implementing numerous reforms that stabilized the economy in 2021 through a Transitional Stabilization Programme (TSP) and was projecting for further development in the economy with the focus on infrastructure forming the backbone for the society to function. The infrastructure crosses each facet of human life, from connectivity of the population to movement of goods and people, to climate change, to education and job opportunities, decreasing disparity and facilitating economic activities. Rooted in the Second Republic under President E.D. Mnangagwa was the conviction that infrastructure was more than just roads and buildings, it regarded it as an interlocked system that if organized had an inordinate prospect to drive development on the way to achieving the worldwide goals. The thrust made government pour 5% of its national budgets to local authorities to rehabilitate infrastructure. That made the public sector to be a major contributor to national economic activities.

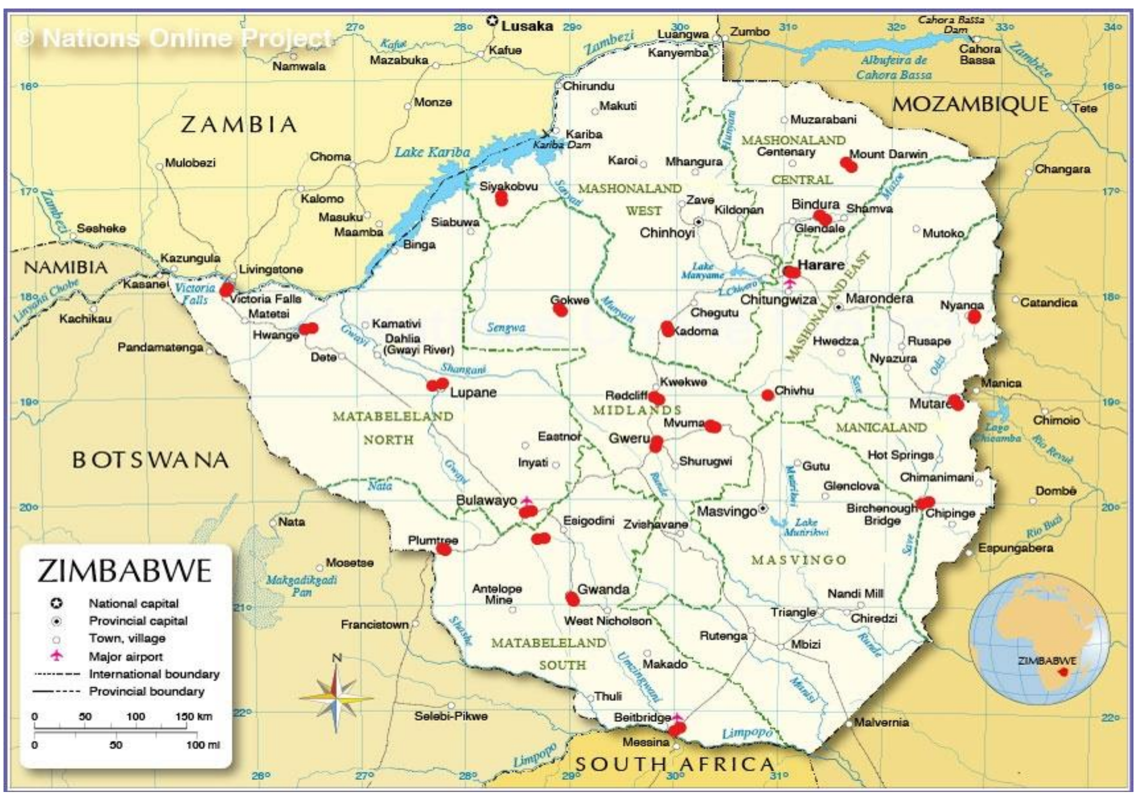


Figure 3.1: Zimbabwe Research Areas (In Red

Source: [https://ontheworldmap.com/zimbabwe/zimbabwe-political-map.jpg (2015)](https://ontheworldmap.com/zimbabwe/zimbabwe-political-map.jpg)

The marked areas [red dots] show the location of the respondents to this study**.** Kusile RDC [Lupane] and Hwange Local Board in Matabeleland North Province, Nyaminyami RDC, City of Kadoma and Nyaminyami in Mashonaland West Province, City of Gweru, Vhungu RDC, Redcliff Municipality and Gokwe North RDC in Midland lands Province, City of Harare in Harare Metropolitan Province, Insiza RDC, Beitbridge Town, Gwanda RDC and Plumtree in Matabeleland South Province, Mt Darwin and Bindura in Mashonaland Central, Bulawayo, Chivhu and Nyanga in Manicaland.

However, it came out through audits opinions and other commentaries that it was not clear how council funds and others were being accounted for due to failure by the sector to produce audited financial reports on time (Auditor-General, 2018). In an attempt to rectify the fissure, the country was implementing public sector accounting reforms through the adoption of Public Sector Accounting Standards with little success. Given the background that the public sector was a conduit through which government programmes can be fulfilled, the study thus sought to critically analyse the general impact of public sector accounting standards on economic growth and in particular the convergence of the country's accounting standards setting process with best practice based on it being a signatory to various conventions. The wide inquiry across the length and breadth of the country's locations was an attempt to find the involvement of the respondents in the process of coming up with accounting standards.

3.4 Research Philosophy

Perception and reason are the best methods for understanding human conduct and genuine information depends on experience of faculties and can be gotten by perception and examination, (Conte, 1851). Positivism as communicated by Kabir (2017) and Muhasebe & Yönetimsel (2020),was concerned with revealing reality and displaying it by exact means; embracing reasonable positions in view of a conviction that individuals' observations and explanations are either valid or false, right or wrong and utilize methodology that depends on control and control of reality. Positivists trust that the truth was steady, can be watched and depicted from a goal perspective. As announced by Hansen et al.,(2018) marvels ought to be disengaged and perceptions are repeatable.

A research viewpoint was a persuasion around the course in which data about a problem have to be collected, explored and exploited. The word epistemology (what is known to be valid) rather than chaunt (what is accepted to be valid) integrates the dissimilar approaches of intuition of research methods (Akhtar & Islamia, 2016; Thomas, 2010).

Martelli & Greener (2018) claimed that perception and reason are the best methods of understanding human conduct and genuine information depends on experience of faculties and can be gotten by perception and examination, still holds to this day. For this study, selecting an overall research philosophy was the choice between two primary alternatives: between a positivist or a constructivist philosophy.

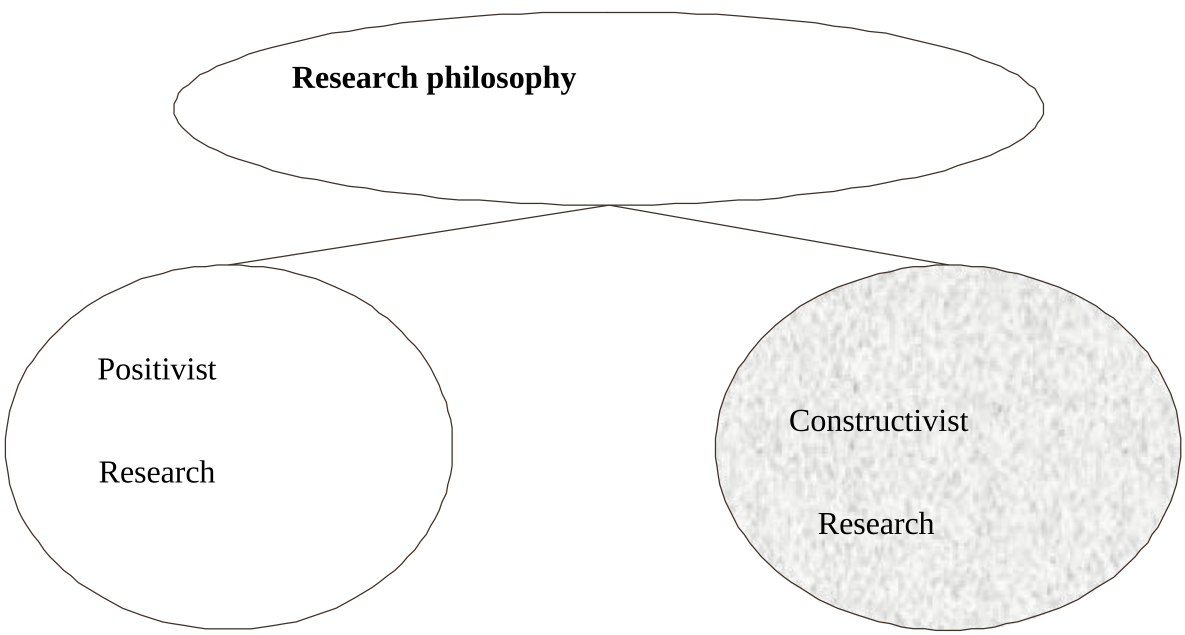


Figure 3.2: Research Philosophy. Source: Martelli& Greener, (2018)

In thinking about solving problems in a practical and sensible way rather than by having fixed ideas and theories; the study considered the view that as team members interact (having the team concept at the back of the minds), concisely, the team can be altered over time depending on how they interact and it does not have an independent reality (Martelli, & Greener, 2018). As such standard-setters as a team must have this constructivist view of a team that they are there to solve a problem and solve it in a practical and sensible manner for the benefit of public interest.

Strategy makers often want a blend of knowledge in an area within a reasonable timeframe. Traditionally, these are followed by methodical reviews that naturally yield results in the short run. Continuous appraisals rationalize traditional systematic analysis methods in order to create evidence within a shortened timeframe. This review sought to study methods used for rapid assessments, as well as insinuations of methodological streamlining in relationships to rigour, pre-disposition, and consequences (Schoonenboom & Johnson, 2017;Ganann, 2010). With that viewpoint, the study chose a qualitative case study methodology that enabled the researcher's to do an in-depth investigation of complex phenomena within some explicit context and keeping in mind that this thesis should present a systematic step-by-step guide to the standard-setting process in a public sector set up within disciplined business environment (Rashid *et al*., 2019).

According to Garcia *et al.*(2013) Rashid et al.(2019) positivism and naturalism are rationalities for quantitative approach, which are the two types of theory in international law. Naturalism seems to suggest that in the ordinary law making it can be assumed and impressed that the power of law was not derived from the speech of the established order, while on the other hand, positivism specified that authorities are the ones who make law (Sehgal, 2020). Naturalism if broadly viewed tries to describe the world in a way of the natural sciences, starved of raising whatsoever ghostly, psychic, or premeditated positions in terms of ontological commitments. Logical positivism or logical empiricism thus can be viewed as a kind of naturalism consuming the smallest amount of ontological commitments. (Kitchener2004; Pfeifer,2021). Moreover, Alvesson & Skoldberg (2009) include post-positivism, social development and basic authenticity as different methods of insight talk. Berhane (2011) portrayed the quantitative approach as the study which endeavors to utilize essential data, post-positivist cases or improvement claims for creating learning like circumstances. He further opined that the end results are moderated to particular factors, speculation and inquiries, utilizing estimation, perception and trial of hypotheses techniques of request, for example, explores and studies, gathering data using instruments that yield measurement.

The study thus adopted a constructivist approach assuming the concepts that operationalized the way that enabled facts to be determined by subjective criteria, where the basic belief was that the world was socially constructed and subjective such that the researcher was part of what was being observed (Kothari, 2004; Martelli & Greener, 2018). However, the study focused on meaning, attempting to comprehend occurrences, completely observing each situation and then developing ideas through deduction from the data (Adom *et al*., 2016; Rydland, 2018). As such the study employed multiple methods to establish different views of phenomena based on the situational settings.

3.5 Research Design

Research design demonstrates and coordinates the distinctive segments of the general data in a coherent and logical way guaranteeing and tending the explored topic, outlining data collection, estimation, and analysis; concentrating on the final result (Akhtar & Islamia, 2016). According to Merriam (1998) the researcher is viewed as the essential instrument of data collection, analysis, draws in the circumstance and understands the various indulgences from the numerous substances existing in a given setting. Assertion by Merangin et al.(2018) the researcher was not only an observer, but objectively participated with neither influence nor coercing other participants' responses but freely generalizing the universal context. The study strived to achieve data gathering in a non-meddling way; with the researcher and respondents building their own particular substances aiming to open up normally without succumbing to social, institutional and political dominations (Kouki, 2018).

Akhtar (2016) states that a research design was not allied to any specific system of statistics assemblage or any precise category of data. He adds that when designing a research, it is necessary to recognize the type of evidence required to answer the research question in a reasonable way. According to Mutiganda & Järvinen (2021) a research design demonstrates and coordinates the distinctive segments of the general data in a coherent and logical way guaranteeing and tending the explored topic. Yin, (2014) proclaims that research design was conversationally an examination of any movement 'get ready' for getting from "here" to 'there'. Where "here" might be characterized as the fundamental planning of studies to be spoken of and "there" was some preparation of responses. In the final analysis it can be viewed as a conceptual blueprint that glues together research elements to maximize the effective and efficient yield of possible information within minimum utilization of effort, time and money (Kothari, 2004; Yin, 2014; Akhtar, 2016). They also agreed that the research design was needed in advance to facilitate the smooth sail of investigation approaches to be embraced, gather and interpret data that had an inordinate bearing on the validity and reliability of the results, and as such it's the strong base of the entire edifice of the inquiry.

Mortelli & Greener (2018) elaborated that there was no totally impersonal objective research because the method of research chosen affects the results. In other words, the researchers' mindset, personal values and past experience will provide a filter of the method to be used and what they seek to see in the results (Adom *et al*., 2016). Accordingly, Alsharari (2019) views the researcher as the indispensable device of data collection and analysis that lures the context, and understands the various indulgences from the copious constituents obtainable in the assumed scenery. An assertion by Ritonga (2016) reveals that the scholar need not merely be an observer, but objectively play a part with neither encouraging nor pressing other contributors' responses but allow free taking of a broad view of the universal perspective. Gladwell, (2008) tried to explain that people may often make quick decisions based upon subconscious processes in their minds and do not eradicate bias and in the same vein consequently, the respondents might be affected by the classic fundamental design model which might cause a 'group-thinking' unintended due to their professional discipline. Martelli & Greener, (2018) proposed that researchers must try to identify and eradicate possible bias in designing the research and how its conducted and be explicit about the themes and perspectives that may taint the results making the readers understand that its one version of the truth in that context and not the whole truth. The case study design goes all-out to accomplish data collection in a non-meddling manner; with the investigator and respondents constructing their individual specific substances targeting to expose their presumptions normally devoid of acceding to social, institutional and political ascendancies.

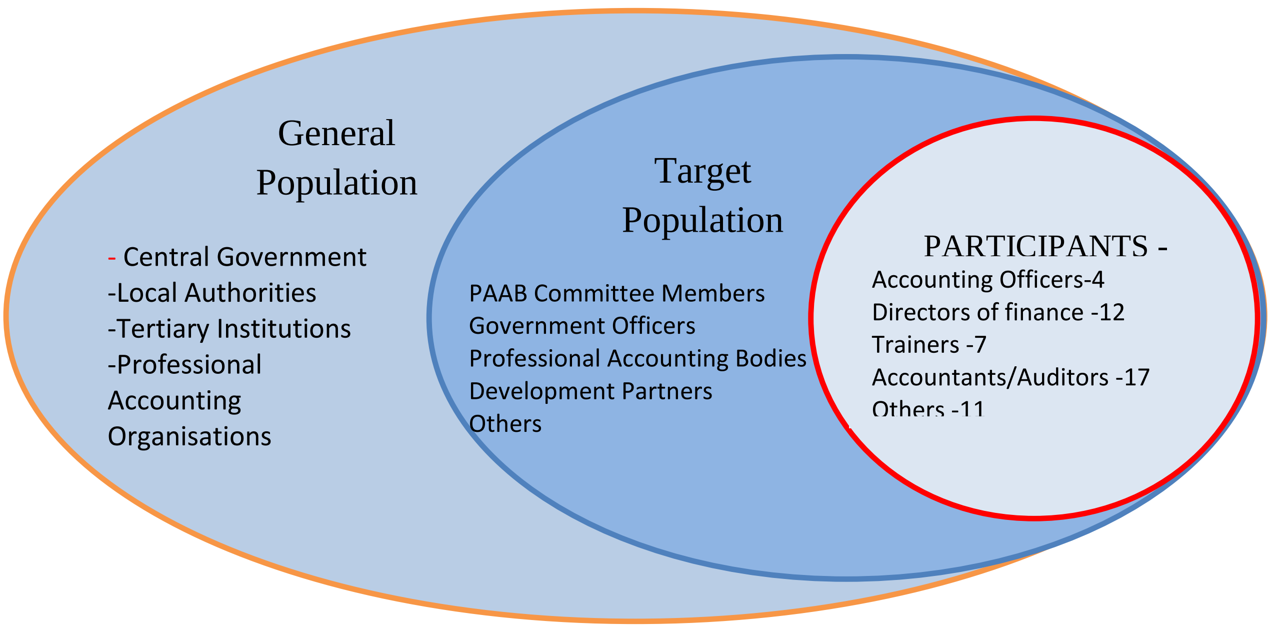
3.6 Research Approach

The study opted for a qualitative research approach which would assist in data collection from respondents in their natural environment and subjective to the respondents' view of the world around them. As Shukla (2018) suggested, qualitative research is defined as an exploration procedure of indulgence based on discrete methodological conducts of inquiry that search a societal or human problem (Gill et al., 2008; Lub, 2015). The researcher constructs an intricate backdrop, scrutinizes arguments and reports meticulous interpretations of informants in conducting the study in a normal scenery (Aspers & Corte,2019). Brown (2013) states that the evidence gathered in this manner, is typically coarse in nature; and so often the results are inconsistent because of the different outcomes selected as tests of 'usefulness', or differences in the samples studied (time periods, countries, industries, firms, etc.) and in research methods utilised. However, the study, was more optimistic than Brown. Coarse evidence was helpful; it stopped the study from taking a wrong turn. Blunt evidence gave blunt messages; hence, the study was aware of the risks and the limitations associated with using the extant literature in standard-setting as a warp. The study noted, as previously opined by Ganann (2010) that peculiarities amongst capture and orientation, and between phronesis and philosophy, are frequently omitted in methodological conversation around case studies. These distinctions vibrant bids a trail for the healthier deportment of the case study (Lub, 2015). Nevertheless, actually a case study can be defined as an exhaustive study about a being, a set of people or a component, which was meant to take a broad view over several units or community (Luas et al., 2018).

A case study has also been pronounced as a rigorous, methodical inquiry of a solitary unit, group, communal or roughly additional item in which the academic scrutinizes in-depth data concerning numerous variables (Heale & Twycross, 2015). Besides amplifications and computations, a case study can additionally and unconsciously bring out the makeup of chronicles for the defense of its progressions, inferences and for not as much of apologetic posture in its practice. A look at this framework divulges a number of conducts in which the valency of this case study was built on (Thomas, 2010; Ganann, 2010).

3.7 Research Population

Sekaran & Bougie (2013) opined that when talking of population, we speak of an entire collection of individuals, occasions, or effects of curiosity for which the scholar desires to brand inferences. The populaces of the study are accounting professionals and other stakeholders within the public sector in Zimbabwe that are involved in the new public management systems and tertiary spheres as shown in figure 3.3 below. The number of participants in the study would be determined by the point when the study feels that a saturation point of information has been reached, and further inquiry would not yield any new data.



3.3: Research Population **Source:** Author

3.8 Sampling Procedures

The decision to select the sample was based on information rich respondents across the geographical spectrum of the case study, Zimbabwe as shown by the red dots in figure 3.1. The sampling frame shown in figure 3.3 was drawn from a finite universe of accounting professional and related stakeholders. According to Ames *et al.*, (2019) the sampling list should be comprehensive, correct, reliable and appropriate. They go on to say that it's essential for the list to be representative of the population, and the respondents should be part of the specific parameters of persons characteristically in a position to meaningfully answer the research questions. Cost considerations were brought into play and from a practical point of view that resulted in the use of non-probability sample. The sampling procedures techniques were motivated by the researcher's ability to have access to the participants and secondary data for confirmation of some opinions, such as external audits and others. The approach, thus lead to the study adopting a sampling design that would yield the best outcome in the presence of financial and time constraints with a smaller sampling error by seeking individuals who were practioners or stakeholders in the public sector accounting domain. Theoretically the model covered 51 people individually or clusters and group discussions who were supposed to meet the demands of the topic under study (Huy & Phuc, 2020). As a qualitative research, characteristically it was styled as a selection technique allowing respondents to have attained a profound understanding of the phenomenon that was being studied (Palinkas *et al*., 2013) and the led to the purposive sampling technique being preferred.

3.9 Purposive Sampling

Purposive sampling (judgmental, selective, or subjective sampling) is a procedure of non-probability sampling in which a study depends on own verdict when selecting participants from the population to take part in a research (Ames et al., 2019; Asante, 2020; Version & Reichard, 2019; Yazan, 2018). The sampling method requires scholars to be familiar with the aim of the study so that the choice of eligible participants is led by a proper approach (Noyes *et al.,* 2018). The study used the purposive sampling to contact specific subset of people because the participants fitted a certain profile (shown in figure 3). The respondents chosen had characteristics that were desirable (Omona, 2013). It must be noted that purposive sampling required the researcher to have information about the participants prior to recruitment (Palinkas et al., 2013). The purpose of the sampling approach was to obtain information-rich data that had depth, insight and concepts, chosen from information-rich sites and informants. In purposeful or judgmental sampling, the scholar elects the purpose sought for the respondents to function and goes out there to discover the communities (Bernard, 2000). Key informants were persons who were for the most part familiar with the area under study.

3.10 Sample Size

In this purposive sampling, the number of participants sampled from each of the following public sector stakeholders were chosen based on their ability to provide information rich responses (Singpurwalla, 2019). The sector segments that provided respondents included Central Government, Local Authorities, Development Partners, Public Accountant and Auditors Board of Zimbabwe, Profession Accounting Bodies, Tertiary Education Institutions and other individual practitioners. The reason was that the study focused mainly on issues of a technical nature, hence required technical know-how, and information was gathered until the study felt that a point of saturation had been reached (Ames *et al*., 2019).

3.11 Data Collection

The study collected data using a variety of methods available in an attempt to draw the best quality using both primary and secondary data sources from respondents, with emphasis being drawn to authority, perceived attitudes, experience in the accounting profession or related fields, education and roles performed in the economic regulation frameworks (Ackers, 2019; Poje & Groff, 2021).

3.12 Data Collection Instruments

a. Interviews

Research interviews were administered using structured, semi-structure or unstructured predominantly motivated by the research approach (Gill *et al.*, 2019.). The study used predetermined unstructured questions being asked with little or no variations with some follow up questions warranting further elaboration. The questions were sent to the respondents prior to the interviews in the form of a questionnaire. The approach was relatively quicker to administer considering the technological advancement in communication. The open - ended questions yielded in-depth responses about people’s experiences, opinions, perceptions, feelings, and knowledge. The data consisted of verbatim quotations with sufficient context to be interpretable. This included interviews over and above survey questionnaire. The study depended on interviews after questionnaires had been mailed out to contact them. (Kumar,2011). The interviews and group discussions were meant to achieve descriptive responses obtained in reply to open-ended questions paused.

b. Observations

The case study involved a range of data collection tools to answer research questions. Semi-structured interviews were complimented by meetings observations. The combination of multiple sources of data collection in a case study is best understood if body language of the respondents can be observed as a tactic to enhance thoroughness, scope, intricacy, fullness and profundity to the respondents' opinions.(Rashid *et al*., 2019). Observations yielded further data on how the participants actualized the process of public sector accounting standards setting citing supporting events for their opinions for example explaining their experiences on the subject matter.

Transcribing verbatim after the interview assisted in protecting against bias and provided a point of reference and playback(Mutiganda & Järvinen, 2021). When listening to participants' views field notes were taken that would assist after the interview to link body language observed to the opinions being propagated to be able to assign emotions to the speech (Gill *et al*., 2019). The study thus captured fieldwork description, actions, conversations, organisational or community processes or any other aspect of observable human experience collected at seminars, workshops and other relevant gatherings. Data consisted of field notes, rich-detailed descriptions including the context within which the observations were made, were fed into Nvivo analytical tool to derive context.

c. Documents

Analyzing documents can be an essential tool and an invaluable component of triangulation when combined with other tools (Jackson, 2021; Version & Reichard, 2019). A qualitative researcher uses more than one source of data in order to achieve convergence and corroboration in an effort to provide confluence of evidence that breeds credibility. Corroborating findings across data sets, especially supported by documents can reduce the impact of potential bias by analyzing various documented opinions and facts (Mutiganda & Järvinen, 2021). Among data sources were documents provided by various institutions as well as researcher's own observations transcriptions. The documents revealed various aspects of political decision making processes of designing and implementing the adoption of standards setting and deficiencies thereof. In addition to interviews and observations the study further triangulated interpretations with documentary evidence. The general approach was documented to provide a more systematic and organized way of interpretation using analytical tools using a step by step preparation of material. According to Rashid (2019) document preparation provided a more organized and systematic approach of interpretation that helped in reporting the empirical material in a more effective way.

Written materials and other documents, programme records, memoranda, correspondents, official publications and reports, personal dairies, photographs. Letters, artistic notes memorabilia and responses to open-ended survey were part of data sources. The data consists of excepts from documents captured in a way that records and preserve context.

3.13 Primary Data

Primary data can be defined as the first-hand data that is most likely to provide honesty and transparency between a researcher, the participants and about the phenomena being focused on. It is likely to be the ovary of hard work, costly to acquire or collect with overally restricted scope (Martins *et al*., 2018).

There is a disconnection between public sector accounting and reporting with internal controls and independent audits that are expected to provide primary data for statistical purposes and the application of related standards (Biondi, 2014). Primary data within a qualitative case study helps to explore a phenomenon within some particular context tendered through a variety of lenses in order to reveal multiple facets of the phenomenon in real-time in a natural setting especially if collected through face to face interaction creating a difference context (Rashid *et al.*, 2019). The data collected through the interviews and group discussions was applicable and/or was of value and utilised all forms of modern communication technologies and face to face conversations when possible. The reliance on modern communication technology was premised on the geographical diversity of potential respondents and technological ability to have prompt responses and face to face interface through Skype and related means.

3.14 Secondary Data

This type of data is habitually inexplicitly in opposition to primary data, as the latter is obtained by means of questionnaire, focus group, in-depth interview. Besides having collected for some other motive secondary data is immensely useful for research purposes (Allen, 2017). To be more exact, secondary data is collected by somebody different; and it may be composed of beforehand grouped facts that are further down contemplated to be used again for other purposes for which it was not initially planned to be utilised (Martins *et al*., 2018). The data can be leveraged by other researchers for interrogation of a new research question or to scrutinize another viewpoint of a previous study.

The study would obtain secondary data from government's documents, technical reports, scholarly journals, trade journals, reviewed articles, reference books and library search engines as is widespread across a broad range of jurisdictions or entities. There are, of course, limitations in the available research and material related to Zimbabwe and there are risks associated with drawing from this research pool.

3.15 Data Presentation

The study carried out interviews with a cross-section of practitioners and the responses were fed into NVivo software for reliability checks, validity and analysis. NVivo is a software program used for qualitative and mixed-methods of research. Specifically, it is used for the analysis of unstructured text, audio, video, and image data, including (but not limited to) interviews, focus groups, surveys, social media, and journal articles (Zamawe, 2015).

The presentation of selected narrations and comments from informants – quotes that lead the reader to rapidly appreciate information gathered over a long time is what qualitative analysis is heavily dependent on. The systematic presentation of data assisted in making informative and illustrates information with selected quotes from informants, (Burnard *et al*., 2008; Martins *et al.*, 2018). The production of visual displays and laying data in various charts also helps to understand the study and is a potent way to communicate ideas to an audience using native grouping in describing the various opinions based on how people divide up purviews of norms and culture and how the pieces of domain are connected. The simple presentation of words in a language that somehow belong together brings out the commonality of minds of the informants and represents highly emotional experiences that assist to define themes and perspectives (Sekaran *et a*l., 2018).

The study henceforth, presented data in the best manner suitable to derive meaning in line with the use of Nvivo data analysis software. The qualitative data was presented in words based on themes, content and discourse analysis. Word frequency figures and word decision trees were mainly used to evaluate the nodes to derive meaning from the respondent's statements and opinions. Quantitative data was thus presented on tables and figures based on derivative words on themes, content, nodes and discourse analysis.

