

MIDLANDS STATE UNIVERSITY



FACULTY OF COMMERCE

DEPARTMENT OF ACCOUNTING

DISSERTATION

**INVESTIGATING THE IMPACT OF PUBLIC SECTOR ACCOUNTING PRACTISE ON PUBLIC
FUND MANAGEMENT IN MUTARE RURAL DISTRICT COUNCIL**

BY

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**THE DISSERTATION IS IN PARTIAL FULFILMENT OF THE REQUIREMENTS OF THE
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DEDICATION

To Talkmore Muyambo, Nelia Sahari, Remember M and family for their unwavering support throughout the course of my study.

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ABSTRACT

The purpose of this study was to investigate the impact of public sector accounting practice on public fund management in Mutare Rural District Council. Poor implementation of public sector accounting standards and policies that is non-compliance with IPSAS provision by accounting department at Mutare Rural District Council has resulted in failure to manage public funds as evidenced by lack of transparency and accountability, high volume of errors in financial statements, failure to provide basic goods and services to the people it services, led to the need of this research. Literature from various sources was reviewed to obtain different perceptions from different authors on the objectives of the research i.e. to investigate the extent to which MDRC is implementing public sector standards and policies, evaluating if government is performing its duties, of safeguarding that funds are managed properly and identifying problems faced in managing funds. The major contributions were that, implementation of IPSAS has the potential to significantly improve the quality of public sector financial reporting and that the accrual basis of accounting is appropriate for the public sector and this improves transparency and accountability on how public funds are been managed by the council. The researcher distributed 14 questionnaires arrived at using the census approach to employees of Mutare Rural District Council and from the responses found that non-compliance with IPSAS largely impacted on how public funds are managed at MRDC and 100% response from the respondents. Against the background of findings, the recommendation reached was the need for the executives/management of MRDC to embrace IPSAS accrual accounting basis as it positively affects the quality of financial reporting by public sector entities, bringing about improved educated evaluations regarding the resource allotment choices made by governments and other users of the information, consequently improving transparency and accountability on public fund management by public sector entities like MRDC.

LIST OF ACRONYMS

MRDC	Mutare Rural District Council