3.16 Validity and Reliability and Generalisation

Reliability evaluates the steadiness of outcomes over time. Reliability comprises a specific embedded view of solidity of the outcomes establish and repeatability over time (Liggett, 2019). Adopting a more comprehensive definition, Doris *et al.*(2017), Goundar *et al*.(2019) and Snyder (2019) have pigeonholed validity as the self-assurance with which inferences can be arrived at from an investigation, and reliability as the dependability with which an inquiry technique resolve and gauge a marvel in a similar manner over a number of attempts. Validation can best be described by the following quote:

> *The aim of validation is to give objective sanction to a particular interpretive hypothesis and thereby to provide the only possible for a consensus omnium with regard to the text. The consensus would not, of course, endorse any particular written interpretation, but rather the whole meaning to which several interpretations might refer—a particular intrinsic genre capable of governing implications, rather than a particular selection of implications. Such selections always vary and can do so without changing in any respect the whole, generic meaning of the text* (Hirsch 1967, p. 169).

In its effort to reduce bias due to peer debriefing from the researcher being a practitioner in the general government and a member of the Zimbabwe IPSAS Working Group, triangulation was used to ensure credibility involving carefully selected information rich resources and a method that created comfort through breaking down barriers to both the respondents and the researcher. According to Sousa (2014, p.213), the principles, trustworthiness, transferability, constancy and confirmability should be assumed to be comparable to the concept of validity and reliability.

The research topic pointed to some sort of a narrative case study for investigation of a process indicative of a data analysis method that would be devoid of emotional identity to the scenery to be employed. Based on the study sample (figure 3), the focus was to describe, understand and clarify human experiences given by the chosen participants because they could offer the themes and perspectives of what the public sector accounting standards setting process looked like (Hayasha et al, 2019). In the end, the study observed that to achieve these, NVivo be utilised as the analytical tool of choice, as it would deal with the type of primary data collected.

3.17 Thematic Data analysis

Thematic data analysis is a qualitative exploratory technique that can be extensively employed transversely to a wide variety of epistemologies and inquiries. The technique enables the researcher to ascertain, scrutinize, bring together, designate, and report themes established and contained by a data set (Nowell et al, 2017). Mckim (2017) styled thematic analysis as an interpreter for persons talking the languages of qualitative and quantitative analysis, empowering academics that practice diverse exploration approaches to interconnect with each other. In the modern digital globalized world, large data flows from different sources and are now influenced by social media and captured by geopolitics (Panchenko & Samovilova, 2020). It is therefore essential for researchers to use new computer tools and technologies to sift through these enormous amounts of opinions to come up with nods that can bring out reality.

Maguire & Delahunt (2017) applied thematic analysis framework to data drawn from learning and teaching research to illustrate that qualitative data examination can present challenges, not least for inexperienced researchers. In order to make explicit the ‘how’ of analysis, they assisted to illustrate the work involved in getting from transcript(s) to themes and provided guidance as useful as how to conducting own research. Qualitative analysis of data resultant from discussions would be transliterated into records of deliberations before the analysis is done. The thematic analysis process involved development of nodes, themes or categories ideas (Martelli & Greener,2018).

The process was activated through the utilization of NVivo software in coding of finding units of data that linked to or supplementary to or modified the categories constantly using word frequencies and word trees leading to saturation of categories checking how the data was fitting into those categories or themes. A YouTube illustration of the tool by McNiff (2022) proved that besides providing validation of the data, it could be a handy tool that could make the life of the researcher much easier when thematically analyzing qualitative data.

NVivo provides ways of validating the data through auto-transcription of verbatim with a 90% accuracy from quality recording. It accepts semi-structured interview transcriptions where the participants are asked the same set of questions and organize the responses in heading styles. It proceeds to automatically catalogue themes to derive sense from the data from what the respondents would have said, bringing out the main point being made, the surprising perspectives of the participants and the commonalities and difference of their idealism (McNiff, 2022). The consequential word frequencies and other search query outcomes enabled the study to see the commotion and the connection between themes (Nowell et al, 2017). That enabled the study to move towards analytical insights at the same time instigating the scholar to stay systematized and engrossed on the inquiry strategy throughout the analysis.

None the less, the study took heed of the implication of using NVivo as espoused by Zamawe (2015) that NVivo now forms an important part of qualitative data analysis and among other benefits saves researchers from ‘time consuming’ transcription and boosts the accuracy and speed of the analysis process. This is not to say that qualitative data analysis programs are 100% perfect; just like statistical packages, it too has drawbacks. The key message to take home is that unlike statistical software, the main function of NVivo is not necessarily to analyse data, but rather to aid the analysis process, which the researcher must always remain in control of. In other words, researchers must equally know that no software can analyse qualitative data and bring out understanding of it with no human interventions. NVivo and all other tools are fundamentally data management packages, which are there to support the researcher during the data analysis process. Nonetheless, the aim to build a valid argument using NVivo generating the themes was checked to remain in sync through referring back to the literature. That was meant to interlink literature with the discoveries, so that the theory erected opinions with virtue (Creswell, 2007; Sousa, 2014).

3.18 Ethical Consideration

According to Munzert and Yang (2021) consent and ethics can be linked to study responses privacy and ethical challenges beyond those typically associated with traditional social science research methods. The study strived to meet these challenges with robust procedures designed to ensure that informed consent was obtained, privacy is corrected and personal identifiable information.

3.19 Conclusion

The chapter described and analysed the phronetic approach to the case study that included the processes by which empirical evidence was gathered. The respondents were drawn from the general government excluding state enterprises and parastatals, social security organisations and the open public. Data collection and sampling was done using a qualitative methodology that yielded in themes and perspectives obtained from a natural setting. The results of the findings are presented in the next chapter.

CHAPTER FOUR

PRESENTATION AND ANALYSIS OF DATA

4.0 Introduction

Chapter Four deliberates on data presentation, analysis, and findings from seminars/workshop attendances, interviews and group discussions based on an open-ended questionnaire distributed prior to the events. The study with the blessing from the ministry of Local Government and Public Works undertook a financial management capacity assessment in more than ten local authorities, to come up with a risk profile on public sector financial management. Also, carried out was an intensive analysis of public sector accounting statutory provisions and audit reports on the general government by the Auditor-General's office and its agents.

The respondents for the interviews and group discussions were purposively drawn from the Accountant- General's Office, Public Accountants and Auditors Board, the Supreme Audit Office, the Parliament of Zimbabwe, Central Government Finance Practitioners, Local Authorities financial Employees, Professional Accountants Organisations and Development Agents partnering the Government of Zimbabwe to enhance the consolidation of the New Public Management and Public Sector Financial Management through various projects aimed at consolidating public sector financial management systems. The purpose of the study was to identify factors contributing towards the process of setting public sector accounting standards, policies and procedures and/or the adoption/adaption of International Public Sector Accounting Standards in line with best practice.

4.1 The Objectives of the Study

The study set out:

a. To investigate the public sector accounting standard setting in developing economies taking Zimbabwe as a case study;

b. To analyse agenda formulation for public sector accounting standards setting process;

c. To examine the politics and legal provisions required to regulate the public sector accounting standards process;

d. To identify the steps taken by Zimbabwe in the public sector accounting standard convergence drive.

4.2 Demographic Data Analysis.

The research upon acceptance, visited Hwange Local Board, Kusile Rural District Council, Mangwe Rural District Council, Umguza Rural District Council, Harare City Council, Nyaminyami Rural District Council, Gweru City Council, Vhungu Rural District Council, The Parliament of Zimbabwe, the Auditor-General's Office, the Accountant -General's Office, Ministry of Local Government and Public Works, Ministry of Justice and Parliamentary Affairs, Public Accountants and Auditors Board, Southern Africa Association of Accountants' Offices, Institute of Chartered Secretaries and Administrators in Zimbabwe, Redcliff Municipality, Zibagwe Rural District Council, Gokwe North Rural District Council, Gokwe Town Council. The main focus was to discuss and observe the financial practices taking place and accounting policies and procedures that were being used. Other assessments were done in Guruve Rural District Council, Mutare City Council, Insiza Rural District Council amongst others whose contacts were virtual. The research also, attended various seminars, workshops and launches of IPSAS adoption exercises in Zimbabwe. The people drawn from these institutions were information reach and would give their immersive experiences and narrate them giving their opinions credence based on what was happening in the broad general government.

Fifty-one people participated in interviews and group discussions drawn from the length and breadth of Zimbabwe. The rest of the information of the breakdown of participants is shown in the table below:

4.3 Analysis of Interviewed Respondents

Category	Key informants	Total number of key informants	
Position		**Out of the 51 Interviewees**	%
Accounting Officer	RQM6-AG,	4	7.8
Finance Director/Executive Officer Finance/Treasurer	RQM11, RQM8, RQM15	7	13.7
Trainer/Lecturer of Accounting Standards	RQM6, RQM2, RQM3, RQM15	7	13.6
Accountant/Auditor	RQM4, RQM15	16	31.3
Consultant/Financial Adviser	RQM16,	6	11.8
Any other (state)	RQM14, RQM10, RQM7, RQM15	11	21.6
TOTAL		**51**	**100**
The respondents were drawn from all levels of the general government's finance and accounting practioners. These ranged from Accounting Officers, including the Accountant-General and the Auditor-General who personally contributed to the research. The other respondents as shown above also included Director of Finance, Lecturers/Trainers of Accounting, Accountants/Auditors, Consultants/Financial Advisors including some from development partners and other accounting practioners drawn from the whole of government and Professional Accounting Organisations. This demographic distribution validates the findings as every level of accounting stakeholders had an opinion contribution that was thematically infused into the themes and perspectives that yielded the findings using Nvivo. The percentage distribution also reflects a balance representation of opinions from Accounting Officers down to general practioners, with Accountants/Auditor constituting 31.3% as the highest number of contributors.			
Time in Post(s)			
Less than 5 years	RQM15, RQM17, RQM 15	12	23.5
5-10 years	RQM14, RQM16, RQM6, RQM15, RQM17, RQM3,	28	54.9

Above 10 years	RQM10, RQM11, RQM15, RQM17, RQM2, RQM4, RQM5, RQM6, RQM7, RQM8	11	21.6
TOTAL		**51**	**100**
The times in which the respondents had been working in their various posts showed their experiences in executing accounting responsibilities, and that would be essential for them to narrate what they thought about the accounting standards setting process. Those who would have served for longer periods would be able to recall how the standards they had been using came about. The involvement of the regulator and Professional Accounting Organisation was meant to capture their involvement in any similar processes before. Besides the long time some of the participants having been with the regulator , government and Professional Accounting Organisations, none have seen or head of such a process in Zimbabwe.			
Qualifications			
Certificate	RQM3, RQM5,	2	3.9
Diploma	RQM15, RQM17, RQM3, RQM5,	5	9.8
Degree	RQM10, RQM15, RQM17, RQM3, RQM5, RQM7,	7	13.7
Post Graduate	RQM14, RQM16, RQM6, RQM11, RQM15, RQM17, RQM2, RQM3, RQM4, RQM8,	10	19.6
Accounting Qualification + member of PAO	RQM14, RQM15, RQM17, RQM3, RQM4, RQM5, RQM6-AG,	10	19.6
Registered with PAAB	RQM14, RQM15, RQM17, RQM3,	17	33.3

	RQM4, RQM5, RQM6-AG,		
TOTAL	**Respondents**	**51**	**100**

The level of qualification of the participants was essentially contributing towards them understanding the topic under discussion. The above show that only 14% were not university graduates, 20% were registered members of with Professional Accounting Bodies and 33% were register Public Accountants with the regulator. However, none of these were Public Sector Accounting Professionals. This showed that as much as the people working in the general government being highly qualified in the field of accounting, they were not trained adequately to deal with government accounting or public sector accounting. This might be the cause for the general government failing to national account.

Type of Institution worked for			
Central Government	RQM16, RQM10, RQM15, RQM17, RQM5, RQM6-AG, RQM7, RQM8,	14	27.5
Local Authority/councilor	RQM11, RQM15, RQM17, RQM 7;RQM5,RQM10,RQM 7	21	41.2
Public Tertiary Institution/Private Tertiary Institution	RQM13, RQM2, RQM3,	3	5.8
Professional Accounting Organisation [PAO]	RQM14, RQM12,RQM 9	3	5.8
Government Business Entity/Parastatal	RQM4,	1	1.9
Social Security Organisation		-	-
Development Partner	RQM 18,RQM I,RQM7	9	17.6
TOTALS		51	100

The concentration of respondents was from the general government accounting for a total of 41 respondents. The nine respondents from Development Partners, three from Professional Accounting Organisations and three from Tertiary Institutions would dilute coerced opinions of people who would be afraid to express their opinions. Though the study had given guarantees of confidentiality, the inclusion of people from those three institutional sector was to make sure that the thematic analysis would yield balanced themes whose analysis would give the best scenario opinions of the research questions. It was also meant to make sure that all the sub-sectors that are essential in the topic under discussion make a contribution.			
Accounting Basis being used/taught by organisation			
Cash basis	RQM16, RQM10, RQM15, RQM17, RQM1, RQM5, RQM6-AG, RQM7,	12	23.5
Modified Cash basis	RQM2, RQM 3	3	5.8
Accrual Accounting basis	RQM14, RQM11, RQM15, RQM17, RQM2, RQM3, RQM4, RQM5, RQM6-AG, RQM8	30	58.8
Modified Accrual Basis	RQM6, RQM2,	6	11.7
Total		51	100
The above data shows that almost 30% of the general government was still on cash basis. The Zimbabwe envisaged to be on full accrual basis by 2025; but only 58.8% has achieved that just two years before the target year. It was going to be an uphill task for the country to achieve that aspiration.			

Table 3.1: Demographic Distribution

4.4 Data Presentation

The study presented data in tables, word frequency cloud tags and word tree diagrams. The presentation used patterns of data sets to form frequencies in cluster form. In other words, cluster analysis diagrams provided words that appeared close together which meant that they were more infrequently used than those that are far apart.

The word frequency analysis was then conducted on the data set obtained in each question and presented in a Tag Cloud format displaying the words by font size; from the one with the highest frequency to the least frequently mentioned. The font size shows the frequency by which the word was used in discussions (Srdar, 2017). The larger the word font the higher the frequency the word was used. The word frequency assisted in determining the level of focus by the respondents to the topic or question under discussion and when combined with word tree visualisation a theme was brought to the fore (Dalglish *et al*., 2020). Hence, the nodes on the word tree coupled with the word frequency resulted in identifying the core themes based on what the respondents said.

4.5 Regulation of Public Financial Management

The financial statements of public entities are required by the Public Financial Management Act [Chapter 22.19] to be prepared on a customised cash-accounting basis, and those by virtue of being companies would use IFRS (The Association of Chartered Certified Accountants (ACCA), 2017). In chapter 17, the Constitution of Zimbabwe [Amendment No. 20] of 2013, gives the Parliament an oversight role and responsibility for state revenues and expenditures through the creation of statutory instruments and acts of Parliament that gives power to the Executive to issue regulations and instructions. Amongst such powers there is the power to provide direction and procedures of coming up with public sector accounting standards, adoption and adaption of the same and other regulations related to public resources management.

The study found out that Sections 298-308 and section 315 of the Constitution of Zimbabwe firmly casts the statutory basis of public financial management and gives consequence of the principles of the New Public Management. These principles guide all aspects of public finance management in the country that includes openness, accountability and involvement of the residents in financial management systems in an endeavour to achieve equity. Constitutionally, every citizen has the right of participation in any processes involving the management of public resources either directly or by proxy, through their elected representatives in various forums. In terms of the constitution, the standards setting process should be all-inclusive of the general citizenry, as they are the stakeholders of the resultant outcomes and outputs thereof. The representative nature is through the elected officials who have to move a motion for any activities in terms of councils and put before parliament for any processes to get funding or recognition. The acceptance of any process outcome is done through a council resolution and/or a statutory instrument from parliament.

The constitutional provisions are enforced through acts of Parliaments that touch on various aspects of the public financial management as guided by chapter 17 of the constitution. Chiefly, amongst these enactments was the Public Finance Management Act [Chapter 22.19] as amended.

The Public Finance Management Act [chapter 22.19] claims it superiority over other enactments in section 4(3) where it proclaims that in the incidence of any contradiction between it and any other law, it shall triumph. It then regulates in section 37 that financial statements compulsorily be prepared in terms of this statute and be prepared in compliancy with generally accepted accounting practice. In section 50, the Act commands all public entity to observe and implement the values of comprehensive corporate governance guidelines, procedures and practices.

According to the Auditor-Generals, the Act through section 15 of Public Finance Management (General) Regulations, 2019 [Statutory Instrument 135 of 2019] assigned the responsibility to make sure that internal procedures and internal control measures, conform to public sector accounting standards and guidelines to Accounting Officers of the general government units. In other words, it is the responsibility of every administrative head of government to make sure that public sector accounting standards are complied with. After assigning responsibility, Part IX was dedicated to the requirement to comply with public sector accounting standards, ethical standards [Section 36], budget classification and the chart of accounts [section 42], accounting standards [section 43] and Accounting Records [section 44]. The whole part outlines the requirements of financial accounting and reporting.

Furthermore, perusal of the Public Finance Management Act [Chapter 22.19] by the researcher supports the assertion by the Auditor-General where, in section 10 of Public Finance Management (Treasury Instructions), 2019 [Statutory Instrument 144 of 2019] put it squarely that the basis of accounting that the Government of Zimbabwe uses shall be determined by the board responsible for setting accounting standards in Zimbabwe: Public Accountant and Auditors Board (PAAB). PAAB was an independent institution created by an act of parliament to regulate the accounting profession in Zimbabwe, through the Public Accountants and Auditors Act [Chapter 27.12]. The above regulatory framework apportioned the responsibility of setting accounting standards in the country to the Public Accountants and Auditors Board [PAAB].

It was also discovered that the majority, if not all of these statutes had not yet been aligned to the Constitution, thereby creating discords in the administration of public resources as some conflicted each other in the treatment and conduct of some processes. The situation was worsened by technical and capacity gaps emanating from the practises created through precedence that made it difficult for the entities to perform, due to sector specific statutes which they used as sources of the standards. The focus of sector specific statutes like the Urban Councils Act, Rural District Councils Act was on financial governance and management and funds naming. These laws did not address issues related to financial staff qualifications and deployments, Accounting Policies and Procedures, budgetary control and standards, safe guard over assets, monitoring and reporting and accounting information systems.

During the research's financial management capacity assessment of some Local Authorities, the observations made showed that public sector financial management systems were in a bad state and highly exposed resources to abuse. The assessment reports showed the dire straits caused by the absence of common barometer of financial transacting and bench marking caused by lack of a common chart of account and different reporting formats that were not compliant to IPSASs. The following are some extracts from key findings of assessments report on the Local Authorities and these profess the sorry state Zimbabwe's public sector accounting standard framework was in:

1. *Tariffs are being charged without having been gazetted as statutory Instrument as required by law. Most of their by-laws are outdated. For the second year running, councillors had waited for the budget to be approved and then grand-standingly reduce the tariff soon after Hon. Minister had approved it.*
2. *Valuation roll is also outdated having been last up dated before 2009. The law allows for the revision of the valuation roll a maximum of ten years.*
3. *Council does not have a fully functional Enterprise Resources Plan [ERP] system. The Promun modules are not fully utilised and only three out of a possible ten are being used. Lack of full utilisation causes the system to fail to produce financial statements.*
4. *Internal Auditing configuration was done outside the system. This resulted in a very large audit staff complements in the department. Due to the large audit staff complement, no real value for money is realised thereof;*
5. *The Finance Department facilities visited were not adequately utilised and documents were not properly handled, no wonder why council cannot produce draft financial statements, e.g. in the cashier section, the store rooms are not being used for their intended purposes and bills are not being sent on time to the ratepayers besides having a huge staff complement of meter readers and billing clerks.*
6. *Besides having two Assistant Finance Directors, there was also a team doing financial reports and still the team failed to produce draft financial statements for three years in a raw. A review of the provided curriculum vitae showed that some people in the Finance, Audit and ICT departments have private sector qualifications and have served in council for very long periods. Most of the lower-level employees were not properly qualified for accounting duties.*

The revelation of intellectual paucity with regards to public sector accounting and the use of the cash- basis of accounting especially by general government meant that most of the public assets, if not all are expensed and hence are not accounted for in the general-purpose financial reports. In other words, the statements of financial positions are misleading the public about the true financial state of public entities. It’s also a pity to note that external audit reports actually in some instances give a clean bill of an organisation which would have failed to account for all its assets and transaction due to the use of the cash-based approach. An audit Associate at Grant Thornton had this to say about the above observation: -

> *"Hie. I enjoy discussing the rot in the general government which auditors seem to ignore. I am a researcher in public sector accounting standards; and have seen that auditors are more interested in their audit fees than upholding professional conduct by Accounting Officers" [RQM 9].*

The key findings in the sampled Local Authority might be a representative of the scenario in almost all the 92 councils both urban and rural. If the situation was that bad in that tier of government, it might be a reflection of the financial management scenario in the whole of government.

Some of the respondents had the following to say about the current situation: -

1. *The public sector in Zimbabwe has a plethora of statutes and regulations which makes full compliance with IFRS and IPSAS very difficult. More so, the working culture in the public service is not very positive and unattractive to competent accounting personnel. There are three types of accountants, accountant who has passed the examinations, and has had relevant exposure and accountant who is partly qualified but well exposed and have had hands on the job at right mix and right level. So, use of accounting standards in Zimbabwe would need review of statutes and policy framework. As it stands, public sector practice in Zimbabwe is heavily de-jure based. For example, Rural District Councils and Urban Councils are heavily influenced by RDC and Urban Councils Act, Zinwa has its own Statues, so is ZESA, ZBC and so own. Therefore, financial reporting in the public sector of Zimbabwe needs significant harmonization. As such, the Public Financial Management Act and other related instruments or tools need comprehensive review to enable the application of IPASs. Currently, the accountants in public sector in Zimbabwe report financial performance according to dictates of relevant statutes with absolute minimum or no reference to the IPSAS (RQM3).*

2. *The public sector in Zimbabwe uses different accounting standards with some entities using international Financial Reporting Standards (IFRS) while others have moved to use of International Public Sector Accounting Standards (IPSAS), with the latter being the direction that government is taking. The use of IPSAS by entities that have moved is also not uniform. Entities are at different stages of adopting the new accounting standards (RQM13).*

The regulative framework in Zimbabwe had attempted to create an environment that was convergent to best practise. However, the lack of institutional infrastructure to train educate and monitor the performance of public sector practitioners led to the current sorry state that the country's public management found itself in at the time of the study. It would be proper for the study to recommend that any violations of laws and regulations going forward must be dealt with firmly by the whole general government system. On another level of talk, the legal prescriptions do not show any signs that the country had an accounting standard setting process, not even hinting that there should be one, beyond assigning duties to various individuals and institutions for proper governance.

4.6 Results from Data Analysis

The software assisted in the thematic analysis or visualisation of findings on interviews and group discussion. That analysis involved word tree visualization (analysis of findings). Word Tree Analysis shows the visual findings of the key words and phrases that emerged prominently in the interviews (Maguire & Delahunt, 2017; Schutt & Chambliss, 2013). The analysis thus focused on the triangulation of data sets obtained through the interviews, financial management capacity assessments and workshop attendances. The data was also, augmented by an intensive analysis of what the laws say and commentaries from external auditors and their congruence to best practice. Some key quotes were also, thrown in to give pertinence of some opinions to the whole subject of public sector accounting standard setting process in the eyes of the respondents. The thematic analysis through using NVivo application revealed the following key words: **implementation, IPSAS, government, adoption, transparency and accountability, financial reporting, accounting standards, public sector, and setting**. The context in which these words were mentioned was presented in Word frequency and Word Tree textual analysis to bring out the main themes as per the respondents' opinions derived through open ended and structured questions.

4.6.1 Transparency and Accountability in Public Financial Management

The diagram below was a word tree visualisation/analysis that resulted from a text search query from transcripts of data gathered from research participants extracted from NVivo data analysis software that created a theme around transparency and accountability. The words in red assisted to make explicit the 'how' of analysis and aids to illustrate the work involved in getting from transcript(s) to themes. They also provided guidance as useful as to form the centre of themes that emerged from the discussions.

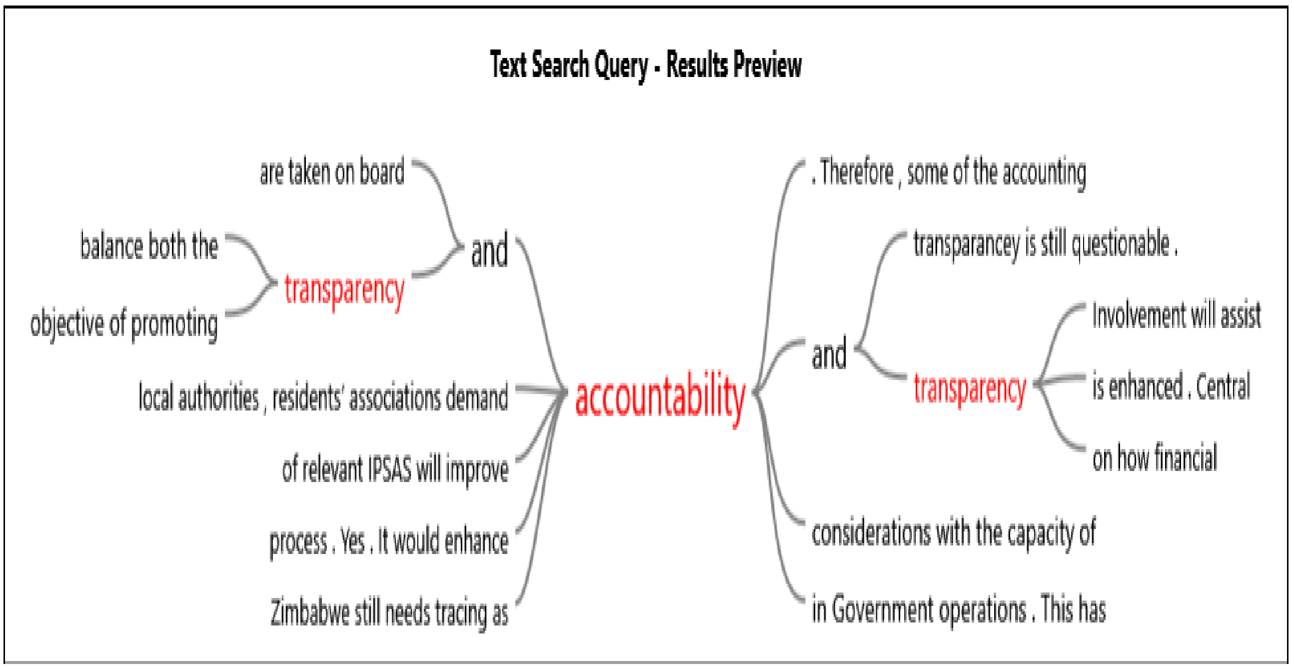


Figure 4.1: Transparency and Accountability **Source:** Author

The figure shows the tree branches that allowed elements to be added to the nodes. The attributes were simply linked and assigned to each node in red. According to Allsop *et al*. (2021) attributes can be used to explore transcripts and nodes to detect any configurations that may be suitable to the analysis. From the diagram a number of opinions could be converged with the importance of the public sector standards setting. This was done by linking the words in red with the phrases on either side of the word **“Accountability**”. This word formed the trunk of the word tree from which branches sprouted. The theme that could be derived using the ‘array’ tool from the word tree was **“Transparency and Accountability in the Public Sector Accounting Standards Setting Process**”.

Based on that contrast the following analysis can be arrived at as more of the tree branches are connected to the trunk (theme);

i. Local Authorities residents’ associations demand **accountability and transparency** on how financial resources are utilised and administered in line with the principally statute [Public Finance Management Act [Chapter 22:19]]. In section 4[3] of this Act it clearly stated that it is the supreme law in governing public resources and in the event of any conflict with any other enactments it reigns, however, Zimbabwe still needed tracing of the public sector accounting standards setting process, **as accountability and transparency were still questionable**.

ii. The objective of promoting **transparency and accountability considering the capacity in government** was paramount to the underlying need to have a public sector accounting standard setting process to correct the current scenario where Central Government practices cash accounting for Appropriation Accounts and partially accruals accounting for Fund Accounts while **Local Authorities** were on accrual. The whole of government was supposed **to reconcile the budget** and national account.

iii. Taking on board of key stakeholders in the process of public sector accounting standards must balance both **the transparency and** accountability in enhancing how financial reporting involvement would assist the country. That, the reporting framework for State Enterprises and Parastatals is International Financial Reporting Standards (IFRS) and Local Authorities have moved to International Public Sector Accounting Standards (IPSAS) did not show that theme. Though, IPSAS were founded on the IFRS and were issued by the IPSAS Board for use by public sector entities there was lack of transparency in their adoption in Zimbabwe. However, the Act did not address the process of coming up with public sector accounting standards, and the role to be played by the Public Accountants and Auditors’ Board [PAAB]. Therein, section 10 of the

Public Finance Management Act [Chapter 22.19] was very clear in that the Accounting Officer of any general government unit was **responsible and accountable** with regards to the administration of resources allocated to the unit.

The respondents suggested the following as solutions to improving **reliability and accountability** in public sector accounting standards setting and reporting;

a) Respondents (47%) felt that Government should provide resources and training to capacitate the public institutions with adequate knowledge in public sector accounting and public sector financial management to enable them to participate meaningfully;

b) While, 23.5% opined that there was need to develop an inclusive process of accounting policies as to align the accruals accounting in IPSAS to producing a standardized accounting system in Zimbabwe;

c) On the other hand, 17.6% said there should be effective information dissemination channels which would enable users to know the system and policies which were being adopted and implemented;

d) Also. another 17.6% suggested that universities and other institutions of higher education should have a curriculum which supports public sector accounting in order to equip the accounting students with the knowledge of public accounting, since the sector was the single major employer of Accounting Professionals;

e) And to achieve these, 11.7% proposed that there should be a steering committee to champion the implementation of IPSAS to achieve standardization of the accounting system in the public sector.

The above analysis was buttressed by an article in The Zimbabwe Herald Newspaper of the 22nd of January 2022 entitled, Zimbabwe: Zim to Achieve Enhanced Public Accounting System and some local commentaries that emphasised that the need for transparency and accountability was in the public interest. They went further to state that the public and other stakeholders hoped to see a situation where there was better accountability in Government finances in a similar way they looked at listed companies' performance and how much had been generated and utilised in a particular period within the confines of the expected societal expectations.

4.6.2 The Use of Accounting Standards in the Public Sector in Zimbabwe.

An investigation by this study on the Use of Accounting Standards in The Public Sector in Zimbabwe yielded the results shown as discussed below. Figure 4.2 shows that the word **STANDARDS** had the largest font and closely linked in size to the words public, accounting, Zimbabwe, IPSAS, sector entities in order of font size reduction. The words **accounting, standards, public, sector and Zimbabwe** were key in the question and the font size of the words may be interpreted to mean that the respondents were very attentive to the question in their responses. Content analysis had been a well-thought-out research practice that observed word-based data for patterns and structures to single out essential structures, cultivate classifications and aggregate them into distinguishable paradigms in order to grasp the text sense(Allsop *et al.*, 2021). The analysis of figure 4.2 clearly assisted to deduce that, **currently public sector accounting entities used IPSAS and IFRS in reporting financial statements for government service in Zimbabwe** when the content analysis tool was employed.

An all-inclusive inspection stream, on the philosophical content and relative link to evidentiary facts drawn from figure 4.2 and 4.3, was a critical element where the validity of inferences had to be discussed starved of support of values and based on transcription verbatim. The participants actually went further to bring in the discussion on issues of IPSAS, IFRS, their uses in government and public service, financial reporting statements and the current circumstances. As shown by the figure 4.2 below, the above word frequency and the resultant word tree visualisation bring out the word "STANDARDS" to be the centre of a theme. Analysing the word tree a few catchphrases may be extracted that bring out a point of convergence of their opinions with regards to their views towards the use of accounting standards in the Public Sector in Zimbabwe.

Thus, an all-inclusive inspection stream of the combination of the two Figures 4.2 and 4.3 imitatively draw extrapolations on the use of accounting standards with the following pertinent deductions: -

i. Internationally recognised auditing, accounting and reporting standards were adopted and adapted for use in Zimbabwe;

ii. Financial executives favoured some standards because they propelled their aggressive reporting requirements with guidance from treasury and stakeholders;

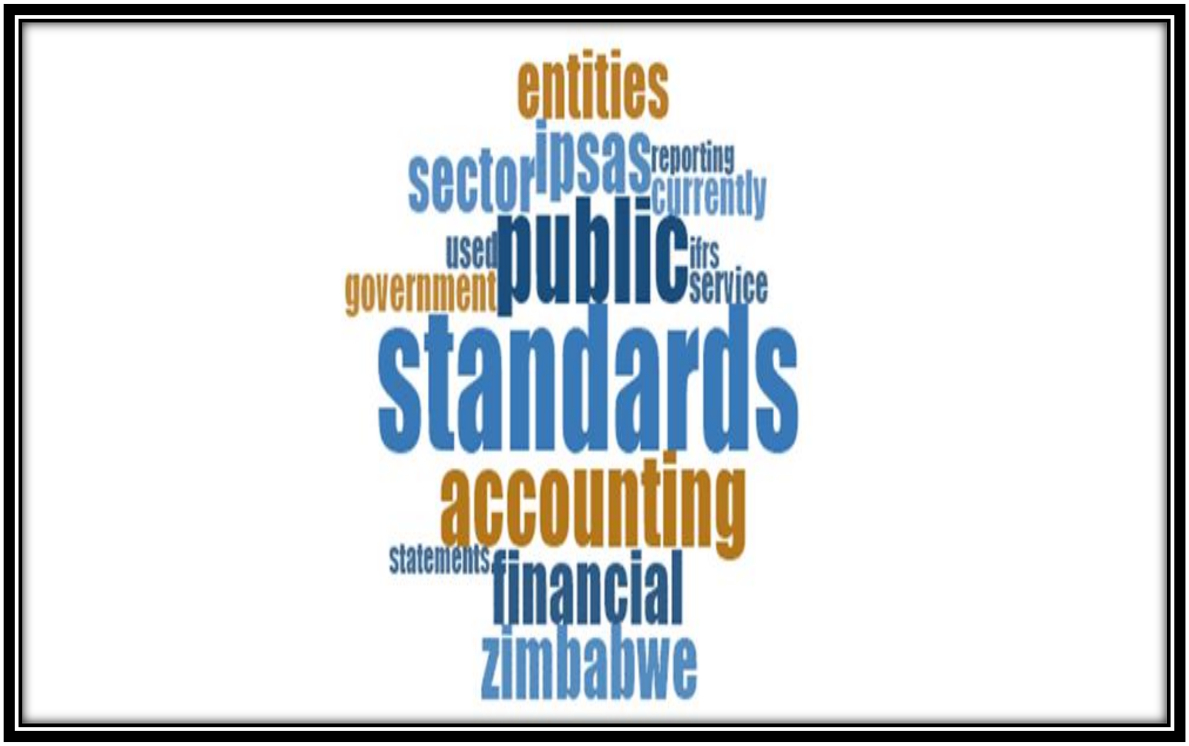


Figure 4.2: Public Sector Accounting Standard **Source:** Author

iv. There were some international public sector accounting standards that came with interpretations and measurement bases that affected disclosures and net worth of those who used them in Zimbabwe. These however, required guidelines from PAAB on how to proceed with their adoption;

v. PAAB and Ministry of Finance set the agenda for the adoption of standards produced by IFAC but remained subsidiaries to local laws.

vi. Users pushed for amendments of public sector accounting standards that were meant to address or minimise corporate governance application challenges

Figure 4.3: Accounting Standards **Source:** Author

An observation from the financial management capacity assessment reports produced by the Financial Advisory Unit in the Ministry of Local Government and Public Works showed the dire straits caused by the absence of a common barometer of financial transacting and bench marking. However, some participants as previously observed by Lassou & Hopper (2021) perceived the adoption of IPSAS as an imposition that disregarded the local and existing practices in government financial management in favour of externally induced accounting reforms before considering systems deficiencies. The perception the adoption procedures were seen by some respondents as ineffective or unwanted and were resented as the standards and policy had not been reconciled as revealed by the following extract from some key findings;

> *Council does not have a strategic plan and standard operating procedures for the whole of council. The policies availed were outdated and some were still at drafting stages for the past three years. That caused the existence of operational silos resulting in some duplication of duties in most departments such as accounting and administration. That also weakened joint programming of council operations and causing over staffing.*

The analysis showed that 35.2% of respondents were of the opinion that there was no uniformity/ standard in the public sector financial reporting in Zimbabwe as some entities are using IFRS while other are using IPSAS. That position was buttressed by comments similar to the one below: -

> *The public sector in Zimbabwe uses different accounting standard with some entities using international Financial Reporting Standards (IFRS) while others have moved to use of International Public Sector Accounting Standards (IPSAS), with the latter being the direction that government is taking. The use of IPSAS by entities that have moved is also not uniform. Entities are at different stages of adopting the new accounting standards (RQM13).*

The analysis of external auditors' opinions and observations also revealed that some Local Authorities were using the Urban Council Act [Chapter 29.15], Rural District Council Act [Chapter 29.13] and Finance Management Act [Chapter 22.19] as their reporting basis. 29.4 % felt that the use of public sector accounting standards was important because it provided consistence in reporting and that improved the financial decision making. This was also a common sentiment amongst participants as the quote below attempts to bring out:

> *This is the only way to go for Public Entities in Zimbabwe without standards there will be no uniformity in the presentation of financial statements. Standards provide the basis on which various transactions have to be recorded there by giving uniformity in the presentation of financial statements. Comparison of entities with the same objectives such as Local Authorities whose existence is mainly attributed to service delivery can be made easier if standards are used in*

the preparation of financial statements. Tools used in service delivery such as Service level bench marking can be easily used if entities use standards (RQM11).

The other 23.5% felt that the adoption of IPSAS improved transparency and accountability as the system minimized the human intervention of the production of financial reports. Besides that, recognition there seemed to be no will to drive the country in that direction. Some participants were very blunt in that regard as they put it as in the following comment: -

> *The central government, particularly the office of the Accountant General, is failing the nation in the implementation of IPSAS in Zimbabwe. There is need for accounting policies to be updated by the Office of the Accountant General to align to the accruals accounting in IPSAS. The Ministry of Local Government, working with the PAAB and the Accountant General's Office, should also organize the Local Authorities and come up with uniform accounting policies for IPSAS implementation to avoid the discord that is there in implementation by local authorities (RQM14*).

However, the challenges were summarised as follows;

> *The current problem with public sector accounting standards implementation emanates from the absence of public sector accounting professionals in the general government. In other words, the knowledge of the subject under discussion is seriously limited and those in high offices are actually ignorant on that. The way forward is to develop consciousness within the system through certification. As a ministry we have a budget for that. The current computer system is manualized and needs customization so that it needs to produce reports. At the moment it concentrates on capturing transactions and does not produce reports. The reports are manually written with serious human intervention. The reports are cash-based reports which are just out-turns of budget and there are no general-purpose financial reports. Though, we prepare reports it does not look into assets, creditor and debtors but concentrates on cash movements and we call these appropriation reports (RQM12).*

The above analysis seems to buttress the state of use of IPSAS in Zimbabwe. The Institute of Chartered Secretaries and Administrators in Zimbabwe [ISCAZ] quoted in one of its bulletin, the Honourable Minister of Finance and Economic Development –Professor Mthuli Ncube in his congratulatory speech on their launch of a Public Sector Profession qualification giving government support for the promotion of the use of internationally acclaimed public sector accounting standards. He further opined that standardisation would enhance the work of government and drastically reduce some of the inefficiencies in the government systems, as financial literacy held a great deal of importance in society following the global financial crisis that had shocked the world before. He was said to have noted the need for civil servants to have the proper financial and economic education citing that government was in the process of migrating from a cash basis accounting system to an accrual basis accounting system with expectations to have achieved full accrual by 2026 (ISCAZ,2019). That showed that the head of Treasury in Zimbabwe was aware and appreciating the need to have a robust public sector accounting standards for the country to move forward and minimise the consequences of the inefficient system that was currently in use. However, he never mentioned the need to have processes to make sure such standards were malleable to the country's socio-cultural environment.

4.6.3 The Financial Management Capacity Risk Summary

In the final analysis, the views with regard to the use of accounting standards in the Public Sector in Zimbabwe was summed up and elaborated by a consolidation of the financial assessment report on the Local Authorities visited for that purpose by the study. The picture was painted by the risk levels of each parameter assessed in the table given below and extract of some key findings of the assessment reports showed the gloomy picture of public sector financial management in the third tier of government. These included observations that:

a. The HOD's and Business Development Unit and staff from the finance department lacked understanding of the Budget process and the meaning of the Budget itself, and operations were not linked to it. They exhibited lack of the general understanding of council business;

b. The Finance Department was failing to manage the Budget. The department did not have the Independence to execute it. Expenditure was linked to bank statements balances and was dictated by the Town Clerk’s priorities;

c. The councils were not jointly programmed and did not have standard operating procedures for all activities. This seemed to promote a silo mentality;

d. The councils had no problems in the management of funds in the past and no issues of funds abuse or misappropriation had been reported;

e. The Finance Departments were over staffed and mostly with people without appropriate expertise to execute their duties. Lack of Induction of employees was glaring with a sizeable number not aware of council policies.

	Summary of Risks related to the financial management capacity												
	[H- High; S- Significant; M- Moderate; L- Low]												
	Local Authorities Assessed												
Category	GOKWE NORTH	GOKWE SOUTH	GURUVE	GWERU	HWANGE	KADOMA	KUSILE	MARONDERA	MUTARE	NYAMINAMI	REDCLIFF	VHUNGU	
Governance and Management	H	H	H	H	H	H	H	H	H	H	H	H	
Fund Flow	H	H	S	H	H	H	S	M	H	H	H	H	
Staffing	H	H	L	H	L	H	H	H	H	H	S	H	

Accounting Procedures	H	H	H	H	H	H	S	S	H	H	H	H	
Internal Audit	H	H	H	H	H	H	H	M	S	H	H	L	
External Audit	H	H	S	H	S	H	S	L	H	H	H	L	
Reporting and Monitoring	H	H	H	H	S	H	H	H	H	H	H	H	
Accounting Information Systems	H	S	S	H	H	H	H	S	H	H	H	H	
Assets	H	M	S	H		H	H	H	H	H	M	H	
													Total
Total **High**	9	7	4	9	5	9	6	4	8	9	7	**6**	**82**
Total **Significant**	0	1	4	0	2	0	3	2	1	0	1	**0**	**14**
Total **Moderate**	0	1	0	0	0	0	0	2	0	0	1	**0**	**4**
Total **Low**	0	0	1	0	1	0	0	1	0	0	0	**2**	**3**

Table 4.2: Summary of Risks Related to the Financial Management Capacity **Source:** Author

The above table and the commentaries show that: -

1. Governance and management of finances was a high-risk area in most Local Authorities due to the absence of financial management policies and standard operating procedures. Accounting Policies and Procedures were supposed to be rooted in statutory provisions and practice. People were doubting if the accounting reforms would yield the benefits of transparency, accountability and improved service delivery emanating from previous adoption and implementation of economic reforms failing to change the fortunes of the country (Grace, 2016). The benefits of accrual accounting could be reconciled through common bench-marks in the form of public sector accounting standards, as would be shown by data analysis later in the chapter. The country had an undefined financial reporting framework (Subramanian, 2011). In other words, each

entity or tier of government produced reports which they perceived to be appropriate for their purpose.

2. Also brought to light by the quotes and the analysis was that people were deployed to the financial department even if they were not appropriately qualified. Further, it was discovered that only heads of departments appointments were approved by the parent ministry for Rural Local Authorities and by the Local Government Board for Urban Local Authorities. In Central Government deployments were done by the Public Service Commission, and by the same token a person had to produce a paper that showed that he had done some accounting at some point in time. The need for one to be a public sector accounting professional did not play any role in those deployments. The sorry state of that tier of government was a reflection of what was obtaining at Central Government level.

3. Monitoring and reporting in public sector financial management was also a high-risk area emanating from the inappropriately qualified personnel that included the majority of both internal and external auditors. In Zimbabwe, monitoring and reporting to achieve the level of accountability and trust of the public required to be driven by people with the right skill sets and personal professional characteristics efficient calibrated to drive innovations in the public sector. The quality and availability of talent pool was crucial, however, in Zimbabwe the public sector was often unable to compete with the private sector for those talented because of a variety of reasons including remuneration (ACCA, 2017). The consequences of failure to attract and retain people in the public sector resulted in the bulk of the public sector accounting practitioners having private sector qualifications conversant with IFRSs and not IPSASs. These private sector-oriented people had failed or were finding it difficult to apply public sector accounting standards both at transactional and auditing levels. The omission of infrastructure assets, heritage assets and transactions in kind from the general-purpose reports of both Central Government and other Tiers of Government was evident of the absence or non-availability of public sector accounting professionals.

4. The Minister of Local Government and Public Works – Honourable July Moyo through a press statement in the Sunday Mail of the 3rd of January 2021, lamented that Local Authorities had some issues of outstanding audited financial statements and poor estate management which needed redressing. He further directed the personnel from Head Office, Provincial Development

Coordinators' and District Development Coordinators Offices to continuously monitor and supervise the Local Authorities so that the approved budgets addressed good and quality service delivery to achieve the country's vision 2030. He had further alleged that the Local Authorities were failing to produce draft final accounts to present to external auditors causing unwarranted maladministration practises that were pulling the nation backwards. The maladministration included the use of out dated valuation rolls. In some cases, valuation rolls were non-existent especially in urban settlements for Rural District Councils, leading to flawed rating of properties that resulted in reduced revenue inflows. Some were failing to bill their clients and rate payers appropriately. That had invariably led to poor revenue collection and resultantly poor service delivery. He further bemoaned that land sales were a major revenue source, however there was rampant abuse of these funds evidenced by huge allocations going towards recurrent expenditure instead of capital projects as dictated by law.

5. That on its own was admission by government that all was not well in terms for public sector finance management. Also brought to the fore was the absence of set standards on how to account for public funds. The press release thus clearly showed that there were no standards used to accounting for the various revenues received by councils. These observations, then further motivated the desire of this study to inquire on how the country came up with the public sector accounting standards under such an environment and who spear headed the process of either producing them or adopting those from other jurisdictions.

6. In answering to the question on their view on whether tertiary Institutions and other colleges provided adequate public sector accounting training/education that incorporated IPSASs, the respondents claimed that non-availability of public sector accounting professionals in Zimbabwe was blamed on Tertiary Institutions who generally did not offer training for them in preference for private sector orientation.

7. According to 47% of the participants, lack of experience among lecturers was making them unable to equip students with proper public sector accounting competencies as they only provided the theoretical side of training neglecting the practical side which was vital in public sector deployments as one key quote exposed that: -

The observation is that tertiary institutions are not adequately teaching public sector accounting standards. The reasons are that we had been theoretical in approach and nothing specific on public sector had been taught because of the gap between institutions and government. No modules had been developed specifically for the public sector because we viewed government been standardised by rules and regulations only. The other thing is that there is no requirement for those employed by the general government to be public sector professionals or to have studied public sector accounting. It's now that we are talking of IPSASs, now that we had seen the gap in the system due to failure to national account. We are now trying to reform around that. It now comes out that we need a general and common approach if the country is to come up with a consolidated balance sheet of its net `worth (RQM12).

8.It was further put by 35.2% of the respondent's that the knowledge which was being taught in tertiary institutions was not adequate leading to public entities finding it difficult to adopt IPSAS. As a result, little focus was being directed towards the subject areas of public sector accounting standards teaching. Respondents in one of the group discussions summed it up by making the following comments.

In some institutions public sector accounting standards are being taught. I think partial in most institution that has modules on public sector accounting. With specific reference to Zimbabwe, I do not think we have people who are qualified to teach public sector accounting in these institutions. Most of the lecturers did not pass through the public service and the majority of them are A-STUDENTS who come straight from school and find themselves teaching what they have never practiced. These obviously they have never done IPSASs in their time of learning and as such they have little or theoretical knowledge on them. It's true they are being taught, just two modules on standards. The problem like what has been mentioned is that they do not have practical experience. The teaching is merely browsing the surface with no in-depth study (RQM15).

9. Further observations on presentations at a number of seminars and workshops attended by this study brought out that many practitioners in the public sector were starting to learn IPSASs. This explains why entities were finding it difficult to adopt IPSAS and points to inadequate coverage of IPSAS by training institutions in the curriculum. In the interviews it also came out

strongly that the institutions in Zimbabwe were paying lip-service to public sector accounting professionalization. As highlighted earlier, the sentiments are that there should be affirmative action in addressing the situation through capacity building and training, as some respondents suggested. Some quotes had this to say,

> *Most tertiary institutions, if not all, have incorporated IPSAS training in their accountancy qualifications. What may be lacking are trainers with relevant experience (RQM14).*

10. Some respondents proffered a raft of solutions to the problems being encountered in the determination of public sector accounting standards to be used and public sector accounting training in Zimbabwe. Those included a relook at the way things are being done by those who call themselves professionals in the field since the advice they produced led to serious deterioration of service delivery in general. And amongst some comments was the following:

> *Tertiary Institutions are not providing enough material when it comes to IPSASs, as expected by the market which absorb their products which are graduates. It's high time these colleges adopt changes in their courses in order to come up with a complete graduate ready for public sector (RQM11).*

11. The word frequency analysis below (figure 4.4) buttressed the above sentiments as it showed that concentration was more on word "**accounting".** The word frequency revealed that discussions were concentrated on accounting in the general government, with inclusion of IPSAS, implementation process of public sector financial training. The need of institutions and accountants to do something about public sector accounting and IPSAS training needed some attention.

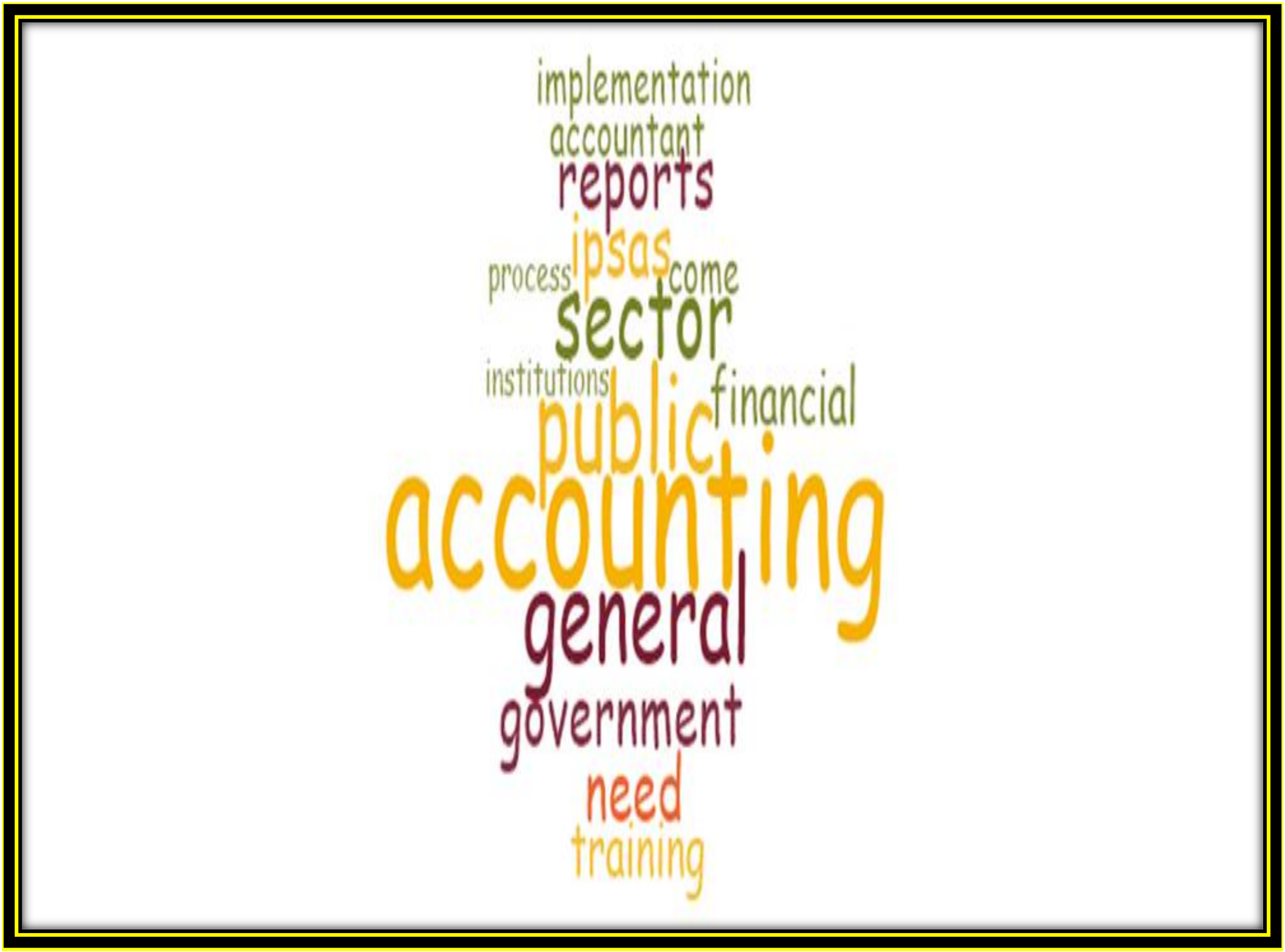


Figure 4.4. Public Sector Accounting Word Query **Source:** Author

The implementation of IPSAS compliantly was supposed to be a big bang with the general government on a learn on the go and that, would have made it an all stakeholders projects. The focus on the needs for training on public sector accounting by tertiary institution in the above diagram was also evidence to support the financial capacity assessment reports that public sector in Zimbabwe was risky and it exposed the country's resources. In that regard there was need to have transparent and accountability processes in the general government with regards to public sector accounting and financial reporting.

4.6.4 Challenges Faced in Public Sector Accounting

An untold number of challenges were being faced by public sector institutions in assisting the general government in financial consolidation and the adoption of public sector accounting standards due to the undefined reporting framework in the sector**.** The word frequency diagram below shows that the words; **IPSAS, Standards, public sector implementation, accounting and people** were dominant in the discussions. These were linked to accrual reporting basis and system challenges in general.

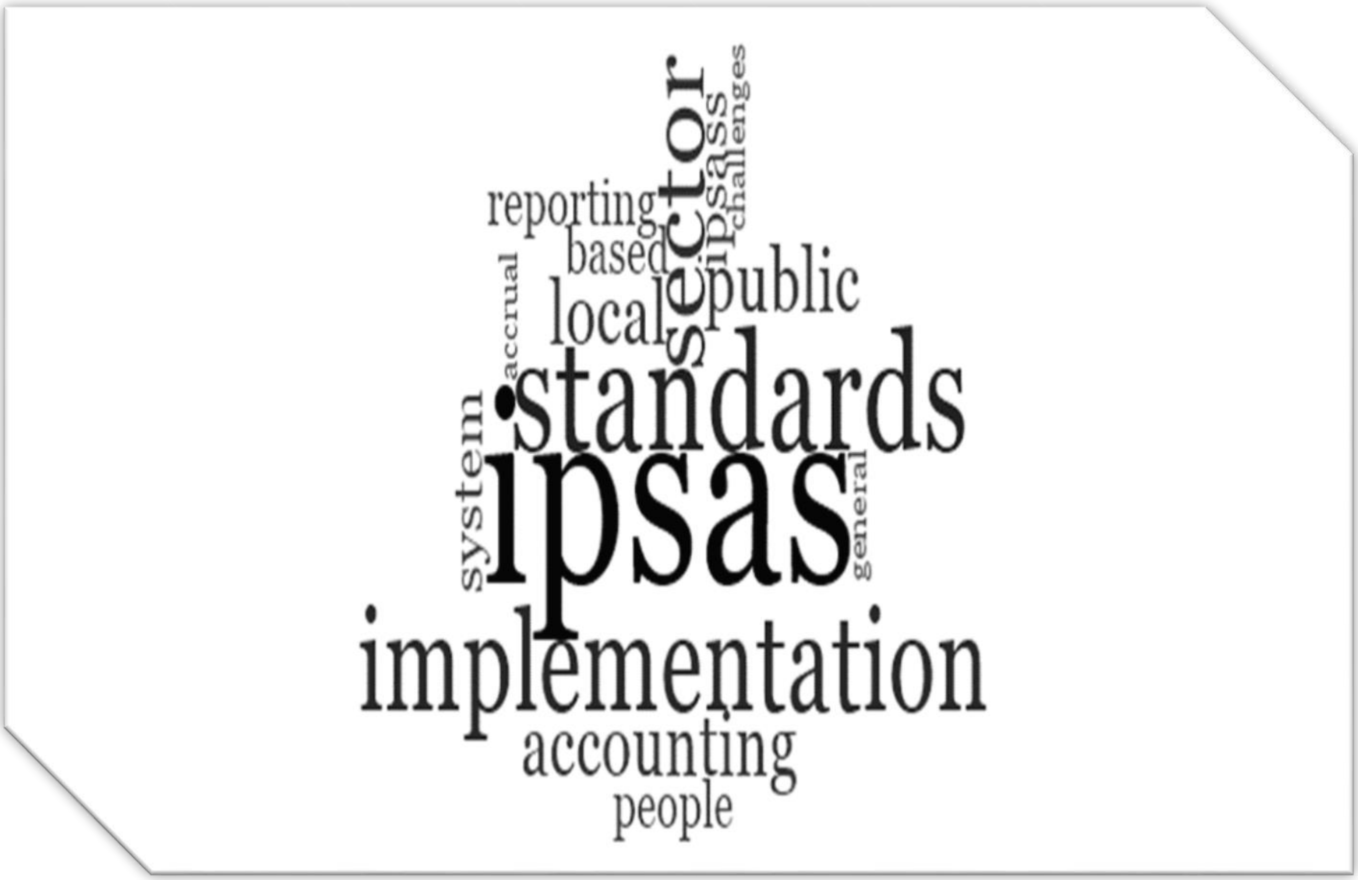


Figure 4.5: Challenges Faced in Public Sector Accounting **Source:** Author

The word frequency was supported by the people who opined in the following manner. The use of different chart of accounts in public entities was said to be a challenge by 11.7% of the participants and making the adoption and implementation of IPSAS difficult. A similar percentage cited resistance to change to adapt to new accounting standards. Also another 11.7% narrowed it to inadequate resources to prepare accounting manuals and policies to facilitate adoption of public sector accounting standards like IPSAS. Lack of an updated database of public assets resulted in the government losing assets. These views were expressed by 5.8% of the respondents.

The word frequency above was further supported by the word cluster chart below that also shows words font arrangement by participants, used trying to address challenges faced by their entities as far as public sector accounting standard-setting or adoption process and teaching was concerned. This diagram shows that accounting challenges, public assets, public entities, chart of accounts, accrual challenges, country management, government entities and especially adoption of financial charts were topical of the discussion on challenges facing the topic under discussion. The analysis through the word tree also brought to light challenges with regards to adoption of public sector accounting standards and their setting process in Zimbabwe, that were ssummarily exposed by other researches that engrossed on consequences, influences, discrepancies and solutions, commonly in the framework of carrying out public sector accounting reforms and standards setting (*Aswar et al*., 2021).

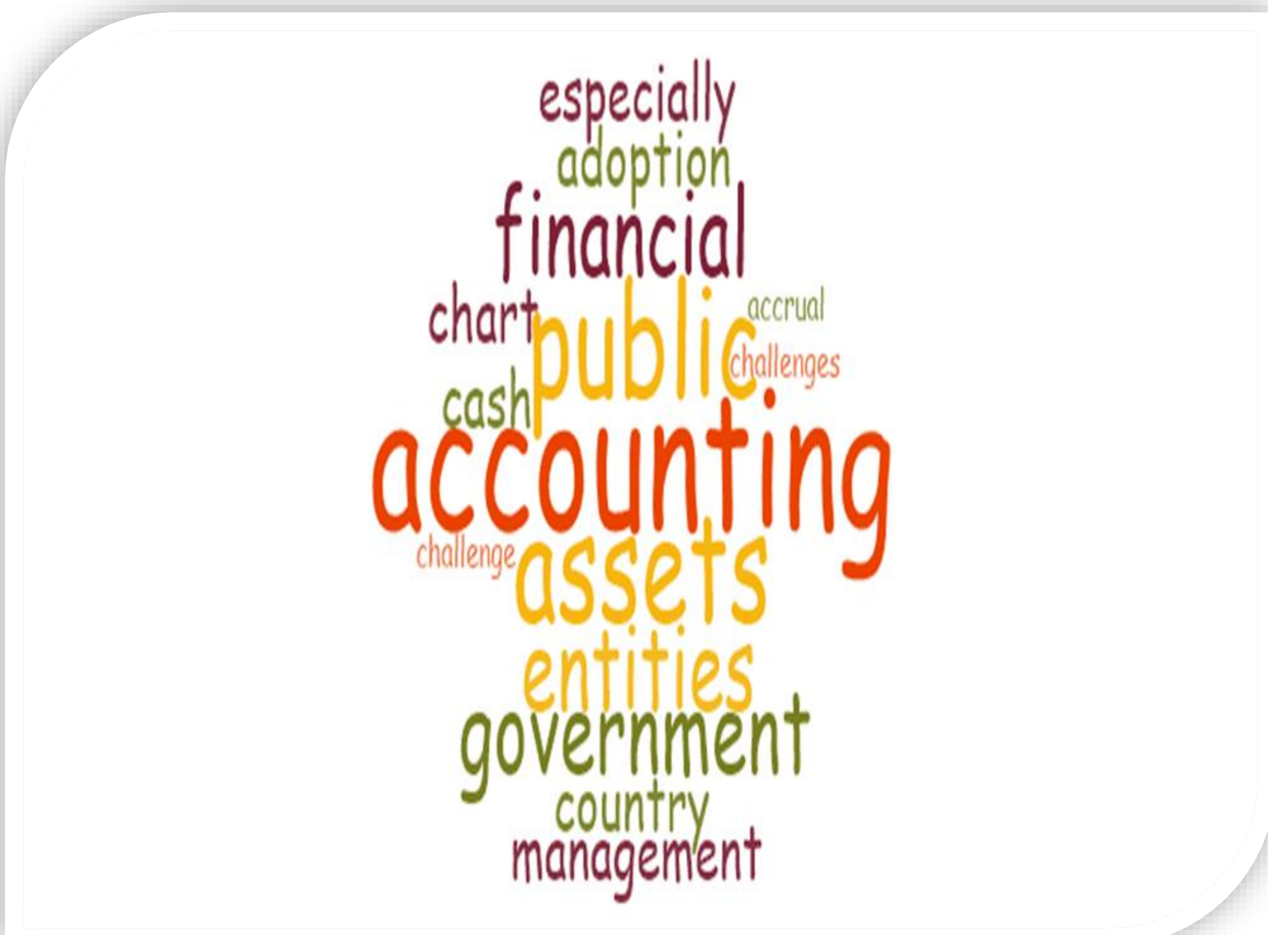


Figure 4.6: Challenges Facing Implementing Change **Source:** Author

The specific problems encountered in applying standards in institutions ranged from the undefined charts of accounts, use of cash basis by institution for budgeting and accrual basis for reporting in some instances. Also coming loud was the inability of the general government to know the values of its assets and poor management of the same.

Visualisation extracts from figure 4.6 below; draws out some of the challenges around the adoption themes though not exhaustive. These were centred on: -

1. PAAB consultations on IPSAS adoption or adaptation for use in Zimbabwe were through Professional Accounting Bodies, creating a challenge whereby non-member stakeholders would not be part of the national exercise;
2. Any standards setting process or adoption of relevant IPSASs may proceed with blessing from Government without citizen engagement whose interest government purports to represent and guarantee;

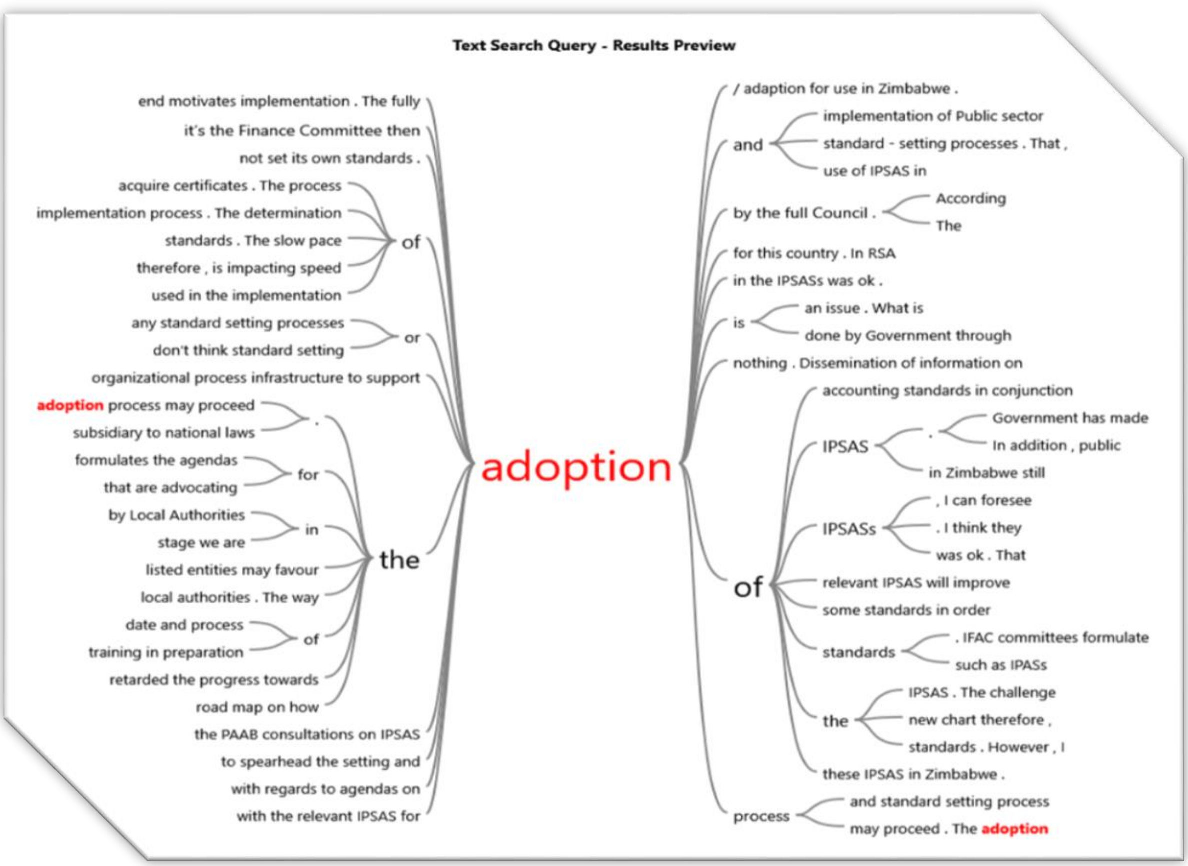


Figure 4.7: Adoption of IPSAS **Source:** Author

3. Organisational infrastructure to support adoption process and standards setting process was done by government through PAAB with the aid from development partners and that stopped when donor funds ran out;
4. With regards to the agendas on adoption and implementation of public sector accounting standards-setting processes, nothing was done to disseminate information on the project to the general stakeholders.

The above was further evidenced by the commonality of opinions that, limited institutional capacity to teach adopts and implement public sector accounting standards being cited by 41.1% as the main challenge. 17.6% narrowed the challenge to resistance from the workers who had stayed long in the public sector who were throwing spanners towards migration to the new public financial management system. Another 5.8% attributed it to lack of legislative support, and regulating framework as the implementation was being funded by the donors.

The word tree visualisation diagram below (figure 4.7) shows some nodes from data analysis with regards to implementation of public sector accounting standards in Zimbabwe.

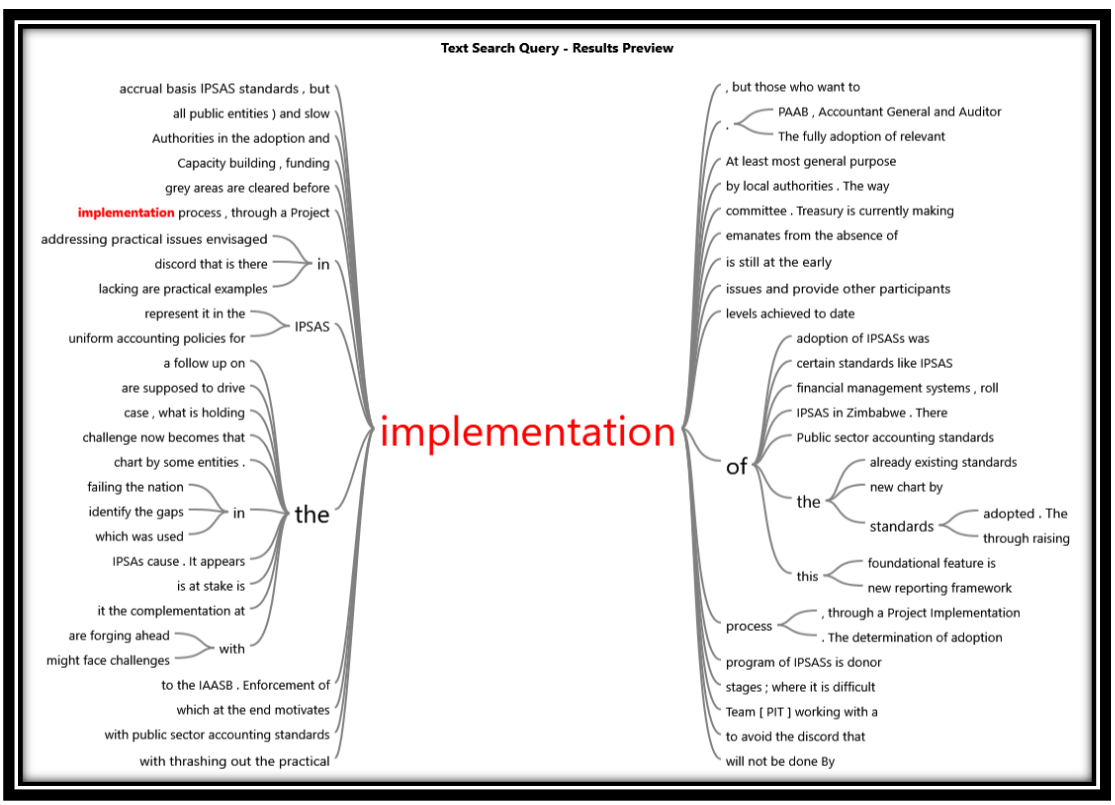


Figure 4.8: Implementation of Public Sector Accounting Standards **Source:** Author

The text search query- results preview above was manipulated to yield implementation themes deducted from the following nodes; -

a. The implementation of public sector accounting standards setting required all public entities to clear grey areas envisaged to be addressed to get rid of discords;
b. Capacity building required funding for both standards setters and professionals to forge ahead with implementation of the project;
c. Thrashing out practical challenges associated with standards setting process motivated enforcement and implementation of resultant standards;
d. Implementation of the new chart of accounts and adoption of international public sector accounting standards already existed;
e. Adoption was being driven by a Project Implementation Team [PIT] working in conjunction with other participants such as PAAB, Accountant-General, Auditors and Local Authorities;
f. The implementation was donor linked.

On the other hand, 5.8% pointed towards delays or deliberate non-compliance to reporting framework to produce standard reports due to the fact that most public entities had not aligned their systems with IPSAS preferring to continue using IFRS or various statutory provisions as their guiding documents. However, the supreme law pointed out that the general government could use standards and guidelines recommended by PAAB and gazetted by the Accountant - General; but nothing of that sort had ever happened to date. The given specific problems observed being encountered by the general government in applying standards in their reports were viewed to be deliberate so as to mask the illiteracy of the assumed professionals employed in various capacities.

The issue of public sector employees' financial illiteracy was not a new discovery by this study, because other researchers had concluded that ancient accounting involved using incongruent and incomparable objects, whose constraints could be appropriate to re-establish that the improvement of accounting thought was a very difficult proposition, due to the lack of preparedness of the population to cope with financial instruments and concepts (Onuoha & Enyi, 2019; Unegbu, 2014). The focus on addressing financial literacy among the public sector had just gained momentum and surprisingly a high level of the world population has shown to be disabled in that regard (Trombetta, 2016). Based on this empirical evidence the standards setters could be awake to the reality of engaging stakeholders who would be financial illiterate.

4.6. 5 Public Sector Stakeholders' Roles in Accounting Standard-Setting

According to Wang & Miraj (2018) and Aswar *et al*. (2021) the pressure of donors, national accounting bodies, audit reports and politics will impact on the effectiveness of accrual accounting application more than management change, regulatory matters and the culture of transparency. In other words, the desire to have transliterations and accountable managerial practices depends on human-related concerns and cultures.

The public sector accounting standard setting process or adoption agenda did not have a specific approach because Zimbabwe was mostly pushed by the desire to be seen to be doing something by the donor community and no or little role was played by other stakeholders' institutions and these had never been part of the agenda formulation process. The donor community availed funds and consultancy to capacitate the process of adoption of IPSASs, without following any internationally acclaimed due process. Comments by a majority of respondents seem to suggest that Ministry of Finance and Economic Development through the Accountant-General's Office seemed to have coerced the PAAB into participating in the process and commandeered other government ministries, departments and Local Authorities to participate. The rest of the participants in the adoption process did not have the independence to choose or express the best approach to come up with appropriate public sector accounting standards which were easy to comply with under the country's economic environment. No agendas were set because Treasury was responding to pressure from development partners and no consultation on the way forward was done outside those whom treasury wanted to participate. There was limited participation of tertiary institutions and other stakeholders outside the influence of the Ministry of Finance and Economic Development.   In other words, the people involved in the public sector accounting standard setting or adoption do not have the leverage to advice against the Treasury position.

The word frequency in figure 4.9 produced a picture that brought to light that nothing was real existent of an agenda in the formulation of an agenda for public sector accounting standards setting process or adoption of IPSAS, but authorities generated the formulae to the local implementation of IPSASs.

Figure 4.9: IPSAS Agenda Formulation **Source:** Author

The word frequency above further draws that IPSASs agenda formulation discussion was centred on government financial reporting, local accounting reporting, implementation of IPSASs, the generating of authority and also achievements in accounting implementation services. The fact that the project was a result of external push based on external funding, meant that exclusion of others was driven by the desire by a few to draw much of donor funds for personal benefit. The wider focus on participant would have reduced personal benefit and even within Treasury some key participant has been excluded.

The study established that members of the Accounting and Reporting branch were not part of PIT. If that was the case what was the basis of the spring board of the project, if not based on reporting complexities faced by the reporters themselves. Did the PIT have the first hand challenges being faced by the general government when more that 95% of its members were not involved?

The PIT should have gained legitimacy through gathering stakeholders' voices on its composition. Acceding to Kidwell & Lowensohn (2019) the team members could have proactively achieved legitimacy by conforming to the environment and pragmatically aligned its processes with the provisions of Public Accountants and Auditors Act and Public Finance Management Act as the country was grappling with due process of citizen engagement and gender responsiveness. It would have been ideal for PIT to come up with thought-provoking propositions that would stimulate debate from a wider range of stakeholders and then let the organisation that had the legitimate mandate to come up with public sector accounting standards (PAAB) to then constitute a Project Implementation Team composed of a mixture of policy makers, funding organisations, professional bodies and public sector accounting academics and practitioners at large.

4.6 Public Sector Accounting Standards Agenda

The talk of who formulates or causes the formulation of public sector accounting standard-setting or adoption agenda was centre on PAAB, Accountants, auditors and general Zimbabweans. Standard setting, as the word frequency picture (figure 4.10) seems to depict and showed a continuous repetition of the words accountants, standards, PAAB by the respondents. The word frequency chart below established that those who happen to participate in the process of public sector accounting adoption mainly influenced capacity building through funding the implementation. According to 5.8% of the respondents, development partners influenced the agenda through provision of finance;

Figure 4.10: Public Sector Accounting Standards Agenda **Source:** Author

The other 5.8% said they were not part to the setting of the agenda but came in to assist partners to have a standardised accounting reporting system for all Local Authorities to comply with IPSAS reporting format. However, there was no national reporting format in place and entities would continue to present what they presumed to be the best approach.

However, the majority of the respondents were not aware of who was supposed to formulate the agenda for developing public sector accounting standards in Zimbabwe. Some thought that the Treasury had the sovereign power to prescribe the accounting standards in the country. The nature of the power was in the form of rights, obligations and commitments. The other government units were responsible in varying degrees for implementation of public policies without questions.

Therein, in the statutes, the power, rights and commitment to formulate the agenda was placed squarely at the doorstep of the Public Accountants and Auditors Board as insinuated by the Public Finance Management (Regulations), 2019 and provided for in the Public Accountants and Auditors Act [Chapter 27.12].

The lack of knowledge by the majority of respondents on that topic was quite evident and brought to the fore the gap in the process of setting public sector accounting in Zimbabwe. The country would be served better if it had a broader tactic on the project and leave the minor tactics determined by sectors or units to customise them with sector specifications.

Quite a number of respondents had the following to say about those who formulated the public sector accounting standard-setting or adoption agendas: -

a. 41% thought it was the duty of the Public Accountant and Auditors Board working with all Professional Accounting Organisations;
b. 11.7% said the International Federation of Accountants (IFAC) and the adoption should be done by the Government of Zimbabwe through the Ministry of Finance;
c. 5.8% opined that PAAB formulates the agenda for the adoption of standards;
d. International Accounting Standards Setting Board was cited by 5.8%;
e. 5.8% just said International Accounting Standards.

The majority of respondents' thought the agenda-setting look more of a technical than socio-political and cultural question whose planning was heavily hinged on the influence of technical accounting boards like PAAB and IFAC. However, the propositions by some were that it was not actually clear who was setting the agenda and funders seemed to be the driving force.

In the European Commission the member states' accounting stakeholders had strong opposition to and questioned the highly centralised technocratic approach to setting the standardisation agenda by means of a compelling law. However, the trigger for putting IPSAS on the agenda seemed to have been the lobbying efforts of standardisation advocates for radical change in financial management. Notwithstanding the promulgated IPSAS, the European Commission's sovereign countries have the propensity to guard their power to drive their states' public sector accounting standards agenda setting processes (Oulasvirta & Bailey, 2016; Schmidthuber & Hofmann, 2022).

In the final analysis from the respondents the model of agenda setting in Zimbabwe posits the existence of an organised anarchy in which accounting standards setting problems, solution and those making the agenda setting decisions are incoherent and haphazardly irrational to the legal provisions, stakeholders and logic. The scenario may have caused the opportunistic window to open leading to compulsory adoption agenda of IPSAS through coercion by those who had funding. The ideas of agenda setting to gain traction depend on distinctive national accounting culture, political by-in and coupling of the reform agenda to local contexts and participation of individual sectors of the general government.

4.7 Special Interest Groups in Public Sector Financial Management

Stakeholders who should be lobbying for public sector accounting standard setting process include government, development partners, financial associations, international groups, the public, the stock exchange amongst others(Voorn *et al.*, 2019; Wingard *et al.*, 2016) . The study established that 35.2% of the respondents were never consulted on the public sector reforms that were taking place in Zimbabwe. To show the lack of seriousness with regards to stakeholders and citizen engagement on this topical reform agenda 17.6% could not remember if they were, 47% were consulted as representatives their employers'/principal's views. This was what seemed to be visualised by the word frequency diagram in figure 4.11.

According to the respondents there are some special interest person[s] who lobbied specifically for accountability. Of the total respondents 17.6% thought that Residents' associations demanded for accountability in Local Authorities' public financial matters though not consciously aware of the existence of public sector accounting standards. The Ministry of Finance and Economic Development was cited by 11.7% as leading to ensure that the new standards are adopted in the public sector, while 35.2% thought other Special groups including the international financial organisations, development partners' community, civil society groups lobbied with the objective of promoting transparency and accountability in the public sector accounting and reporting function.

Figure 4.11: Lobbying Groups **Source:** Author

Another cluster of words frequency tends to bring in other stakeholders who had a part to play as shown in figure 4.12. The participants also felt that the public sector, general public, accountants and tertiary institutions should be pushing for specific standards to be used in Zimbabwe as suggested by the word frequency diagram below.

Figure 4.12: Other Stakeholders **Source:** Author

The above sentiments show that the issues of coming up with an agenda with regards to public sector accounting standards was at the periphery of any national imagination or there was intellectual paucity, little or no application of the minds by individual nationals or institutional competency in that subject. That made it difficult for the country to independently come up with an agenda for public sector accounting standards or general reporting framework that could assist it to national account outside donor pressures.

These interest groups had different lobbying behaviours as shown by deductions from workshops attended by the study. However, what was considered to be consultations was merely briefing of principals of public entities. The Public Accounts Committee of the Parliament of

Zimbabwe was once brought in to grace a launch by one Professional Accounting Organisation's curriculum on public sector accounting. There were no Tertiary Institutions invited to the launch, and even the ministry responsible for Higher and Tertiary Education was not involved.
The 47% of those consulted on behalf of their employers did not have independence to deviate from the institutional mandate placed on their shoulders. Therefore, by not bringing academics from Tertiary Institutions the organisers made sure that debate was stifled. The choice of participants was limited to who could be whipped into line by either Treasury or by PAAB. That exclusive process meant that training was limited to two piloting Professional Accounting Organisations, with the exclusion of colleges and universities. The question is whether this was a national programme?

4.8 Adoption of IPSAS in Zimbabwe

Because of that, the study reviewed the process of adoption and implementation of IPSAS and the standards setting process in Zimbabwe. The following word tree frequency query diagram (figure 4.13) depicted that Accountants were not producing IPSAS compliant general purpose reports on time due to lack of public sector accounting professional expertise. Also, public entities were either using IFRS or IPSAS, the latter being what the general government was moving towards. On the other hand, Local Authorities were finding it difficult to adopt IPSASs because there were no uniform accounting policies or migration process.

The major challenges that could be an extract from figure 4.13 included the absence of public sector accounting professionals, lack of information dissemination about IPSAS adoption and implementation in Zimbabwe, lack of expertise to implement them; inadequate infrastructure to adopt them and the country still needed tracing of the roadmap suitability for different categories of the public sector.

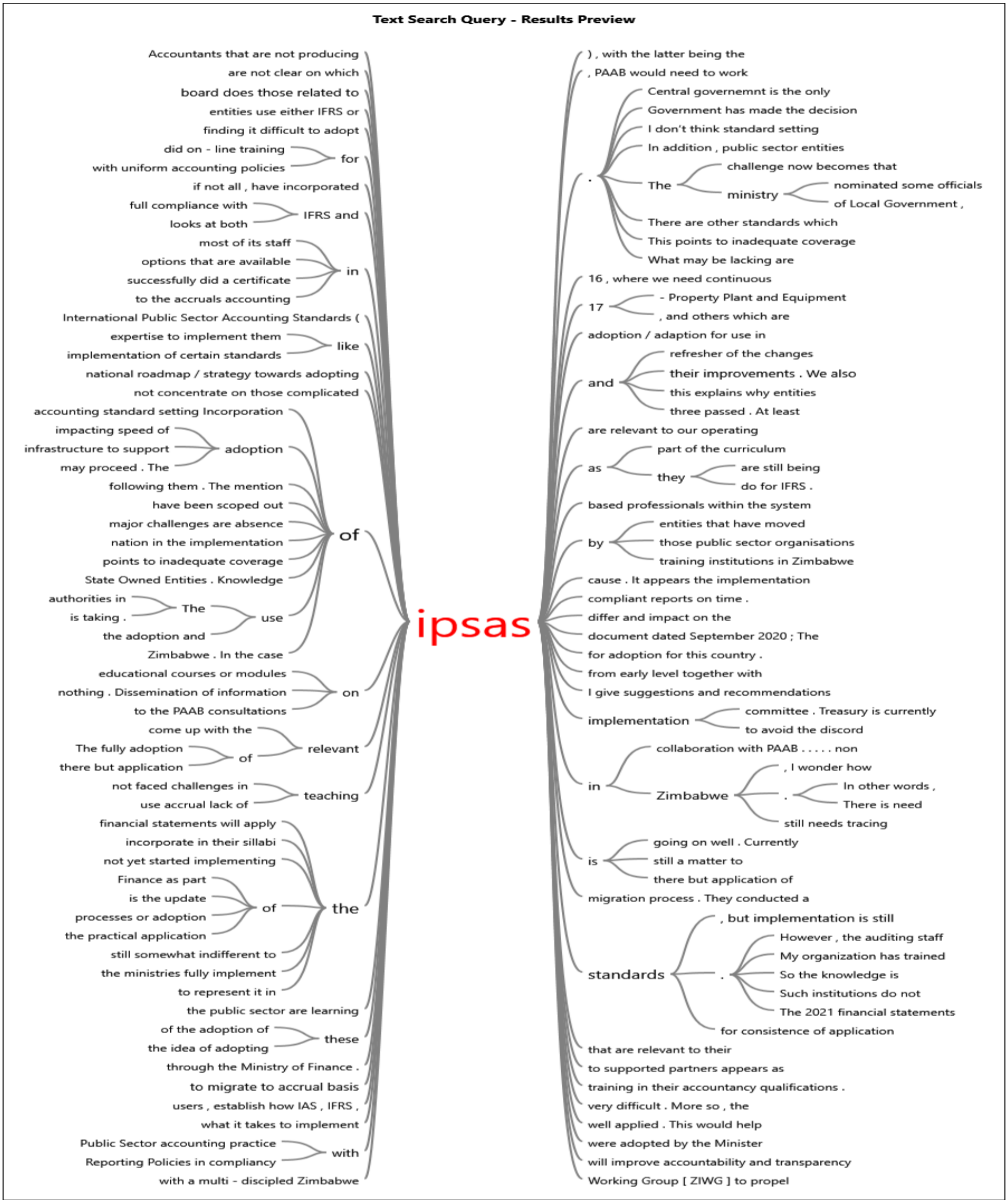


Figure 4.13: Adoption of IPSAS in Zimbabwe **Source:** Author

Tertiary Institutions needed to have a full IPSAS curriculum or syllabi for the training in their accountancy qualifications. Though the country had an IPSAS implementation working group [ZIWG] to propel migration to accrual basis of accounting, implementation of certain standards like IPSAS 16 and 17 still needed continuous guidance.

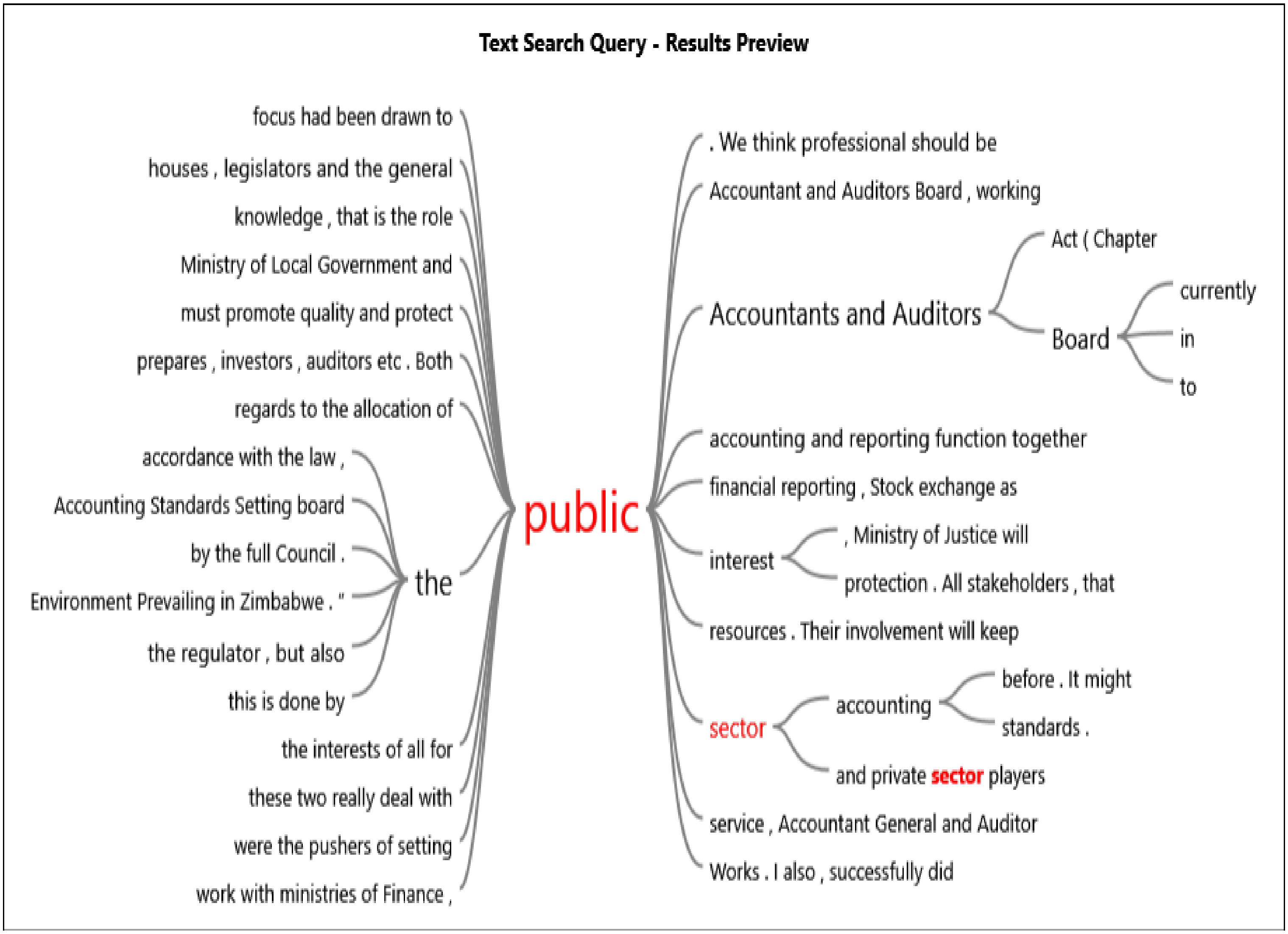


Figure 4.14 The Public **Source:** Author

Figure 4.14 shows that the Ministry of Local Government and Public Works could promote quality and protect public interest in Local authorities. The word tree frequency diagram shows that no focus had been drawn to legislators and the general public by the PAAB on the work of adoption of public sector accounting standards in the country. Public sector accounting standard board works in conjunction with Ministry of finance and Economic Development and private sector players as pushers of the project of adopting IPSAS in its capacity as the regulator.

The observation by the study was that IPSAS adoption seemed not to have improved disclosure of financial information in the public sector in Zimbabwe. The poor accountability information provision was largely rooted in the country's inability to drive the standards setting or IPSAS adoption process on its own due to lack of funding, lack of expertise and the general public sector accounting infrastructure. Though, there was serious political buy-in it was not clear what the obstacles really were in terms of the cost of implementation, training, skills required and legal, political and administrative concerns. The study thus contributed to empirical evidence to understanding of implementation obstacles to full adoption of IPSAS in Zimbabwe.

4.9 Public Sector Accounting Standards Setting

The characteristics of public sector accounting standards setting processes are composed of dynamic adjustments and translation in the development of standards a stepwise and on-going course (Polzer *et al*., 2021). However, it had been alluded to in prior researches that some stakeholders were underrepresented in the due process there by excluding some informants on the topic. In the private sector standards setters maintained a co-operative relationship with their constituency to achieve an equilibrium outcome because all stakeholders had a chance to make submissions on accounting issues in all the steps of the due process(Cuadrado-Ballesteros & Bisogno, 2020; Kidwell & Lowensohn, 2019). The study as shown in figure 4.15 explored the views from participants on the openness, neutrality and independence of stakeholders' participation in the due process.

Presumptions from the word tree below (figure 4.15) bring out that the public sector standards-setting process should involve big time international accounting standards setting boards with the Public Accountants and Auditors Board to spearhead the process in Zimbabwe. PAAB as a major stakeholder were the pushers of the agenda for setting of public sector accounting standards and their adoption. It was also expected to formulate the project implementation processes of standards and how they should be brought into being.

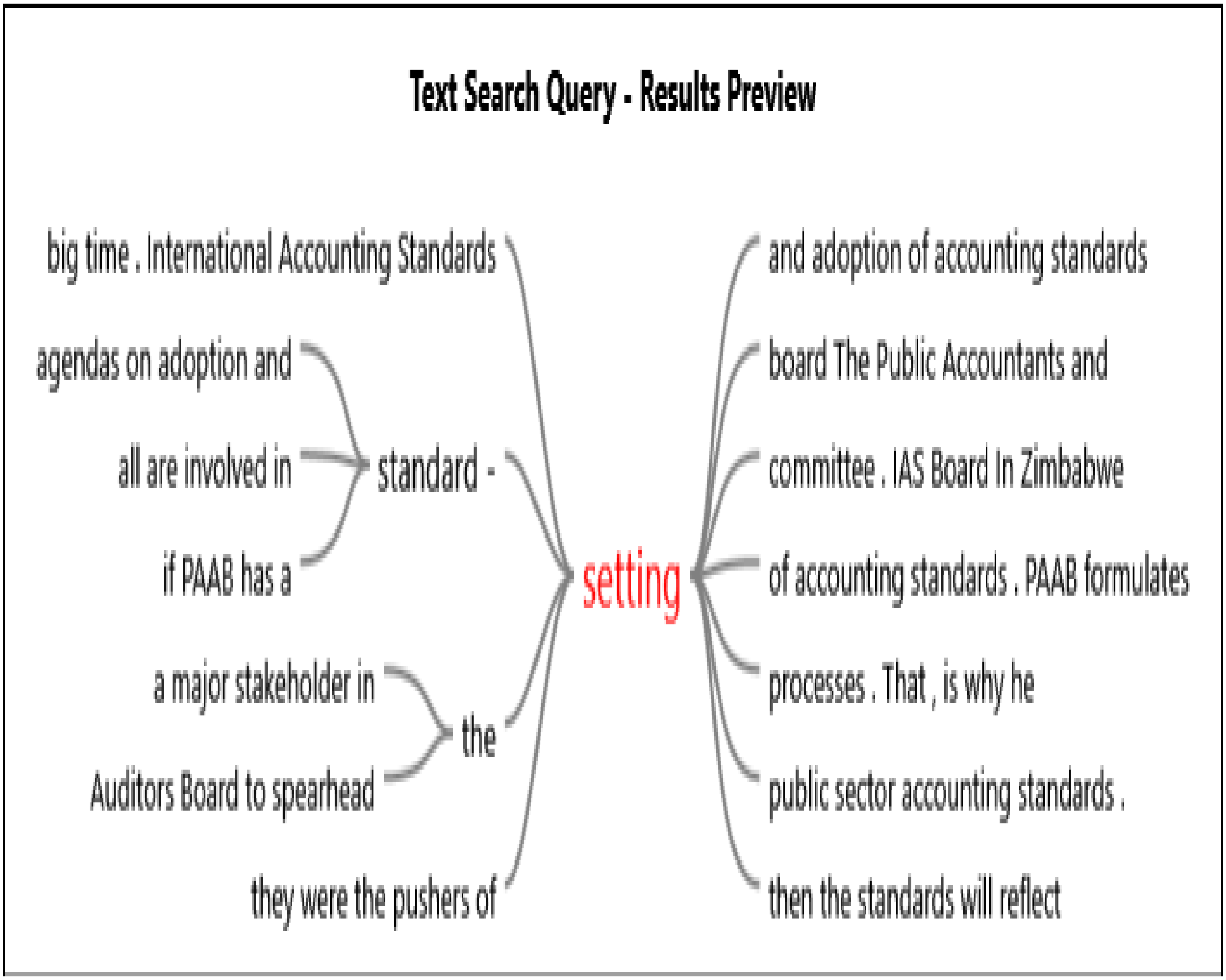


Figure 4.15: Public Sector Accounting Standards Setting **Source:** Author

Also, the PAAB as a major stakeholder in the public sector accounting standards setting process as mandated by law was expected to create and maintain an open, neutral and all inclusive process of formulating the process agendas on adoption and setting of accounting standards involving other lobbyists and stakeholders.

On the other hand, the word frequency analysis (figure 4.16) below depicts the conversations showed a high frequency on PAAB as the pushers of agendas on adoption and standards setting. The words **accounting, standards, financial, public sector**, being used inconjuction with the words **general, statements, think, input, need, setting, accountants**, **including and involved,** when summarised in figure 4.15, shows that PAAB was a major stakeholder in the setting of public sector accounting standards and formulated the processes involving other pushers and stakeholders in the Standards Committee. It can thus, be depicted that those who were involved in the discussions thought Accountants and users of financial statements should spearhead the process of setting agendas for adoption of public sector accounting standards in Zimbabwe ahead of other stakeholders. The mentality had not departed from the observations made by Subramanian (2011) of Accountants showing their tigertudes in monopolising the profession and its outcomes as if they were the consumers of the outputs (financial reports).

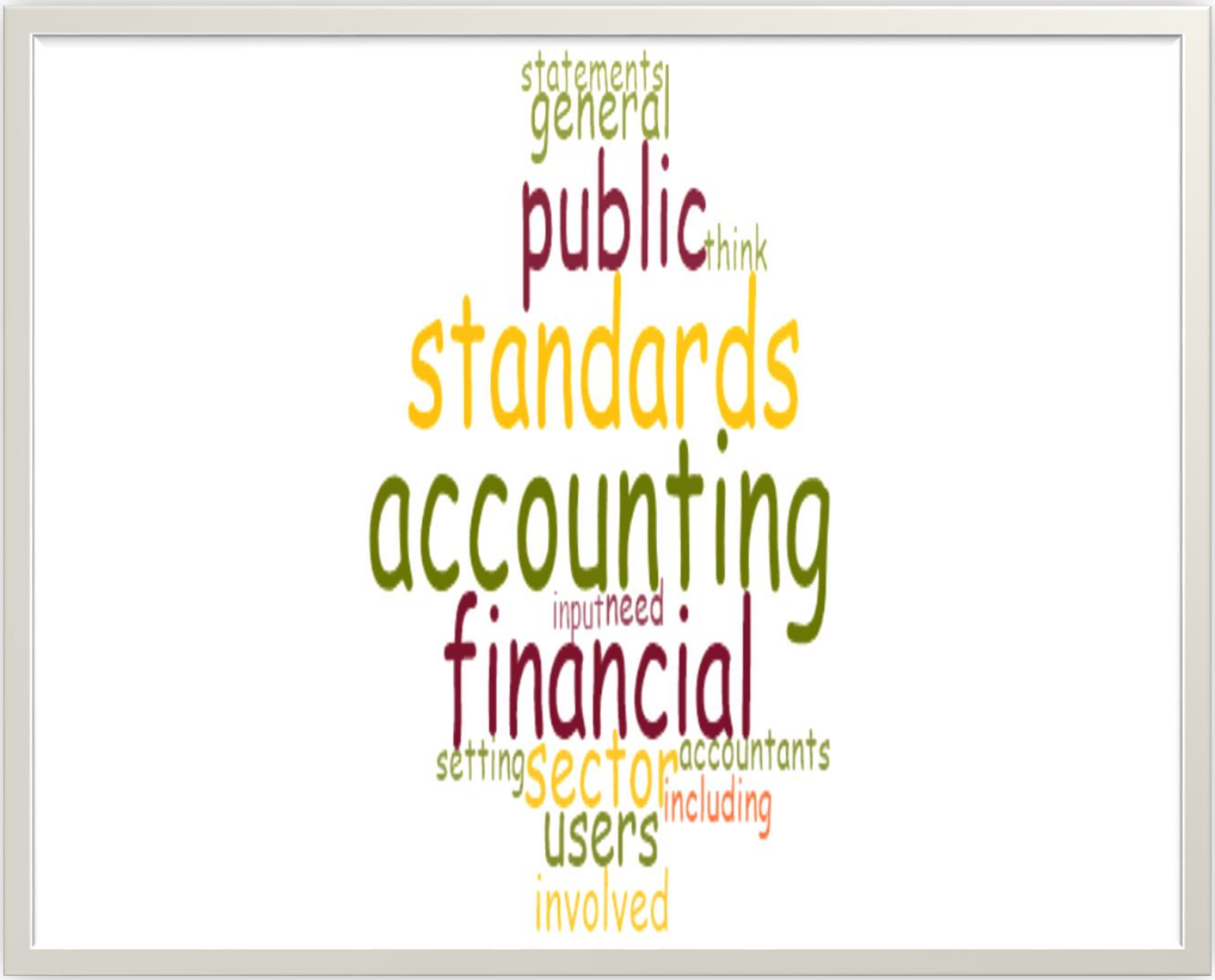


Figure 4.16: Players in Public Sector Standard Setting **Source:** Author

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The thematic analysis of the transcription using NVivo auxiliary displayed that 52.9% of respondents thought that all stakeholders should be involved in the standard-setting process so that the financial reports crafted using the resultant accounting standards provide information for decision-making with regards to the interest of different groups. While 23.5% felt that academia and professionals be part of the process as their input assisted in fostering the ideal and addressing practical issues associated with the adoption and implementation of public sector accounting standards.

The discussions seemed to adjudicate on the role to be played by PAAB and the necessity to clarify that the standard-setting process would not yet be complete without assessing the impact of excluding other stakeholders as it robs the process of subjectivisation of potential contributions through imposition by those in higher authority. It was also observed that accounting regulations may have had implications for the adoption of IPSAS in Zimbabwe. After acquiring political buy-in, those who felt that they had the mandate to drive the process marshalled the attendance of other government departments to attend and be lectured and be briefed on the process. Their attendance was reported as consultation when in effect they were being coerced to adopt the process by the Ministry of Finance and Economic Development, whose employees were trying to justify the stipends they received from donor funding. Previous comments from respondents when coupled with the sentiments above show that disproportionate influence put forth by a single group may disturb the sharing of power among other stakeholders within the constituency who may then have less motivation to participate in the accounting standard-setting process.

5. Financial Reporting in the Public Sector

The budget has proved to be the most important annual strategic plan whose basis was the source of financial reporting in the sector (Marufu, 2016). The statutory provisions especially the Public Finance Management (Regulations), 2019, had addressed the phenomenon of from section 8 up to section 13, and then linked other aspects of the new public management to it. Steccolini (2019) had it that public sector accounting may have experienced vivacious period under New Public Management (NPM) that transformed into a growing number of studies being conducted on NPM-related accounting transformations. The respondents to this study submitted that public sector accounting was positioned at the node of various disciplines, areas, vocations, welfares and influences, including academic circles and practice. The infusion of accounting and accountability should be seen as an important strength in public sector accounting and the aspect should better be theorised to give the "public" side of the process as a stronger consideration, shimmering on the "publicness" of the public sector accounting standards-setting process.

The "publicness" had been captured by reflecting on the extent to which certain public dimensions and features influenced the respondents to discuss the effects of accounting on accountability systems. There are some current trends in the answers given by interviewees that provide stimuli to benefit for accounting scholarship, that had ignored the effect of the discipline under study, including its sway on public importance, performance management, asceticism, watersheds and wicked glitches, and co-production of financial reports in line with various stand points at law, ethics and standards as the following word tree diagram attempts to collate.

The collation makes the findings that issuance of statutory instruments provides government perspectives on issues of financial reporting that impacts on the revenues realised by the stock exchange dealers, auditing guidance, insurance entities and the whole of government. In 2019, PAAB issued guidelines on financial reporting under an inflationary environment. The figure 4.17 below demonstrates that capacity building preparers, auditors and users of financial reports needed funding for the implementation because the standards and resources showed improvements in quality services in the public sector.

The above figure shows how the Breton Woods institutions characterise the Zimbabwe's public sector accounting standards setting is infused with public sector reforms. On the other hand, it can be presumed from figure 4.17 that reinforcement of theorization of theorization efforts influenced public policies and the social order.

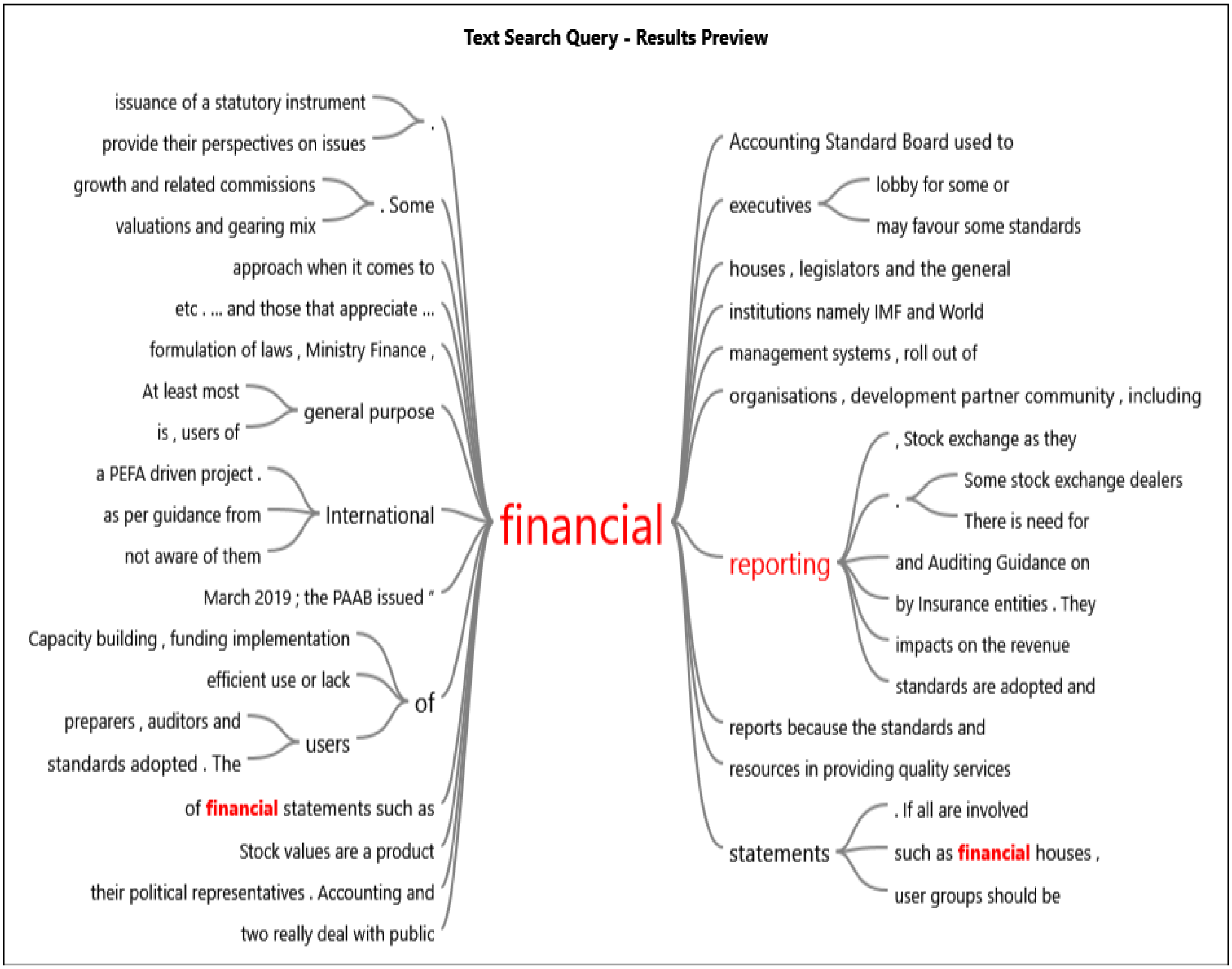

Figure 4.17: Financial Reporting in the Public Sector **Source:** Author

Based on previous studies, inferences from figure 4.17 give the idea that under the current situation the general government applies a public sector accounting standards setting process or adoption/adaption process that ensures that the latitude was properly demarcated and preselected with concurrency with relevant constituencies (Bisogno, Aggestam Pontoppidan, *et al*., 2019; Dhliwayo *et al*., 2018). Accordingly, Nistor & Stefanescu (2018) in the their study of the European Union (EU) fiscal and financial reporting systems, using the cluster analysis with a multidimensional scaling technique, found out that stakeholders had a wide and strong interest in sound reporting to improve transparency through creating a positive environment that is conducive to adjusting inaccuracies between practice and standards.

The above bring to the fore that the standards setting process or adoption process was a multifaceted proposition that attracted a lot of curiosity from organisations, development partners and the public at large on its convergence with international financial reporting systems and it induced traction on local public sector conducts.

6. Suggested Solutions from Respondents

The word cluster cloud (figure 4.18) below shows that the discussion on the efficient and effective way to adopt or produce public sector accounting standards for the country had been centred on the words **model, public sector, accounting standards, process, already, capacity, IPSAS, aim, adoption accountability, balance, accountants and complaints**.

Figure 4.18: Suggested Models for the Process **Source:** Author

The sentiments that the model that existed with regards to the IPSAS adoption process had lost steam were common amongst respondents. Some complained that the public sector accounting standards process of moving from cash basis to accrual basis by the central government was supposed to balance transparency, accountability and the accountants' skills capacity to implement the reforms. It was suggested that for the model to be able to overcome the already existing complaints, the IPSAS adoption process had to include a wide range of stakeholders including a mixture of academics and practitioners to bridge any conflicts of interest.

Further analysis of the suggestions by respondents with regards to a model that can be efficiently and effectively used to adopt or produce public sector accounting standards Zimbabwe in general showed that 29.4% stated that partnership with stakeholders and experts with the aim to balance knowledge, resources and skills in producing public sector accounting standards was the way to go. While 23.5% said there was already a model adopted by central government as part of IPSAS adoption process and that it should be revitalised for it to bear results. The option to borrowing from the accounting boards like IPSASB, IASB was proposed by 5.8% of the participants, and another 5.8% was of the opinion that the model should address issues related to interpretations per sector, measurement basis per sector, reporting format per sector, timing reports and assumptions for public sector use.

It was quite interesting to note in Figure 4.19 that, in responding to the above question respondents seemed to suggest that the involvement **of government** in the **public sector accounting standards setting process was** inevitable**.** However**,** the **challenges** included lack of **hands-on experience on public sector accrual accounting.** They suggested that **to improve the process outcome assistance on issues of implementation should be sought from those familiar with and experienced in standards setting.**

Figure 4.19: Involvement in Standards Setting Process **Source:** Author

The word frequency cloud tag (figure 4.19) shows sentiments on how the participants felt their involvement in the public sector accounting standard-setting process would improve the fortunes of organisations or the country. On the other hand, 41.1% thought that their participation would expose challenges associated with the public sector financial system and reporting, and that made the decision-makers to be aware of the exact challenges which needed to be addressed. Whereas 31.6% felt that input from users contributed to the promotion of a sense of ownership to the system and this reduced resistance to change. Even though, 29.3% felt that involvement of users of the public sector accounting system in the standards setting process made them to be aware of the system they were supposed to use, the donors who financed the process would have imposed their wishes on the powers that be and their contributions could not get any traction on the outcome. Nonetheless, 23.5% put it that involvement of citizens would ensure accountability and transparency in the public sector accounting standards setting process and 11.7% posted that their involvement would ensure that the standards set were operating to improve the corporate governance of public sector.

The variety of perceptions and contribution around suggested solutions on accounting process inscriptions sheds light on how the roles and effects of public sector accounting standards setting process cannot be predetermined as it assumes a variety of contexts dependent on form facilitation and control. When defining process challenges, the articulation of common meaning and objectives by agents could assist to draw specifications of interrelated roles and common interests of the various stakeholders leading to dependency relationships between them. While accounting is about technicalities, it generates the creation of trust or social cohesion emanating from transparency and accountability embedded in financial reports based on standards. The standards themselves get credibility and acceptance in jurisdictions where the process of setting them was communally mobilised and facilitated by an independent adjudicator.

The study thus also suggested that PAAB as the single governance body established to independently oversee the standards setting activities and the adoption of the same, must house the Project Implementation Team [PIT] in Zimbabwe. Its governance objective with regards to public sector accounting standards setting or adoption process should be to review progress made by institutions with respect to the project because it is neutral, independent and legally mandated to drive guidelines with regards to the accounting profession. PAAB should review and advise the general government on terms of reference of financial reforms to be undertaken, arrange for nomination appointment of members of the PIT, adjudicate on procedures and processes for formulation of implementation strategies for the various public sector domains and work plans to make sure developments are consistent with public intention of being fully accrual based by 2026.

7. Consultation on Public Sector Accounting Standard Setting

However, the thematic analysis showed that 58.8% of the respondents were not consulted and never lobbied for guidelines to be followed in the public sector standards setting or adoption process. As per word frequency cloud tag (figure 4.20) they felt it was the duty of the Zimbabwe Government, PAAB, International bodies, reporting constituents, Accountants and Accounting bodies to do so. They felt that only those bodies were the only ones who could command sway on the subject. It was observed that 35.2% were consulted through their membership with Professional Accounting Organisations that made up PAAB which they presumed to protect public interest.

The participants highlighted two roles they played in attempting to come up with an IPSAS implementation plan, with 35.2% saying they provided advice to the central government and development partners on how they thought was the best approach towards adopting IPSAS and implement it in the public sector. Another 41.15%   played a part in the implementation phase by attending capacity building activities to improve consciousness of the existence of IPSAS

The figure 4.20 conveys that Treasurers were consulted and/or submitted their contributions via their rural district councils' associations.

Figure 4.20: Stakeholders of the Process **Source:** Author

A further analysis of the word frequency diagram (figure 4.20) suggests contributions were received from Treasurers, Rural District Councils and government representatives who submitted their thoughts. The concentration of consultations was mainly in the general government. The approaches were in contrast to the origins of EPSAS, where two consultations were made, giving evidence to the growing interactions among the European Commission, European Parliament and many other multi-stakeholders, such as standards-setter bodies, audit and control offices at the local and regional level, the big audit and accounting firms, academics and professionals from different levels of the general government (Aggestam *et al*., 2014; Gomes, Fernandes, *et al*., 2019). Accordingly, the extensive discussions were an effort to standardize several facets for creating the comparability of accounting reportage in the Eurozone, and implement harmonised accounting standards.

The respondents' sentiments demonstration that consultation process for adoption of IPSAS in Zimbabwe, thus, deprived the country of opinion from the other stakeholders, like standards-setter bodies, audit and control offices at the local and regional level, the big audit and accounting firms, academics and professionals from different levels of the general government. That resulted in not the best option in developing a project plan for public administration and adopting strategy limited to the Accountant-General's Office composed of people with limited knowledge on public sector adoption of accrual basis.

8. Summation

The main truck of the study was to investigate the standards setting processes in developing economies with Zimbabwe as the case study. The word frequency analysis (figure 4.21) in NVivo was used and enabled identification of the most frequently occurring words or concepts in the data sets. In this study, the word frequency analysis on the interview data was conducted with a special focus on the top 30 most frequently mentioned words across all the four research objectives. A summation of the cluster analysis diagram presented below brings out four themes that sum up the findings of the study. These themes were constructed from the four tree branches. The themes as deducted from the main branch collated from words in the smaller branches were: -

1. **The Government of Zimbabwe and Public Entities were currently adopting IPSAS Because Government and Local Authorities' Financial Reporting was undefined**;

2. **The Implementation of the Local IPSAS Adoption Process was Driven by the Need to Produce National Accounts by the Accountant-General;**

3. **Accountants in Government Institutions Just Need to be Trained in Public Sector Accounting for them to be able to Produce Compliant Financial Statements;**

4. **PAAB is Responsible for Setting and Adoption of Public Sector Accounting Standards.**

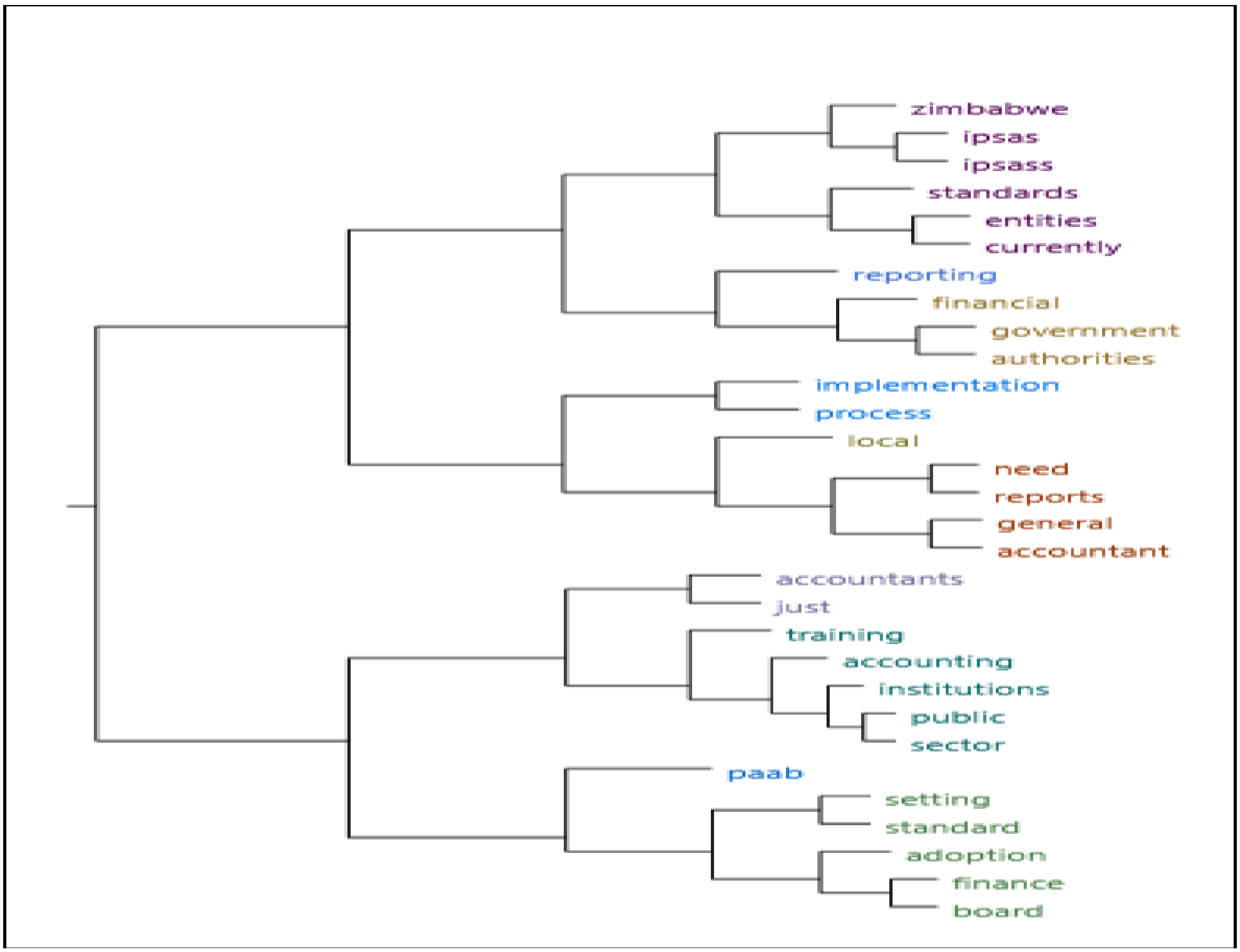

Figure 4.21: Summation of Themes **Source:** Author

The four themes make the study to conclude that there was no public sector accounting standards setting process in Zimbabwe and that was found to be the trend in most developing economies. According to Wang & Miraj (2018) when they examined the extent of adoption of IPSAS in South Asia and the challenges that were decelerating the process they also found out that countries had adopted IPSAS though to a different extent taking different approaches and directions. The key barriers were lack of experienced staff, delay in provision of information by public entities and lack of a defined implementation timeframe which cut across these countries. Though, Zimbabwe had some defined timeframes for the adoption of IPSAS, similar challenges caused deceleration of the process that could make the 2026 target to be missed if not remedial action was taken on time.

The issue of stakeholder's involvement was not much dwelt on and none of the respondents were able to describe the process undertaken in either the adoption or the process of setting public sector accounting standards. The respondents in their wide diversity and ranging from Accounting Officers to clerks in the public sector were not aware that there was a public sector accounting standards setting process. All were just aware that the adoption of IPSAS was being spearheaded by PAAB and the Accountant-General's Office.

Wide consultation employed by the study, therefore provided rich information and insight on the positions and perceptions of major stakeholders in the adoption of IPSAS or the public sector accounting standard-setting process. The respondents exposed the deficiencies in the process of adopting IPSAS in Zimbabwe, as it lacked wide consultation from major information rich stakeholders and the exclusion of Standards Committee Members from PAAB. Taking a leaf from observations by Caruana et al. (2019) and Jorge et al. (2019) when analysing the development of EPSAS, they found out that the widely held arguments and reactions from respondents were mounted in a sensible optimal manner with scepticism on IPSAS and tended to make the arguments somewhat from a point closer to historical and socio-cultural institutionalism (Schmidthuber & Hofmann, 2022). However, it could not be too late to correct the commissions and omissions of the earlier stages of the still on-going process of implementing the adoption of IPSAS project. The overall conclusion drawn from this research was that Zimbabwe was having challenges in simple adoption of already existing public sector accounting standards due to pertinent challenges, indicating concerning coercive pressure unveiled, probably around external pressure from Breton-Woods institutions. The talk around the need for customisation of IPSAS and/or cultural change outside implementing coercive technical solutions made the discussion of public sector standards setting in developing economies far-fetched. However, if member states of the European Union considered that IPSAS implementation could not be easy as they currently preferred to develop EPSAS adapted to IPSAS as a necessary tool for further fiscal and budgetary consolidation (Gan, 2022; Polzer *et al.*, 2022), why couldn't developing economies pull a leaf from them?

9. Conclusion

In this chapter the focus was on understanding from perspectives of respondents, the key players in public sector accounting standards setting processes and what were their roles in the process. Rather than focussing on trying to establish "prescriptive" descriptions and relations of the contributors the chapter was based on supposition that the truth was intuitively and dependant on setting of all data sources. The study through this chapter, attempted to extract "multiple realities" by methodically analysing all findings that were looked-for to be pronounced in detail to affect a wide-ranging and profound understanding of the phenomena that was being studied.

The results showed that there was no public sector accounting standard setting process in Zimbabwe. However, there was evidence of a robust legal framework in place that could pass best practice test anywhere in the world. Unfortunately, the board responsible for the process was inept and was manned by people who did not understand their mandate as provided by the law. The PAAB and its constituents had been heavily seized with responding to international exposure drafts and capacitating private sector infrastructures ignoring the largest placement sector of their membership. The tertiary institutions had also taken a cue from that and had followed suit and also this was worsened by a lack of competent lecturers to deliver public sector accounting education.

The pertinent issues about the public sector accounting standards setting process for the country had never crossed the minds of those charged with the responsibility to deliver appropriate public sector accounting standards applicable to the Zimbabwean environment. Also, discussed were matters about the research which among others included sampling techniques, data collection techniques and the quality of research analysis tool [NVivo].

The next chapter discusses the conclusions arrived at by the study and recommendations that would assist to come up with a transparent and accountable process of setting accounting standards that were environmentally pleasurable to developing economies without being masked by the Eurocentric overtures; none the less accountability and transparency are virtues in the Ubuntu phenomenon enshrined in the native traditions and cultures of developing economies and cannot be ignored by coercive technical solutions.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

Chapter Five summarises the research on public sector accounting standards setting process in developing economies based on an inquiry on Zimbabwe's convergence and divergence with best practice with a critical analyses of the legal framework, formulation of the agenda and the state of the public sector accounting infrastructure. The recommendations are steered by the literature review, the internationally acclaimed accounting standards setting due process, the research findings and analysis made thereof. Areas of additional research are acknowledged.

5.2 Conclusions

5.2.1 The Genesis of Public Sector Accounting Challenges in Zimbabwe

The introduction of the Economic Structural Adjustment Programme [ESAP] in the 1980s brought about an economic down turn that eroded the wages of Public Accountants. The majority of them left the country for greener pastures abroad and the vacuum created was filled by clerks with no training. The accounting infrastructure had collapsed by the year 2005, and as a remedy through foreign push the national government in an effort to align itself with best practice introduced Integrated Results Based Management, that threw the concept of ethics and financial probity out through the window (Dandira *et al*., 2020). The Public Service Commission on the other had introduced salary grades with regards to remuneration of accounting personnel based on paper qualifications. That approach saw the thrusting in of green inexperienced people fresh from university taking up directorship posts. That development caused other public entities to create their own systems of remuneration and packages that would assist them to attract the few professionals left (Subramanian, 2011).

Secondly, the reforms that were done were donor funded (Finance, 2019) and once donor funds ran out, that was the end of the road for the project. The team seemed to have been made up of individuals who were motivated by the rich pickings they were to get from donor funds; explaining the exclusive nature of its composition. When the funds provided by IFAC, DFID, EU and other development partners dried up, the team seemed to become non-existent or maybe it was going to resurrect once donor funds were poured again into the confers. If it was a national programme the composition and the funding could have taken a national outlook and funds could have been sourced from stakeholders or through an appropriation from government.

If it was PAAB driven, the board could have requested for Treasury Support since it was a statutory body whose operations were pertinent to the survival of the country. The romping in of the Public Service Commission, the Ministry of Higher and Tertiary Education and other relevant government departments could have assisted in unlocking funding. Or the declaration of the exercise to a national project status would have unlocked funding both nationally and internationally.

5.3.2 Does Zimbabwe Have a Public Sector Accounting Standards Setting Process?

The myriad of challenges being faced by entities in the public sector indicates that the will by the country to implement International Public Sector Accounting Standard [IPSAS] is lukewarm. The study also found out that Zimbabwe did not have a process in which stakeholders participated in public sector accounting standards setting or adoption process.

The country just adapted to use IPSAS, and implement the adoption without even addressing the issues of adaptability to the Zimbabwean environment, financial capacity and human competency. The approach has caused serious fissures within the public sector accounting infrastructure (Project, 2018). Legally, through Statutory Instrument 41 of 2019, the Government of Zimbabwe prescribed that IPSAS and related education and codes of ethics were adopted as the framework of operation with regards to the public sector accounting system (Finance, 2019; S.I, 144, 2019). The feeling by some respondents that the powers that be were ignorant of the requirements to have accounting best practice in public sector have been refuted by the promulgation of Statutory Instruments.

The study noted that the former President of the Republic of Zimbabwe, Robert Gabriel Mugabe in his foreword to the National Code of Corporate Governance [Zimbabwe, 2014] recognised the importance of having best practice in operation as he was quoted saying:

> *The new Constitution of Zimbabwe raises the quality of governance demanded of the Zimbabwean society, as does this Code. Every citizen should feel a sense of pride that in terms of Chapter 9 of the new Constitution the State is required to "adopt and implement policies and legislation to develop efficiency, competence, accountability, transparency, personal integrity and financial probity in all institutions and agencies of government at every level and in every public institution...*

He went on to state that the Code was unswervingly aligned with the new Constitution demonstrating that it was not simply business in motivation, nonetheless sets out governance by way of an integrally dynamic part of a vigorous and well-to-do nation. The Former President expressed his joy in that the code captured some of the requirements of the new Constitution pertinent to good governance in generally. If the level of consciousness was available at the highest level of the state, where was the problem?

The study revealed that though the National Code of Corporate Governance became law in August 2017; and like the Sarbanes-Oxley Act [2002] in the United States of America, it failed to tame the jungle. In the general government these failures were due to giving out of unjustifiable loans to various programmes that mainly benefited those in high offices and the debts later legislatively assumed by Treasury (Parliament of Zimbabwe, 2015, Zimbabwe Independent, 2021). This shows that there were no accounting standards for processing of loans while credit control systems were literally not there in the general government. Local Authorities and other quasi-government institutions were burdened by huge debtors' balances which they neither could write off nor recover because there was no standard on how to recognise them as bad. As if that was not bad enough, the same institutions were ripped by unconscionable compensation packages, fudging of financial statements, incompetent internal audit functions, inefficient and unethical conduct of the external auditors and opaque decision-making processes.

The situation had been worsened by the Zimbabwe Anti- Corruption Commission, compounded by a myriad of legal, organisational and operational challenges, which were creating difficulties for the realisation of its fundamental functions, had since been turned into a harassment instrument of the citizenry at large through the arrest to investigate doctrine (Chilunjika, 2021). Its officers seemed to be concentrating on trivial white collar alleged crimes with no convictions to warrant the magnitude of arrests. The reasons for their conviction failure rate were due to a combination of their officers' intellectual paucity on public sector accounting processes and the absence of specificity of public sector accounting basis and standards being applied in the country.

Treasury on the other hand, in collaboration with Public Accounting and Auditors Board were dragging their feet on the way forward in the adoption of IPSASs. It might be a question of the absence of public sector accounting professionals in the country. Also, the training systems were not producing competent graduates. However, the same standards seemed not to be understood by most people at PAAB, Professional Accounting Organisations [PAOs] and the general government tertiary institutions. The lack of knowledge and training on public sector accounting standards just left the country with no public sector accounting standard setting process to talk about. It is the inference of this study that Zimbabwe did not have a public sector accounting standard setting process in place; though legally there was an independent institution mandated to come up with accounting standards and guidelines.

5.3.3 Who Formulates the Agenda for Public Sector Accounting Standards Setting in Zimbabwe?

The study established that PAAB had a Public Sector Accounting Standards Committee, Taxation Committee, Education Committee and an Inspection Committee among other groupings which were meant to deal with public sector accounting issues (PAAB, 2015). These committees were composed of members drawn from its constituents and membership. It had also been established that these committees were only reactive to issues raised by IFAC and only sat to try and interpret those issues and proffer comments to the international boards that would have raised them. The committees did not formulate agendas specifically for Zimbabwe. The last time on record was in 1999, when the Accounting Standards Committee when still under ICAZ had set an agenda to address the scenario prevailing in Zimbabwe at that time. That committee addressed private sector inflation related issues. Now, PAAB had Public Sector Accounting Standards Committee (PSASC) that had until then been commenting on international public sector issues the latest being Exposure Draft 76: Conceptual Framework Update: Chapter 7, Measurement of Assets and Liabilities in Financial Statements (Draft *et al.*, 2021). This committee seem to be toothless with regards to the implementation process currently going on.

Recent records show that the Accountant-General's Office in the Ministry of Finance and Economic Development was in the fore front of formulating the agenda for the adoption and implementation of IPSAS (Finance, 2019). The agenda did not take any cognisance of the suitability of IPSAS to the Zimbabwean environment but was based on the financial resources availed by IFAC and DFID and the project was pushed down the throats of the public sector entities. PAAB was just romped in since it was the one with the legal mandate to see to it that a conducive standards development environment was created, but by itself it was just a passenger or its secondments were, as the project was being led by the most backward public sector accounting institution in the country with regards to accrual accounting i.e. Treasury. Will the most backward of public sector financial management institution be able to captain the country's aspirations to be fully accrual based by 2026? The agenda was formulated in the corridors of Treasury. However, the people in Treasury who formulated the agenda were not from the reporting and policy section.

5.3.4 What Legal Provisions were there to Regulate the Process of Setting Public Sector Accounting Standards?

The study observed that the prevailing reporting system in Zimbabwe was characterised by a myriad of challenges, the foremost was an undefined reporting framework, that had been demonstrated by tenacious external audit annotations as painted in various Auditor-General's reports since 2014. The 2016 Auditor-General's report on financial statements noted that there were no basis of preparation of public accounts, emanating from none setting of accounting and reporting standards by the Public Accountants and Auditors Board. That pressure from the Auditor-General could have been a work up call to PAAB which finally promulgated Public

Accountants and Auditors (Prescription of International Standards) Regulations, 2019 [Statutory Instrument 41 of 2019].The responsibility of PAAB to set public sector accounting standards in Zimbabwe was clearly mandated by section 44(2)(a) of the revised Public Accountants and Auditors Act [Chapter 27.12] that gave it the statutory obligation to acclaim accounting and auditing standards for use and also come up with regulations prescribing the application of reporting standards in the public sector through PSASC.

In essence, the legal blue prints had always been in place, but the board responsible for setting of public sector accounting standards was inept or it was in sixes and sevens on how to go about it. It was the observation of this study that the legal and political environment in Zimbabwe was amenable to best practice, but lacked the brains and human capacity and other resources to create adaptable public sector accounting standards. Politically, the country had to be pushed to adopt IPSAS as a remedial action after the board responsible for setting standards had abandon its post.

5.3.5 How convergent or divergent is the public sector accounting standard setting process with best practice?

The lunge of this thesis was to make available a synopsis of the matters surrounding public sector accounting standards setting processes in developing economies; their convergence or departure from international best practise with Zimbabwe as a case study. The findings based on literature review, observations and interviews demonstrated that studies with regards to accounting science were in agreement regarding research on this topic. The world assumes that the playfields are observing the IFAC due process, although this study witnessed it to be to the contrary. Most studies concentrated on International Public Sector Accounting Standards adoption and few have bothered to look into the setting processes of the same in various developing jurisdictions. Though, other studies offer suggestion on the essence of worldwide convergence requirements for nation states to account, the same evidence bids that convergence is not a “direct” process, but encompasses certain fundamental problems, apprehensions and challenges. In that breath Zimbabwe was legally convergent to international best practice, as the tenets of the environment were concerned, however, on the ground practice was far from expectations.

5.4 Apprehensions with Regards to Public Sector Accounting Standard Setting Process

Lack of experience among lecturers was making them unable to equip students with proper public sector accounting knowledge required for them to be absorbed into the public sector and transform the financial reporting culture. Besides, such graduates not having adequate skills and only equipped with the theoretical side were absorbed into the public sector leading to neglect of the practical application of professional conduct resulting in failure by entities to produce final accounts.

The education provided by both tertiary institutions and Professional Accounting Organisations who happened to be affiliates to PAAB was technically and empirically alien to what obtained in practice. Not only was the knowledge being taught in tertiary institutions inadequate but it led public entities to find it difficult to adopt IPSAS. With little knowledge at the disposal of Zimbabwe, it complicated the fundamental understanding of the essence of having local adaptable public sector accounting standard setting process that was environmentally friendly, but convergent with international best practise.

The PAAB had been letting the country down because it seemed it never took its mandate seriously, but had only concentrated on registration of membership and commenting on international white papers. Ironically, it had become a norm that those who were members of PAAB would get preference of appointment into executive financial positions in public entities, but those entities would fail to produce even draft final accounts on time. For example, none of the Local Authorities had managed to submit draft final accounts for auditing to the Auditor - General's Office by the statutory dates. The majority even failed to present them before their respective boards [Councils] within the stipulated 120 days.

The Public Finance Management Act [Chapter 22.19] section 9 stipulates that the position of Accountant -General must be occupied by a person who is a registered member of PAAB. The legislative spirit was that PAAB would independently reprimand its membership for incompetency; alas the various adverse audit reports on public sector financial reports produced seem to have escaped the attention of the board or the PAAB Inspection Committee.

5.5 Recommendations

5.5.1 Institutional Capacitation of PAAB

The Public Accountants and Auditors Board were set up to regulate the accounting profession but required institutional strengthening to achieve its objectives. The 10-member board that included Auditor-General and the Accountant-General had exhibited lack of capacity and appropriate tools to discharge its responsibilities including practical reviews, investigations, and discipline its membership. The lack of capacity hindered its ability to meet its overall objective of protecting public interest and serving the profession. The PAAB required extensive capacity building for it to be the lead regulator of accounting and auditing issues and to resist any possible regulatory capture by the constituent bodies and government. In that vein the study recommends that PAAB could have a technical team that assists the board members when they deliberate on technical issues.

Zimbabwe's public sector accounting standards body had the legal mandate to prescribe standards to be used in the country. The body's tigertudes of limiting its discussions to its constituents and membership had let down the country because these did not have the required professional competence in the subject. As such it would also be proper for the body to assume all projects related to public sector accounting standards setting, adoption and provide oversight on implementation away from the Ministry of Finance and Economic Development as the case stood. The Treasury did not have the mandate to do so because it was a legal duty given to PAAB through an act parliament. Henceforth, the adoption, adaptation and implementation road map of any public sector accounting standards could be supervised and developed through a national consultation process and the "due process", could involve interested individuals and organisations from around the country.

The limitation of the membership of PIT to three organisations dominated by civil servants clouds the exercise of transparency. Civil servants who work in financial accounting offices were malleable and could be coerced by their superiors to do the wrong things in the name of the system.

5.5.2 Composition of the Public Sector Accounting Standards Committee

The Public Sector Accounting Standards Committee (PSASC) of the PAAB could be fully supported by a technical team of experts on public sector accounting standards and be drawn from a wide spectre of the public sector community. The prevailing polarised financial reporting environment in Zimbabwe characterised by undefined reporting framework, the dominance of Treasury in dishing out directives and guidelines which violated best practice and myriad of none public sector accounting professional making decision based on the offices they occupy rather than their professional competencies required an all-stakeholders approach to correct. The committee must be drawn from competent people from tertiary institutions, the government, local authorities, and business, residents' associations, development partners, PAOs and other relevant stakeholders. This composition will be able to define an approach which could move the country to the best outcome possible with adequate buy in on a national level.

5.5.3 Membership Control and Monitoring

PAAB through its Monitoring and Evaluation Committee could receive appraisals from Professional Accounting Organisation and Public Accountants on their performances before renewal of membership on an annual basis. The information could include but not limited to the audit status of their institutions, the audit opinion obtained etc. PAAB could also provide commentaries on its members appointed to posts like Accountant-General, Auditor-General for example and give reports on oversight of the work of registered public accounting firms registered with them.

5.5.4 Capacity Development

The PAAB working with the Professional Accounting Organisation, Higher Education Council and the Ministry of Higher Education Tertiary could develop a curriculum to be used in these institutions for the development of a human resource base in the area of study.

The Public Service Commission could also make sure it puts in place a policy which requires government deployments to be made of public sector accounting professional and professional technicians. It could take a catalyst position for the revival of the Zimbabwe Institute of Public Finance and Accountant through compulsory requirement that any civil servant who requires working in the Finance departments must be either a professional public accountant or a technician. The drive would also put pressure on other Professional Accounting Organisation to create curriculum specifically for the public sector.

5.5.5 The Process of Public Sector Accounting Standard Setting, Adaptation or Adoption

The due process could comprise of six stages for the resultant standards to pass the test for use, or adaptation/adoption and these should converge with best practise. That is, the following steps be followed before a standard is deployed irrespective of whether it’s locally produced or adopted or adapted: -

1. **Setting The Agenda**

The country already had prescribed IPSAS as the basis of reporting; therefore the focus could be on setting an all-inclusive agenda for their adoption or adaptation and define the steps to be taken to close the operational gaps currently prevailing. The agenda must initially be based on the shortfalls brought out through the audit comments and audit management queries. It could be set by a balance committee of stakeholders who would define the expectations of the Zimbabwean society, spearheaded by PSASC. The approach where milestones are based on the views of operatives from Treasury and Ministry of Local Government does not bring transparency and independence of targets in the process. More so, the current team tended to set targets which matched their key result areas; definitely would not come up with an agenda that over stretched their professional and physical competencies. Anywhere, none of them were public sector professionals hence it would be far-fetched to expect them to meet the best practice of professional expectations.

2. **Planning The Project**

Zimbabwe had a Project Implementation Team [PIT]. The Project Implementation Team that was chaired and was resident in the Accountant -General’s Office could be moved to PAAB. The prevailing set-up seemed to be bullied on everyone as the office displayed its tigertudes through other players being scared to challenge the status-quo least they would not benefit from treasury disbursements.

The team could report to the Public Accounts Committee of the Parliament of Zimbabwe administratively so that it could tap into national resources and to the PAAB operationally. The administrative process should be based on milestones achievements for further drawing of resources. The setting of the standards should be seen to be independent not only at law, but also in practice. Members of the team did not need to have people from treasury and other institutions as technical advisors. The PIT must be from various national stakeholders, who would draw technical assistance from full-time employees of PAAB.

3. Developing and Publishing the Discussion Paper

The country could borrow from the experience of reputable procedure experts on how to develop and publish discussion papers with the context of the prevailing communication infrastructure. The adoption of IPSAS must not be viewed as the end on itself; because the standards are complex and difficult to comply which is what they were. The Public Sector Accounting Standards Committee (PSASC) needed to identify activities to be under taken by the general government on a sectorial level, publish their views and invite discussions on those issues. The topical issues that were currently headlining the failure by public entities had to do with legacy issues around debtors and creditors treatments, asset management and reporting formats, hence those could be a starting point.

4. Developing and Publishing the Exposure Draf

The PAAB must develop discussion papers based on those issues and how IPSAS can be applied. Based on responses from the public, the PAAB may then develop and publish a draft for comments.

5. Developing and Publishing the Standard

After receiving comments PAAB must provide guidelines and prescriptions for the preparation of financial reports. Currently, public entities were prescribing formats for budgeting which makes it difficult to reconcile the budget with general purpose financial reports.

6. **After the standard is issued**

The laws in Zimbabwe provided for the PAAB to prescribe standards and guidelines for implementation in the country. Hence, PAAB must gazette its prescriptions in line with its mandate.

5.6 Monitoring and Significant Performance Drivers

The PAAB through its Public Sector Accounting Standards Committee could produce quarterly reports on the progress being made in the public sector to achieve best practise for submission to the Public Accounts Committee.

5.7 The Country's Vision

Each nation state, especially a developing country has its exclusive mix of intra-country explicit law, economic, social and political institutions which have a bearing on its financial reporting framework. The adoption of IPSAS, hence could be taken as a stepping stone for the country to develop its own public sector accounting reporting standards. The current IPSAS adoption project could also be used to develop a human resource base of public sector accounting professionals; and when the country possesses adequate knowledge and expertise in the subject matter could proceed to develop its own standards like what has happened in countries like South Africa, Nepal and the developed economies. It must be observed that borrowed blue prints have never taken any nation state to prosperity.

5.8 Foregoing Visionalisation

Visualize a financial system where investors could not be sure that some of the most extensively publicised national projects were nothing more than fibs, where the system of regulation and governance was satisfactorily leaky that a colossal scam could perhaps be perpetuated at one of the public institutions without exposure! Envision a system where caretakers, whether accountants, lawyers or directors, and where employees suspecting financial swindle were blocked from reaching the powers that be with their concerns! Imagine further that, because of inadequate accountability and weak internal controls, investors could not be sure that even the largest public entity [National Government] had accurate financial statements! See Zimbabwe's prevailing scenario where no one could tell the value of its natural resources, but enters into deals with sophisticated multinationals from a point of ignorance! Visualise, Envision, See and Envisage why, WHY were we not putting our country's financial reporting framework in order, first through a public sector accounting standards setting process?

5.9 The Implication on Theory

While the evidence may appear to suggest that public sector accounting standards setting processes were prevalent in developed economies, the evolution of the same in the developing economies was minimal even though there were serious demands of contemporary society to be held accountable for the impact of their actions.

5.10 The Implication on Practice

It is the inference of this study that Zimbabwe did not have a public sector accounting standard setting process in place; though legally there was an independent institution mandated to come up with accounting standards and guidelines. The study observed that the prevailing reporting system in Zimbabwe was characterised by a myriad of challenges, the foremost was an undefined reporting framework, that had been demonstrated by tenacious external audit annotations. There is no uniformity or standard in the financial reporting formats in the general government in Zimbabwe as some entities were using IFRS while others were using IPSAS. The creation of standards format seemed to take ages. The following templates are a suggestion on how these anomalies could be addressed through a uniform approach.

5.11 Budgeting and Reporting Templates for the Third Tier of Government

The study proposed that the third tier of government could use the following templates as benchmarks for consolidating and converging budgeting and budget information in line with the enabling statutes and IPSASs creating linkages between budgeting and general purpose financial reports which would enable decision makers to be properly informed for them to plan for development. The following templates were examples of a consolidated well-coordinated financial management reporting system that would assist to collate the events and activities of the whole of government. The public sector accounting standards setting process had it been in place could have assisted to overcome the challenges currently being faced by the country.

Table 5: Budget Template in line with GFS 2014, IPSAS and Statute

Name of Local Authority:..									
Consolidated Annual Budget for the year Ending									
REVENUE CLASSIFICATION	**2022**				**2023**			**INDICATIVE ESTIMATES**	
	Estimates	**Projected Billing**	**Actual Billings**	**Actual Receipts**	**Own Revenue**	**Grants & Others**	**Total**	**2024**	**2025**
Consolidated	**Amount**	**Amount**	**Amount**	**Amount**	**Amount**	**Amount**	**Amount**	**Amount**	**Amount**
APPROPIATIONS BY PARLIAMENT	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Grants	0	0	0	0	0	0	0	0	0
General government									
Foreign Government									
International Organisation									
B. TAXES	0	0	0	0	0	0	0	0	0
Property Taxes	0	0	0	0	0	0	0	0	0
Assesment Rates									
Development Levies									
Special Rates/Levies									
Estate Funds	0	0	0	0	0	0	0	0	0
Lease Rent									
Land Sales									
Endowment									
Tax on Sale of Goods and Services									
Other taxes on Use of Goods									
C. USER/SERVICE CHARGES	0	0	0	0	0	0	0	0	0
Water,Sewerage & Refuse									
Fees,Licences & Permits									
Fines, Penalties and Forfeits									
Lease & Other Rentals									
D. INTEREST ON MONIES INVESTI	0	0	0	0	0	0	0	0	0
Debtors									
Investments									
Deposits									
E. INCOME FROM IGP'S (Income C	0	0	0	0	0	0	0	0	0
Dividends									
Sales									
Profits									
F. INCOME RECEIVED FROM PARK	0	0	0	0	0	0	0	0	0
Trophie Fees									
Consession Fees									
G. INCOME FROM NATURAL RESO	#REF!								
H. OTHER INCOME	0	0	0	0	0	0	0	0	0
Disposal of Assets									
Donations/Gifts									
I. OTHER FINANCING	0	0	0	0	0	0	0	0	0
Loan									
Bonds									
TOTAL INCOME	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!

EXPENDITURE CLASSIFICATION	**2022**				**2023 Estimates**			**INDICATIVE ESTIMATES**	
Consolidated	**Estimates**	**Projected**	**Expenditure**	**Actual Payments**	**Own Revenue**	**Grants & Others**	**Total**	**2024**	**2025**
	Amount	**Amount**	**Amount**	**Amount**	**Amount**	**Amount**	**Amount**	**Amount**	**Amount**
A. CURRENT EXPENDITURE	0	0	0	0	0	0	0	0	0
Compensation of Employees	0	0	0	0	0	0	0	0	0
Salaries and Wages	0								
Allowances	0								
Employer's Contributions	0								
Use of Goods and Services	0	0	0	0	0	0	0	0	0
General Expenses	0								
Maintenance	0								
Repairs	0								
Consumption of fixed capital (As	0								
Interest									
Subsidies									
Grants									
Social benefits									
Other expense									
B. CAPITAL EXPENDITURE	0	0	0	0	0	0	0	0	0
Acquisition of Fixed Assets	0	0	0	0	0	0	0	0	0
Education & Health Facilities									
Water Infrastructure									
Roads									
Social Amenities									
Electricity Infrastructure									
Operational Assets									
TOTAL EXPENDITURE	0	0	0	0	0	0	0	0	0

Source: Author

Table 6: Monthly Management Reports

Name of Local Authority:...										
Quarterly Report for the Quarter Ending										
Consolidated Budget Report for the Period End	2022	For the Month				For the reported period				Comments
	Estimates	Proportionate	Actual Billings	Actual Receipts	% Varince	Proportionate	Actual Bill	Actual Recei	% Variance	
	Amount	Amount	Amount	Amount		Amount	Amount	Amount	Amount	
APPROPIATIOns BY PARLIAMENT	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Grants	0	0	0	0	0	0	0	0	0	
General government										
Foreign Government										
International Organisation										
B. TAXES	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Property Taxes	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Assesment Rates										
Development Levies										
Special Rates										
Estate Funds	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Lease Rent										
Land Sales										
Endowment										
Tax on Sale of Goods and Services										
Other taxes on Use of Goods										
C. USER/SERVICE CHARGES	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Water, Sewerage & Refuse										
Sewerage										
Fees, Licences & Permits										
Fines, Penalties and Forfeits										
Lease Rentals										
D. INTERESTS	0	0	0	0	0	0	0	0	0	0
Debtors										
Investments										
Deposits										
Income Generating Projects	0	0	0	0	0	0	0	0	0	0
Dividends										
Sales										
Profits										
F. INCOME FROM PARKS AND WILDLIFE ACTIVI	0	0	0	0	0	0	0	0	0	0
Trophie Fees										
Consession Fees										
G. INCOME FROM NATURAL RESOURCES										
H. OTHER INCOME	0	0	0	0	0	0	0	0	0	0
Disposal of Assets										
Donations/Gifts										
I. OTHER FINANCING	0	0	0	0	0	0	0	0	0	0
Loan										
Bonds										
TOTAL INCOME	**#REF!**	**#REF!**	**#REF!**	**#REF!**	**#REF!**	**#REF!**	**#REF!**	**#REF!**	**#REF!**	**#REF!**
EXPENDITURE CLASSIFICATION	2022	For the Month				For the reported period				
Consolidated	Budget Estima	Proportionate B	Actual Billings	Actual Receipts	% Varince	Proportionate Bud	Actual Bill	Actual Recei	% Variance	
	Amount	Amount	Amount	Amount		Amount	Amount	Amount	Amount	
A. CURRENT EXPENDITURE	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
Compensation of Employees	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Salaries and Wages										
Allowances										
Employer's Contribution										
Use of Goods and Services	0	0	0	0	0	0	0	0	0	
General Expenses										
Maintenance										
Repairs										
Consumption of fixed capital										
Interest										
Subsidies										
Grants										
Social benefits										
Other expense										
Current transfers										
B. CAPITAL EXPENDITURE	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
Acquisition of Fixed Assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
Education & Health Facilities										
Water Infrastructure										
Roads										
Social Amenities										
Electricity Infrastracture										
Operational Assets										
TOTAL EXPENDITURE	**0**									
SUPLUS/DEFICIT	**#REF!**	**#REF!**	**#REF!**	**#REF!**	**#REF!**	**#REF!**	**#REF!**	**#REF!**	**#REF!**	

Source: Author

Table 7: Projects Budget Report & Project Implemented Reports

Name of Local Authority ....

Projects Implemented

Capital Projects Implemented for the period ending ....

Key Area	Name of Projects	Budgeted Amount	FUNDS RECEIVED	Expenditure incurred	Status of project
Education Facilities		-	-	-	
	1				
	2				
	3				
	4				
	5				
Health Facilities		-	-	-	
	1				
	2				
Water and Sanitation		-	-	-	
	1				
	2				
Roads	1	0	0	0	
	1				
	2				
Social Amenities		0	0	0	
	1				
	2				
	3				
	4				
Electricty		0	0	0	
	1				
	2				
	3				
	4				
Operational Assets		0	0	0	
	1				
	2				
	3				
	4				
	5				
TOTAL					

Source: Author

Table 8: Quarterly Reports

Name of Local Authority:………..

Quarterly Report for the Quarter Ending ……….

Reveue Source	Annual Budget A	Proportionate Budget B	Actual Billing C	Actual Receipts D	Variance B-C	Comments on Variance
A. MONIES APPROPIATED BY PARLIAMENT	**0**	**0**	**0**	**0**	**0**	
Capital Grants	**0**	**0**	**0**	**0**	**0**	
General government						
Foreign Government						
International Organisation						
Current Grants	**0**	**0**	**0**	**0**	**0**	**0**
General government						
Foreign Government						
International Organisation						
B. TAXES	**0**	**0**	**0**	**0**	**0**	
Property Taxes	0	0	0	0	0	0
Assesment Rates						
Development Levies						
Special Rates						
Estate Funds	**0**	**0**	**0**	**0**	**0**	
Lease Rent						
Land Sales						
Endowment						
Tax on Sale of Goods and Services						
Other taxes on Use of Goods						
C. USER/SERVICE CHARGES	0	0	0	0	0	
Water						
Sewerage						
Refuse						
Fees						
Licences/Permits						
Fines, Penalties and Forfeits						
Lease Rentals						
D. INTEREST ON MONIES INVESTED BY COUNCIL	**0**	**0**	**0**	**0**	**0**	
Debtors						
Investments						
Deposits						
E. INCOME FROM IGP'S (Income Generating Projec	**0**	**0**	**0**	**0**	**0**	
Dividends						
Sales						
Profits						
F. INCOME RECEIVED FROM PARKS AND WILDLIFE	**0**	**0**	**0**	**0**	**0**	
Trophie Fees						
Consession Fees						
G. INCOME FROM NATURAL RESOURCES (Commu	0					
H. OTHER INCOME (Note Listed Elsewhere Above)	0	0	0	0	0	
Disposal of Assets						
Donations/Gifts						
I. OTHER FINANCING	**0**	**0**	**0**	**0**	**0**	
Loan						
Bonds						
TOTAL INCOME	0	0	0	0	0	

EXPENDITURE CLASSIFICATION Consolidated	Annual Budget A	Proportionate Budget B	Expenditure C	Actual Payments D	Variance B-C	Comments on Variance
A. CURRENT EXPENDITURE	0	0	0	0	0	
Compensation of Employees						
Salaries and Wages						
Allowances						
Statutory Obligations (Employer's Contribution)						
Use of Goods and Services	0	0	0	0	0	
General Expenses						
Maintenance						
Repairs						
Consumption of fixed capital (Asset Replacement Reserve)						
Interest						
Subsidies						
Grants						
Social benefits						
Other expense						
Current transfers						
Subtotal						
B. CAPITAL EXPENDITURE	0	0	0	0	0	
Acquisition of Fixed Assets	0	0	0	0	0	
Education Facilities						
Health Facilities						
Water Infrastructure						
Roads						
Social Amenities						
Electricity Infrastructure						
Operational Assets						
TOTAL EXPENDITURE	0	0	0	0	0	

PAYABLES REPORT

Category	Current	30 Days	60 days	90 days	120+	Total
Payroll Creditors	0	0	0	0	0	0
ZIMRA PAYE						
ZIMDEF						
Standards Development Levy						
Pension Fund						
Medical Aid Fund						
NSSA						
NEC						
Workers Unions						
Net Salaries						
Leave Pay Provision						
Category	Current	30 Days	60 days	90 days	120+	Total
Trade Creditors	0	0	0	0	0	0
ZESA						
Water Chemicals						
ZINWA						
Local Authorities						
Other						
Category	Current	30 Days	60 days	90 days	120+	Total
Current Loans Portion						
PSIP						
Other Loans						
TOTAL PAYABLES						

RECEIVABLES REPORT						
Category	Current	30 Days	60 days	90 days	120+	Total
Commercial						
Industry						
Residential - High Density						
Residential - Medium Density						
Residential - Low Density						
Owners of Rural Land						
Institutions						
Local Authorities						
Government						
TOTALS	0	0	0	0	0	

IMPROVED LOCAL ECONOMIC DEVELOPMENT

Quarter 1 Investments		Details
1		
2		

Table 9: Set of General Purpose Financial Reports

Appendix 1: The table below presents an example of the statement of financial :position to be used by the Reporting entity

Reporting entity			
STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 20XX			
IN THOUSANDS OF ZWL$			
	Note #	**Current Year**	**Previous Year**
ASSETS			
Current Assets			
Cash and cash equivalents	X	XX	XX
Receivable from Exchange Transactions	X	XX	XX
Receivables from Non Exchange Transactions	X	XX	XX
Short-term Investments	X	XX	XX
Loans receivable	X	XX	XX
Derivative financial instruments	X	XX	XX
	~~X~~	~~XX~~	~~XX~~
Inventories	X	XX	XX
Prepayments	X	XX	XX
Other Current Assets	X	XX	XX
		XX	**XX**
Non-current Assets			
Receivables	X	XX	XX
Property, plant and equipment	X	XX	XX
Pledges receivable (IPSAS 23 para 124)	X	XX	XX
Intangible assets	X	XX	XX
Investment Properties	X	XX	XX
Investment in other entities	X	XX	XX
Long term portion of loans receivable	X	XX	XX
		XX	**XX**
TOTAL ASSETS		**XX**	**XX**
LIABILITIES			
Current liabilities			
Payables	X	XX	XX
Provisions	X	XX	XX
Employee benefits	X	XX	XX
Derivative financial instruments	X	XX	XX
Other current liabilities	X	XX	XX
Taxes (*for quasi-governmental entities required to pay taxes*)	X	XX	XX
		XX	**XX**
Non-current liabilities			
Employee benefits	X	XX	XX
Provisions	X	XX	XX
Defined obligations for Pension funds	X	XX	XX
Other non-current liabilities	X	XX	XX
Deferred Taxes (*for quasi-governmental entities required to pay taxes*)	X	XX	XX
		XX	**XX**
TOTAL LIABILITIES		**XX**	**XX**
NET ASSETS		**XX**	**XX**
NET ASSETS / EQUITY			
Revaluation Reserves	X	XX	XX
Other Reserves	X	XX	XX
Accumulated Fund	X	XX	XX
Contributed capital			
Non-Controlling Interest (*for quasi-governmental entities)*	X	XX	XX
TOTAL NET ASSETS / EQUITY		**XX**	**XX**

Appendix 2: The table below presents an example of the statement of financial performance to be used by the reporting entity

Reporting entity			
STATEMENT OF FINANCIAL PERFORMANCE			
FOR THE YEAR ENDED 31 DECEMBER 20XX			
IN THOUSANDS OF ZWL$			
REVENUE	**Note #**	**Current Year**	**Previous Year**
Taxes	X	XX	XX
Taxes on properties	X	XX	XX
Taxes on sale of goods and services	X	XX	XX
Sale of goods and services	X	XX	XX
Fees, Licences and Permits	X	XX	XX
Fines penalties and forfeits	X	XX	XX
Grants	X	XX	XX
General Government			
Foreign Government	X	XX	XX
International Organisations	X	XX	XX
Other revenue (14)	X	XX	XX
TOTAL	**X**	**XX**	**XX**
EXPENSES			
Compensation of Employees	X	XX	XX
General Expenses	X	XX	XX
Maintenance Costs	X	XX	XX
Repairs	X	XX	XX
Consumption of fixed assets	X	XX	XX
Finance Costs	X	XX	XX
Other Expenses not elsewhere classified	X	XX	XX
Surplus/ Deficit	**X**	**XX**	**XX**

Appendix 3: The table below presents an example of the statement of financial :position to be used by the Reporting entity

Reporting entity

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 20XX

IN THOUSANDS OF ZWL$

	Note #	Current Year	Previous Year
Cash flow from operating activities			
Surplus/(Deficit)		X	X
Adjustments for Non-cash movements			
Depreciation	X	X	X
Amortisation	X	X	X
Impairment	X	X	X
Increase/(Decrease) in provision for doubtful debts	X	X/(X)	X/(X)
Inrease/Decrease in provisions relating to employee costs	X	X/(X)	X/(X)
Gains/Losses on sale of PPE	X	X/(X)	X/(X)
Gains/Losses on sale of investments	X	X/(X)	X/(X)
Operating surplus/deficit before working capital changes		**X/(X)**	**X/(X)**
Increase/Decrease in payables	X	X	X
Inrease/Decrease in receivables	X	X	X
Increase/Decrease in other current assets	X	X	X
Net cash flow fromoperating activities		**X/(X)**	**X/(X)**
Cash flow from investing activities			
Purchase of PPE	X	(X)	(X)
Proceeds from sale of PPE	X	X	X
Proceeds from sale of investments	X	X	X
Purchase of investments	X	(X)	(X)
Net cash flow from investing activities		**X/(X)**	**X/(X)**
Cash flow from financing activities			
Proceeds from borrowings	X	X	X
Repayment of borrowings	X	(X)	(X)
Net cash flow from financing activities		**X/(X)**	**X/(X)**
Net increase/decrease in cash and cash equivalents		**X/(X)**	**X/(X)**
Cash and cash equivalents at beginning of period		X	X
Cash and cash equivalents at end of period		**X**	**X**
Reconciliation of movements during the year			
Cash at bank	X	X	X
Cash on hand	X	X	X
Bank overdraft	X	(X)	X
Cash and cash equivalents at end of period		**X**	**X**

Reporting entity
STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 31 DECEMBER 31 20X2
FOR THE YEAR ENDED 31 DECEMBER 20XX
IN THOUSANDS OF ZWL$

	Accumulated surplus/(deficit)	Revaluation reserve	Contributed Capital	Other Reserves	Total Net assets/Equity)
Balance at December 31, 20x1	**X**	**X**	**X**	**X**	**X**
Changes in accounting policy	X	X		X	X
restated balance	**X**	**X**	**X**	**X**	**X**
Changes in net assets/equity for 20x2					
Gain/Loss on property revaluation		X		X	X
Gain/Loss on investments revaluation		X		X	X
Net revenue recognised directly in net asset/equity	**X**	**X**	**X**	**X**	**X**
Surplus/deficit for the period	X				
Balance as at 31 December 20x2	**X**	**X**	**X**	**X**	**X**

Reporting entity STATEMENT OF BUDGET COMPARISON WITH ACTUAL FOR THE YEAR ENDED 31 DECEMBER 20XX IN THOUSANDS OF ZWL$					
REVENUE	**Note #**	**Budgeted amounts**		**Actual Amounts on comparable basis**	**Difference: Final budget and Actual**
		Original	**Final**		
Taxes	X	X	X	X	X
Taxes on properties	X	X	X	X	X
Taxes on sale of goods and services	X	X	X	X	X
Sale of goods and services	X	X	X	X	X
Fees, Licences and Permits	X	X	X	X	X
Fines penalties and forfeits	X	X	X	X	X
Transfers from central government	X	X	X	X	X
Transfers from extra budgetary units	X	X	X	X	X
Transfers from extra teritorial institutions	X	X	X	X	X
Other revenue (14)	X	X	X	X	X
TOTAL REVENUE					
EXPENSES					
Compensation of Employees	X	X	X	X	X
General Expenses	X	X	X	X	X
Maintenance Costs	X	X	X	X	X
Repairs	X	X	X	X	X
Consumption of fixed assets	X	X	X	X	X
Finance Costs	X	X	X	X	X
Other Expenses not elsewhere classified	X	X	X	X	X
Surplus/ Deficit	**X**	**X**	**X**	**X**	**X**

5.10 CONCLUSION

This thesis intended to appreciate the public sector accounting standard setting process in developing economies and the soundness of public sector accounting and reporting practices whether they have progressed amply to answer to communal demands in their vision to join the global village. It looked at the world's demand for increased corporate responsibility and accountability of nation states and the drive towards convergence of public sector accounting standards and standards setting processes.

The study continued to examine accounting and financial reporting phenomenon as a response to societal and political expectation for nation states to account to their broader citizenry and other stakeholders about the operational impact on social, environmental, institutional and political economy.

Finally, it explored the emerging new public management and integrated Government Financial Statistics [GFS] and International Public Sector Accounting Standards [IPSAS] setting and reporting phenomenon; questioning whether it was an environmentally friendly accountability mechanism introduced for the benefit of stakeholders, or whether it was simply yet another strategic tool used by the few nation colonizers to increase private shareholders' wealth in the name of public interest.

Recent developments in G20 conferences' financial reporting focus revealed that accountancy stayed a vigorous practice, alert to the stimuli in operating or in safe guarding and prevention of the occurrence of future world financial crisis or shocks. While the evidence may appear to suggest that public sector accounting processes were prevalent in developed economies, the evolution of the same in the developing economies was minimal even though there were serious demands of contemporary society to be held accountable for the impact of their actions.

The thesis exposed that this expectancy could unpretentious is a delusion that appears on blue prints and never in practice; as most of the developing economies, Zimbabwe included are coerced to jump onto the band wagon despite being crippled in terms of human expertise,

financial resources and infrastructure to cope with the pace expected of them. To appease the big boys, they resort to adoption of IPSAS warts and all, without meaningful success.
Despite, the notably worthy objectives of both adoption of GFS and IPSAS integrated reporting, it is submitted that these developments in public sector financial reporting and accounting practices could be a mechanism used by Treasuries to instrumentally leverage public practioners' opinions about their seemingly responsible General Government Accountants, and do not necessarily represent a meaningful response to the demands of society as expected in terms of stakeholder and agency theories. The anticipated benefits from the adoption of globally acclaimed public sector accounting practices that may accrue to the broader citizenry arising from recent developments may therefore, simply be coincidental to external funding of the projects.

The study also challenges the conventional dogma that attributes the advances in public sector accounting standards setting and adaption or adoption of IPSAS entirely, for the developing economies to catch up with western civilization. Finding that the oldest forms of public sector accounting and reporting artifacts could be traces to Chinese Shia Dynasty [2205 -1766 B.C.], Indian Deshi Nama System [1100 B.C.] or the Blombos Ochre and Ishango Bones artifacts [that originated from Africa 20,000 years ago] or to the cultured preexisting ancient economies along the Great Nile River in Egypt and Ethiopia, suggestively predating the pervasive influence of Eurocentric values. Similarly, public interest may be considered as an erasure of collective African power dynamics of Ubuntu philosophy which emphasizes the achievement of communal goals, in turn that facilitates an environment for attainment of private goals that would not be pervasive of macro developments of the nation.

Moreover, native accountability principle and infrastructure of developing economies had been punctured by colonization and self-interest that was the order of the day. The ancient civilizations of Africa and Asia created the tenants of modern public sector accounting for public interest; now, after the financial crises that disseminated world economic orders, the developing economies have realised that they need to go back to humane basic practices of Ubuntu in national resources management and the tenets of equity, as wealth disparities rear confrontations. Equity was epitomized in the Ubuntu dogma and the "Zunde RaMambo" was meant not to leave anyone behind and that dogma must be fused into the public sector accounting standard setting process so as to capture the whole economic value for national accounting. Even, though the Ubuntu and Chief's Courts approaches are readily acknowledged, it is submitted that the authentic traditional African communal values of consultations or citizen engagement and as well as early Africa and other ancient civalisations' contribution to the development of public sector accounting practices, which do not fit into the dominant Eurocentric self-interest prototype, have been deliberately ignored. On that note, the developing economies must be cognizant that "Nyoka huru haizvirumi" [a big snake won't bite itself], and have a separate body to administer their public sector accounting standards setting processes in line with native values, for them to have command, resonation with national ethos and attract acceptance. The standards must converge with international best practice and the process is with the people.

5. 11 Areas for further Research

1. How to address legacy issues in Local Government community without breaking budgeting and reporting laws and standards.

2. Largely missing from this extant literature is the study of the individual actors (i.e. standards board members and their technical staff) who are primarily responsible for making agenda decisions. Knowledge about how standards setter 'insiders' (as individuals and as a group) analyse and prioritize potential technical topics would fill a large gap in our understanding about the political processes surrounding standards setting. It would also assist lobbyists to understand how they might best frame their petitions to regulators and assist the regulators to clearly explicate the reasons for admitting or rejecting a particular technical item on their formal agenda.

3. Diversities of Public Sector Accounting Standards Setting Processes.

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APPENDICES 1.

INTERVIEW GUIDE QUESTIONNAIRRE FOR OFFICIALS IN PUBLIC INSTITUTIONS, REGULATORS & DEVELOPMENT PARTNERS

(this includes public entities & Tertiary Institutions)

My name is Thompson Marufu. I am a third year student of Doctor of Philosophy in Accounting at Chinhoyi University of Technology. I am undertaking a research **on "Public Sector Accounting Standard-Setting Process in Developing Economies – Inquiry into Zimbabwe's convergence and divergence with International Practice".** Please assist by answering the questions below and the information you will provide will be used for academic purposes only. The information will be treated confidentially for the purposes of furthering this study. NB: For purposes of maintaining confidentiality of information please do not write your name or any other personal information on the questionnaire.

PART A [tick in the box] (where there is / cross the inapplicable) If the questionnaire does not provide enough space for your response you may answer on a separate paper but clearly showing the question being addressed.

1. **Type of Institution you work for**

Central Government	
Parliament/ member of the legislature	
Local Authority/councilor	
Public Tertiary Institution/Private Tertiary Institution	
Professional Accounting Organisation [PAO]	
Government Business Entity/Parastatal	
Social Security Organisation	
Development Partner	

2. **Position/Title in institution(s)**

Accounting Officer	

Finance Director/Executive Officer Finance/Treasurer	
Trainer/Lecturer of Accounting Standards	
Accountant/Auditor	
Consultant/Financial Adviser	
Any other (state)	

3. **Time in Post(s)**

Less than 5 years	
5-10 years	
Above 10 years	

4. **Qualifications**

Certificate	
Diploma	
Degree	
Post Graduate	
Accounting Qualification + member of PAO	
Registered with PAAB	

5. **From the list of Accounting Standards below, which one(s) are being used/taught by your institution (s).**

IFRS only	
IPSAS only	
GRAP only	
Government Regulations[Treasury Instructions] only	
Cocktail of the above	

6. **Accounting Basis being used/taught by your organisation**

Cash basis	
Modified Cash basis	
Accrual Accounting basis	
Modified Accrual Basis	
Do not know	

PART B (OPINION/ PECEPTION)

You may make reference to policy position/standards or critic them.

7. **What are your views with regard to the use of accounting standards in the Public Sector in Zimbabwe?**

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8. **In your view do tertiary Institutions and other colleges provide adequate public sector accounting training/education that incorporates IPSASs?**

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9. **What challenges are being faced by your entity as far as public sector accounting standard-setting or adoption process/teaching is concerned? You may give specific problems encountered in applying standards in your institution.**

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10. **Who formulates accounting standard-setting or adoption agendas? What causes the formulation of the agenda[s]?**

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11. **According to your knowledge are there any special interest person[s] who lobby for specific standards to be used in your entity or otherwise in Zimbabwe? (What are their lobbying behaviours?**

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In discharging its functions, Section 44(2) of the PAAB Act [Chapter 27:12] states that the Board may, among other things, make regulations prescribing: (a) "auditing standards, accounting standards and accountancy reporting standards for use in Zimbabwe, including the application of internationally recognized auditing, accounting and reporting standards". Section 5 of the same Act outlines the legislative function of the board to include, inter alia: (g) "to represent the views of the accountancy profession on national, regional and international issues." On the 21st of March 2019; the PAAB issued "Financial Reporting and Auditing Guidance on Currency Considerations Under the Environment Prevailing in Zimbabwe."

12. **By any chance were you part of the people who lobbied for these guidelines? How did you do it?**

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13. **On that same note; were you part of the stakeholders who were consulted? Who did you represent?**

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14. **Who do you think should be involved in the standard-setting process? Why?**

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15. **Do you think your involvement in the public sector accounting standard-setting process would improve the fortunes of your organisation or the country? How?**

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16. **What role did you or do you play in public sector accounting standard-setting or adoption process?**

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17. **May you suggest a model that can be efficiently and effectively used to adopt or produce public sector accounting standards for your organisation or Zimbabwe in general?**

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18. **What are your suggested solutions to the problems being encountered in the determination of public sector accounting standards to be used and public sector accounting training in Zimbabwe?**

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APPENDIX 2:

FINANCIAL CAPACITY ASSESSMENT TEMPLATE

A. Background

1.

B. Methodology

C. Key Findings

4.

Area/Observation	Potential Risk	Mitigation Measure
Governance & Management •		

Area/Observation	Potential Risk	Mitigation Measure
Fund Flow		
Accounting Policies & procedures, Budgetary Control and Payments:		

Area/Observation	Potential Risk	Mitigation Measure
Internal Audit		
		.
External Audit		.
Information System	;	

FINANCIAL MANAGEMENT ASSESSMENT

	Department of Finance	**Date of review:**	

Summary of Risks related to the financial management capacity **[** *H- High; S- Significant; M- Moderate; L- Low]*
Please refer to subsequent pages for questions for each area that should be completed and summarized in the sections below.

	Risk Assessment				
	H	S	M	L	Comments
1. Governance & Management					
2. Funds Flow					
3. Staffing					
4. Accounting Policies and Procedures					
5. Internal Audit					
6. External Audit					
7. Reporting and Monitoring					
8. Information systems					

Inherent Risk	
List major specific issues identified in the assessment of the public financial management system (micro-assessment), or specific risks related to the nature or operation of the overall system	1. Governance 2. Staffing 3. Accounting policies and procedures – cash and bank 4. Safe guard over assets 5. Internal audit 6. Information System

Overall Risk assessment	H	S	m	L	**Low (L)**
H- High; **S**- Significant; **M**- Moderate; **L**- Low					

Financial Management Questionnaire

1.1.1 Governance & Management

Subject Area	Yes	No	N/A	Remarks
1. Is the Finance department legally constituted?				
2. Describe the governance structure of the department				
3. Is the department independent? Review the expertise and experience of the departmental staff to ascertain that they understand the council business operations, strategic initiatives and major transactions and may present alternate views.				
4. What is frequency of departmental meetings? Are these meetings minuted?				
5. Does council have adequate policies and procedures to guide its operations? Comment on the adequacy of these procedures?				

Subject Area	Yes	No	N/A	Remarks
6. Does these policies and procedures provide for a code of conduct for conflict of interest resolution, avoiding instances of illegal or other improper payments, corruption, fraud, misappropriation of funds, un ethical and immoral behaviour? Has the council defined key areas of authority and responsibility?				
7. Does council follows ethical guidelines in dealings with employees, suppliers, investors, creditors, insurers, competitors, and auditors?				

8. Are relationships with third parties periodically reviewed to ensure the entity maintains associations only with reputable vendors/agencies?				
9. Are changes to establish relationships with external parties (attorneys, auditors, and bankers) are approved by an appropriate level of management?				
10. Does the council constructively challenge management's decisions, strategic initiatives, major transactions and explanations of past results?				
11. Are the employees aware of and understand the policies regarding acceptable behaviour. Is the importance of ethical behaviour is discussed with newly hired employees through orientations or interviews?				
12. When improper practices are reported to council, are they communicated to all appropriate parties and dealt with in a thorough and timely manner?				
13. Does council receive periodic reports on identified significant risks and the results of actions taken to address them?				
14. Who 'regulates' the financial performance of council and its adherence to norms?				
Risk Assessment (Governance and Management)	**H**	**S**	**M**	

1.1.2 Funds Flow

Subject Area	Yes	No	N/A	Remarks
1. Can the entity receive and transfer funds? Are the arrangements to transfer the funds to the entity satisfactory				
Funds of Council				
2. Have there been major problems in the past in receipt of funds by the entity?				
3. In the past, has the entity had any problems in the management of funds? Please describe				

Subject Area	Yes	No	N/A	Remarks
4. How does council manage fund flow within departments? Does the entity have the necessary reporting and monitoring mechanisms to track the use of funds?				
5. Has the council established controls and procedures for flow of funds, financial information, accountability and audits in relation to the other departments? Does the information among the different offices flow in an accurate and timely fashion? Are periodic reconciliations performed among the different offices? Please describe the process.				
6. Are there any resolutions that allow council to borrow funds from (a) Government entities (b) Commercial banks or Financial Institutions and (c) Retail investors				
7. Does council permit management to lend funds through debt or debt-like instruments to (a) Government entities (b) Commercial entities (c) staff members				
8. Does council invest in equity or in equity like instruments.				

Risk Assessment (Funds Flow)	H	S	M	

1.1.3 Staffing

Subject Area	Yes	No	N/A	Remarks
1. Is the organisational structure of the accounting department appropriate for the level of financial volume envisaged ? Attach an organisation chart.				
2. Is the level and competency of staff appropriate for the level of financial volume? Identify the accounts staff, including job title, responsibilities, educational background and professional experience.				
3. Is the council finance and accounts function staffed adequately? Does council envisage hiring of additional resources?				
4. Are accounts and finance staff adequately qualified and experienced?				
5. Are accounts and finance staff familiar with council policies and procedures?				
6. Are these permanent staff members?				
7. Is there a training policy for the finance and accounting staff? Please describe.				
Risk Assessment (Staffing)	**H**	**S**	**M**	

1.1.4 Accounting Policies and Procedures

Subject Area	Yes	No	N/A	Remarks
1. Does the entity have an accounting system that allows for the proper recording of financial transactions, including the allocation of expenditures in accordance with the respective components, disbursement categories, and sources of funds?				
2. Are controls in place concerning the preparation and approval of transactions, ensuring that all transactions are correctly explained?				
3. Is the chart of accounts adequate to properly account for and report on activities and disbursement categories?				
4. Are all accounting and supporting documents retained on a permanent basis in a defined system that allows authorized users easy access?				

Segregation of duties				
5. Are the following functional responsibilities performed by different units or persons: a) authorization to execute a transaction; b) recording of the transaction; and c) custody of assets involved in the transactions? Explain the authority matrix				
6. Are the functions of ordering, receiving, accounting for and paying for goods and services appropriately segregated?				
Budgeting System				
7. Are approvals from variations from the budget required in advance or on post facto basis?				
8. Who is responsible for preparation and approval of budgets?				

9. Are procedures in place to plan activities, collect information from the units in charge of the different components and prepare budgets?				

10. Are the plans and budgets of activities realistic, based on valid assumptions and developed by knowledgeable persons?				
11. Are actual expenditures compared to the budget with reasonable frequency and explanations required for significant variations from the budget? Are approvals from variations from the budget required in advance or on post facto basis?				
Payments				
12. Do invoice processing procedures provide for: • Copies of purchase orders and receiving reports to obtain directly from issuing authority/departments? • Comparison of invoice quantities, prices and terms with those indicated on the purchase orders and with records of goods actually received? • Comparison of invoice quantities with those indicated on the receiving reports? • Checking accuracy of calculations?				
13. Are all invoices stamped PAID, dated, reviewed and approved, and clearly marked for account code assignment?				
14. Do controls exist for the preparation of the payroll and are changes to the payroll properly authorized?				
Policies and Procedures				
15. Describe the basis of accounting (e.g. Cash, accrual)?				
16. Does council have adequate policies and procedures manual to guide activities and ensure staff accountability?				

17. Do procedures exist to ensure that only authorized persons can alter or establish a new accounting principle, policy or procedure to be used by the entity?				
18. Does the documented process include the following? (1) A code of conduct to avoid occurrence or perceptions of conflicts of interest (2) Methods of procurement and when different methods should be applied, (3) Procedures for requests for tenders, (4) Procedures for bid evaluation, (5) Procedures that are transparent and competitive. Does IP have a good track record of following these procedures?				
Cash and Bank				
19. Indicate in remarks /comments section the names and positions of the authorized signatories on the bank accounts				
20. Are there appropriate controls over management of petty cash including limits over the maximum levels of petty cash held?				
21. Are there appropriate controls built in to the banking arrangements, including for example proper authorization of disbursements, double signatures on cheques and transfers, use of account payee cheques and conduct of regular bank reconciliations				
22. Are all unusual items on the bank reconciliation reviewed and approved by responsible official?				
Safeguard over Assets				
23. Is there a system of safeguards to protect assets from fraud, waste, and abuse?				

1.1.5 Internal Audit

Subject Area	Yes	No	N/A	
1. Is there an internal audit department in the entity or an internal auditor?				
2. What are the qualifications and experience of audit department or internal auditor?				
3. Is the internal auditor sufficiently independent to make critical assessments? To whom does the internal auditor report?				
4. Assess the quality and usefulness of such reviews. Consider quality				
and frequency of audits and follow up.				
5. Are actions taken on internal audit findings? Has the IP management subsequently followed up and addressed these issues				
Risk Assessment (Internal Audit)	**H**	S	**M**	**L**

1.1.6 External Audit

Subject Area	Yes	No	N/A	Remarks
1. Is the entity financial statement audited regularly by an independent auditor? Who is the auditor?				
2. Are there any delays in the audit of the entity? When is the audit reports issued?				
3. Is the audit of the entity conducted according to the appropriate standards on auditing?				
4.Were there any major accountability issues brought out in the audit report of the past three years?				
5. . Are there any recommendations made by the auditors in prior audit reports or management letters that have not yet been implemented?				
Risk Assessment (External Audit)	**H**	**S**	M	L

Note: The effect of audit findings has been taken in section 1.1.4.

1.1.7 Reporting and Monitoring

Subject Area	Yes	No	N/A	Remarks
1. Are financial statements prepared for the entity?				
2. What is the frequency of preparation of financial statements? Are the reports prepared in a timely fashion so as to useful to management for decision making?				
3. Are control procedures in place to ensure the accuracy and integrity of data forming the basis for reports?				
4. Does the reporting system have the capacity to link the financial information with the physical progress? If separate systems are used to gather and compile physical data,				
5. what controls are in place to reduce the risk that the physical data may not synchronize with the financial data?				
6. Does council have established financial management reporting responsibilities that specify what reports are to be prepared, what they are to contain, and how are to be used?				
7.Are financial management reports used by management?				
8.Are financial reports prepared directly by automated accounting system or are they prepared by spreadsheets or some other means? Are these reports reviewed by a responsible official of council?				
Risk Assessment (Reporting and Monitoring)	**H**	**S**	**M**	**L**

1.1.8 Information Systems

Subject Area	Yes	No	N/A	Remarks
processing system safeguard the confidentiality, integrity and availability of the data?				
Risk assessment (Information Systems)	**H**	**S**	**M**	

APPENDIX 3:

CONSOLIDATED CAPACITY ASSESSMENT REPORT 2021

ITEM	ISSUES	COMMENTS	Targets Achieved
KUSILE RDC	a. Last audited in 2014;and financial statements prepared by external auditors or some hired hands. b. No substantive Treasurer c. Internal Auditor; d. Has a housing Officer who does as he wish with Jotsholo properties, including disposals; e. There are serious related party issues resulting in non-retirement of persioneers; f. Has a very enthusiasm council which is let down by the management; g. Has a highly qualified Accounting Team which lacked guidance. Once, capacitated they can perform as expected. h. Not computerised	a) Needed assistance to produce draft final accounts; due to lack of an ERP; b) Recruitment of Treasurer required; c) Recruitment of Internal Auditor; d) The Jotsholo Superatandant to be absorbed into main stream administration of council; e) There need to put policies and standard operating procedures to weaken related party issues; f) Council need to be provided with authentic information by management so that they can make good decisions; g) Council to restructure its finance department to make it vibrant.; and acquire an ERP	a. Council produced and submitted draft financial reports to UDCORP by the 03 May 2921; b. Interviews for a Treasurer have been made by the 31 of May 2021; c. Interviews for an internal auditor were penciled for May 2021, but non of the shortlisted candidates turned up. d. Council need to make sure the Supretandant update the estate records for the whole of council; e. Council to produce policies and operational procedures for the whole of council; f. Council is restructuring of its Finance department and internal interviews were held in May 2021.

HWANGE LOCAL BOARD	a) Outstanding budget for 2021; b) Outstanding audited accounts for the years 2016-2020; accounts had been prepared by Accountants from Vic. Falls but with no success. c) No Financial Director; d) Poor revenue collection; e) Lack of Policies and operating procedures. f) Borrowing of capital funds g) Non production of periodic reports	a. The two senior accounts clerks managed to produce the budget are minimum supervision, meaning that they can do a good job if given proper guidance. b. The council need not out source expertise in the production of financial statements because they have required skills set in their senior accounts clerks. c. Council needs to urgently recruit a Finance Director, and up grade the current skills sets into other vacant posts because they demonstrated that they can do the work if given appropriate guidance and motivation. d. Council should identify all its potential revenue sources and be	a) A team was deployed to assist council with its challenges. The budget was corrected during the assessment period by the senior accounts clerks under guidance. b) Council has since stoped bringing Accountants from Vic Falls City to do reports for them when they have competant staff. c) Council still drafting policies.

		trained in revenue accounting. e. Council must update its current by-laws, policies and craft operating procedures. f. Council must desist from borrowing capital fund for salaries. The borrowed funds must be returned. g. Periodic period reports assist decision to make appropriate decision. Therefore, management must make sure they produce such reports timeously.	
Nyaminyami RDC	a) Systems not in place; policies and procedures not in place b) ERP not properly utilised; c) Treasurer's post vacant; d) Last audited 2014; and financial statements prepared by externally hired people.	a. The absence of policies and standard operating procedures lead to the staffing of the Treasurer department with improperly qualified personnel resulting in failure to produce audited financial statements.	a) Deployment of a Financial Advisor to assist in capacitating council employees;

		b. The post of Treasurer is also vacant and the Acting Treasurer was the former internal Auditor and He and the recruited internal auditor are the only people with accounting qualifications. c. The ERP is not being fully utilised due to skills deficiency.	
Mutare RDC	a) The following issues were brought out in the last of 2017; • Non recognition of road network &bridges in the PPE • Revaluation of assets • Some council land and buildings without title • No inventory listing • Bank reconciliation not prepared timeously • Council buildings not disclosed in council books • No creditors reconciliation	a. Most audit recommendations were implemented;	

	• Non accrual of stand sales No reconciliation of statutory obligations • Manual accounting system b) Policies and standard operating procedures are in place but need up dating; c) Council is using a manual system; d) Council has appropriately qualified key personnel, but is not the case with lower level staff.		
GWERU CITY COUNCIL	a) All HODs are in acting capacities; b) No policies and standard operating procedures and those produced were out dated; c) Key personnel properly qualified but the same cannot be said of lower level staff; d) Valuation roll is out dated - last up dated in 2009; e) Implementing un-gazetted tariffs; f) ERP not fully functional;	a. Need to address issues preventing the appointment of substantive HODs; b. Full automation of council operations required; c. Secondment of team to assist council to put in place a programme on how to address issues related to:- i. Preparation of draft accounts; ii. Asset management;	a. Non.

	g) Internal Auditing done outside the system; h) Facilities and assets not properly and adequately utilised.	iii. Record keeping and information management, iv. Rationalise its finance department.	
GOKWE NORTH RDC	a) Key personnel in acting capacity after wholesome suspension of top management, resulting in serious administrative challenges ; b) Database locked due to non payment of licence fees, that has resulted in trying to reconstruct books manually while waiting for renewal of licence; c) No by-laws, policies and standard operating procedures in place; d) Final accounts had been prepared by the External Auditors because accounting staff was viewed not to be competent; e) Absence of Internal Auditor and Procurement officer.	a. The Acting CEO and his team have the zeal and enthusiasm to turn round the fortunes of council; b. Assistance for the construction of the books was sort and rendered;	a) Capacitation of council to prepare manual books of accounts for 2020 and 2021 done; b) Programme of works put in place to make sure council has produced the 2020 drafts accounts by 30 June 2021; c) Internal Auditor and Procurement Officer were recruited;

VHUNGU RDC	a) Council has full staff complement with key personnel adequately qualified; b) Has too many bank accounts; c) No by-laws, inadequate policies and no standard operating procedures.	a. Council is not performing besides everything seeming to be in order; b. Finance department id failing to manage the budget and having poor revenue collection besides having an array of potential revenue sources.	**a)** Still figuring how to assist them**;**
INSIZA RDC	**a)** Council was last audited in 2018 and is currently working on 2019 draft financial statements.	a. Data capturing of 2019 receipts from source documents was completed. b. Capturing of payment vouchers into the system is currently at 85%. Admin payment vouchers are still pending. c. Depreciation policy was drafted and to be used in the 2019 draft financial statements. d. Capturing of Non-Current Assets is at 85% e. Valuation of Non-Current Assets is at	**a)** Billing is still at 50%.

		50% and is pending capturing of the same. • Debtors take-on Balances- Mining 100%, Farming 100% Housing 40% Overall, 2019 draft financial statements are 60% based on the above activities.	
Redcliffe Municipality	a) Some council by-laws and Policies need to be revised; b) Council does not have standard operating procedures in place; c) Council is under utilising Promun; **d)** There was exhibition of lack of knowledge budgeting process; **e)** Financial department if failing to manage the budget and revenue collection is very low; **f)** Council departments are not well coordinated, resulting silos; **g)** Finance Directors post vacant; and the	**a.** There is urgent need to fill the post of Finance Director; **b.** The Finance department needs re-organising; **c.** There is need for thee budget focal person to make sure that the whole of council is properly trained in Programme Based Budgeting; **d.** Council to upgrade its policies, procedures and its ICT system; **e.**	**a)** Local Government Board expedited the confirmation of the Finance Director; **b)** Axis Solutions (Pvt) Ltd worked on the mapping of the new chart of accounts into the system and other departments are being capacitated to utilise the system;

	department is over staffed with duplication of duties. **h)** Collection of ungazetted tariffs;		
City of Kadoma	Council was last audited in 2017	a) Field work for 2018 audit started on the 12th of April and will conclude on the 18th of May. **b)** 2019 draft financial statements have been sent to the auditor however dates for the commencement of fieldwork have not been established. **c)** Council is working on 2020 draft financial statements with reconciliations	a. Reconciliations for 2020 financial year remain outstanding.

Appendix 4

ANNEX 19 Form GRSD 17

CHINHOYI UNIVERSITY OF TECHNOLOGY RESEARCH CLEARANCE LETTER

1. Name and National ID of Researcher(s). Thompson Marufu — 29-1 34479 k27
2. School (s) Graduate Business School
3. Approved research title: Public Sector Accounting Standard-Setting Process in Developing Economies: Inquiry into Zimbabwe's Convergence and Divergence with International Practice.

TO WHOM IT MAY CONCERN

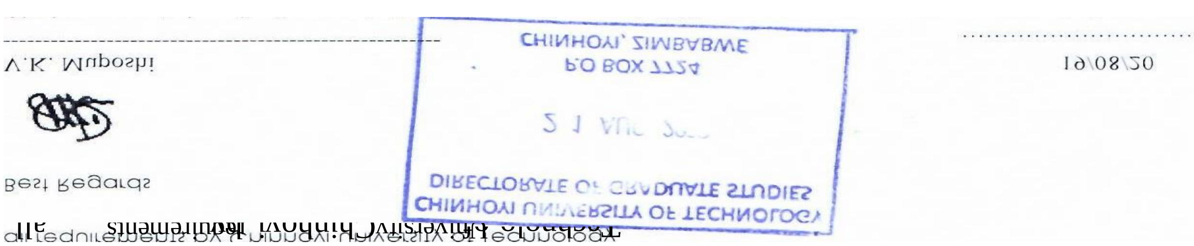
I hereby confirm that the above mentioned Researcher(s) is a Postgraduate Researchers in the School of Graduate Business Studies at Chinhoyi University of Technology. The proposed study met all the requirements as stipulated in the University Policies and guidelines and has been approved by the relevant committees. The proposal adheres to ethical principles as outlined by the University. Permission is hereby granted to carry out the research as described in the approved proposal.

The main objective of the research is to assess the broad due process on public sector accounting standards setting and identify the key players, their roles and specifically to inquire into the convergence and divergence of Public Sector Accounting Standards Setting in Zimbabwe with international practice. The study is expected to bring new knowledge on processes of coming up with checking points for national accounting for resources and their allocations and the theoretical and practical importance of the study to both the theory and practice cannot be over emphasized making it not a blue print for filing.

In addition, the Researchers are urged to adhere to international and national ethical guidelines, and

Chairperson, University Research Committee - Research Ethics Date

Tel: +263 6721 22203-5



APPENDIX 5:

Thematic Analysis Respondents' Opinions

Objectives of the study

a. To investigate the public sector accounting standard setting in developing economies;
b. To analyze agenda formulation for public sector accounting standards setting process;
c. To examine the politics and legal provisions required to regulate the public sector accounting standards process;
d. To identify the steps taken by Zimbabwe in the public sector accounting standard convergence drive.

Thematic frequency tables in line with the research questions			
	Key informants who mentioned the same.	**Total number of key informants**	
		Out of the 51 interviewees	%
What are your views with regard to the use of accounting standards in the Public Sector in Zimbabwe?			
There is no uniform/ standard in the financial reporting as some entities are using IFRS while other are using IPSAS.	RQM13, RQM14, RQM11, RQM12, RQM5, RQM8	6	35.2
Use of accounting standards is important in the public sector because it provides consistence in reporting which improves the financial decision making.	RQM15, RQM17, RQM3, RQM4, RQM7	5	29.4
The adoption of IPSAS improves transparency and accountability as the system minimizes the human intervention of the production of financial reports.	RQM16, RQM6, RQM9, RQM6-AG,	4	23.5

In your view do tertiary Institutions and other colleges provide adequate public sector accounting training/education that incorporates IPSASs?			
Lack of experience among lecturers is making them unable to equip students with proper public sector accounting as they only provide the theoretical side of it neglecting the practical which is vital in public sector.	RQM17, RQM14, RQM6, RQM4, RQM5, RQM6, RQM7, RQM8	8	47
The knowledge which is being taught in tertiary institutions is not adequate leading to public entities finding it difficult to adopt IPSAS.	RQM13, RQM10, RQM11, RQM12, RQM3, RQM6-AG	6	35.2
What challenges are being faced by your institution in assisting the general government in financial consolidation and the adoption of public sector accounting standards if any?			
The use of different chart of accounts in public entities is making the adoption and implementation of IPSAS difficult.	RQM13, RQM4	2	11.7
Resistance to change to adopt to new accounting standards	RQM17, RQM9	2	11.7
Inadequate resources to prepare accounting manuals and policies to facilitate adoption of public sector accounting standards like IPSAS.	RQM17, RQM9	2	11.7
Lack of an updated database of public assets resulting in the government losing assets.	RQM12,	1	5.8
What challenges are being faced by your entity as far as public sector accounting standard-setting or adoption process/teaching is concerned? You may give specific problems encountered in applying standards in your institution.			
Limited institutional capacity to adopt and implement accounting standards	RQM16, RQM16, RQM10, RQM15, RQM5, RQM7, RQM6	7	41.1

There is resistance from the workers who have stayed long in the public sector to migrate to the new system (IPSAS 17).	RQM11, RQM15, RQM8	3	17.6
Lack of legislative support, and regulating framework as the implementation is being funded by the donors.	RQM3	1	5.8
May you give specific problems you have observed being encountered by your development partners in applying standards in their reports.			
Non-compliance to reporting framework to produce standard reports.	RQM17	1	5.8
Most public entities have not aligned their systems with IPSAS and they are still using IFRS.	RQM9	1	5.8
What role is played by your institution in the public sector accounting standard-setting or adoption agendas? What causes the formulation of these agenda[s]?			
Capacity building through funding the implementation process of the financial management systems.	RQM13	1	5.8
Assisting partners to have a standardized accounting reporting system for all local authorities to comply to IPSAS reporting format.	RQM9	1	5.8
Who formulates accounting standard-setting or adoption agendas? What causes the formulation of the agenda[s]?			
The Public Accountant and Auditors Board working with all PAOs.	RQM14, RQM16, RQM5, RQM10, RQM12, RQM7	7	41.1
International Federation of Accountants (IFAC) and the adoption is done by the Government of Zimbabwe through the Ministry of Finance	RQM6, RQM3	2	11.7

PAAB formulates the agenda for the adoption of standards	RQM4	1	5.8
International Accounting Standards Setting Board	RQM4	1	5.8
IAS Board	RQM2	1	5.8
According to your knowledge are there any special interest person[s] who lobby for specific standards to be used in your entity or otherwise in Zimbabwe? (What are their lobbying behaviors?			
Residents' association for local authorities who demand for accountability in public financial matters	RQM13, RQM11, RQM8	3	17.6
The Ministry of Finance and Economic Development leading to ensure that the new standards are adopted in the public sector	RQM16, RQM15	2	11.7
Special groups include the international financial organisations, development partners community, civil society groups with the objective of promoting transparency and accountability in the public sector accounting and reporting function.	RQM10, RQM3, RQM5, RQM7, RQM9, RQM12	6	35.2
External Auditors.	RQM14, RQM17	2	11.7
By any chance were you part of the people who lobbied for these guidelines? How did you do it?			
No	RQM16, RQM10, RQM11, RQM15, RQM4, RQM5, RQM7, RQM8, RQM17, RQM13	10	58.8
Consulted through PAO which makes PAAB which protects the public interest.	RQM14, RQM2, RQM6, RQM12,	6	35.2

	RQM9, RQM6-AG		
On that same note; were you part of the stakeholders who were consulted? Who did you represent?			
No	RQM16, QRM15, RQM2, RQM4, RQM6, RQM13	6	35.2
n/a	RQM10, RQM7	3	17.6
Yes	RQM11, RQM3, RQM5, RQM6, RQM8, RQM12, RQM17, RQM9	8	47
Who do you think should be involved in the standard-setting process? Why?			
All stakeholders as they represent the interest of different groups in the standard setting process.	RQM14, RQM16, RQM2, RQM4, RQM3, RQM6, RQM13	7	41.1
All stakeholders as they represent the interest of different groups in the standard setting process.	RQM14, RQM16, RQM8, RQM6, RQM13, RQM12, RQM17, RQM13, RQM9	9	52.9
Academia and professional as their input assist in fostering the ideal and addressing practical issues associated with the implementation of the standards adopted.	RQM10, RQM15, RQM6, RQM7	4	23.5
Do you think your involvement in the public sector accounting standard-setting process would improve the fortunes of your organisation or the country? How?			
By exposing challenges associated with the public sector financial system and reporting, this makes the decision-makers to be aware of	RQM13, RQM12, RQM17, RQM16,	7	41.1

the exact challenges which need to be addressed	RQM11, RQM4, RQM8		
Input from users contributes to the promotion of a sense of ownership to the system and this reduces resistance to change	RQM14, RQM17, RQM6, RQM10, RQM5, RQM7	6	31.6
Involvement of users of the accounting system in the public sector setting process makes them to be aware of the system they are supposed to use and	RQM17, RQM6, RQM10, RQM5, RQM7	5	29.4
Involvement of citizens would ensure accountability and transparency in the accounting standards setting process.	RQM9, RQM14, RQM6, RQM6-AG	4	23.5
It would ensure that the standards set are operating to improve the corporate governance of public sector	RQM2, RQM3	2	11.7
What role did you or do you play in public sector accounting standard-setting or adoption process? /IPSASs			
Providing advisory role to the central government and development partners on how to adopt IPSAS and implement it in the public sector	RQM12, RQM9, RQM11, RQM3, RQM5, RQM8,	6	35.2
Participation in the implementation phase by facilitation training and capacity building activities that improves competency and efficiency	RQM9, RQM16, RQM15, RQM2, RQM4, RQM6, RQM13	7	41.1
May you suggest a model that can be efficiently and effectively used to adopt or produce public sector accounting standards for your organisation or Zimbabwe in general?			
Partnership with stakeholders and experts with the aim to balance knowledge, resources and skills in producing public sector accounting standards	RQM10, RQM11, RQM7, RQM8, RQM13	5	29.4

The already used model adopted by central government as part of IPSAS adoption process	RQM16, RQM5, RQM12, RQM9	4	23.5
Borrowing from the accounting boards like IPSASB, IASD	RQM15	1	5.8
The model should have interpretations per sector, measurement basis per sector, reporting format per sector, timing reports and assumptions for public sector use.	RQM3	1	5.8
What are your suggested solutions to the problems being encountered in the determination of public sector accounting standards to be used and public sector accounting training in Zimbabwe?			
Government should provide resources and training to capacitate the public institutions with adequate knowledge in public accounting and financial management	RQM10, RQM11, RQM12, RQM15, RQM4, RQM6, RQM7, RQM8	8	47
There is need to develop an inclusive process of accounting policies as to align the accruals accounting in IPSAS to produce a standardized accounting system in Zimbabwe	RQM13, RQM14, RQM17, RQM6-AG	4	23.5
There should be effective information dissemination channels which to enable users to know the system and policies which are being adopted and implemented	RQM16, RQM6, RQM2	3	17.6
Universities and other institutions of higher education should have a curriculum which supports public sector accounting in order to equip the accounting students with the knowledge of public accounting	RQM13, RQM4, RQM5	3	17.6
There should be a steering committee whose responsibility would include development of	RQM9, RQM3	2	11.7

adoption and implementing strategies of IPSAS to achieve standardization of the accounting system in the public sector in Zimbabwe			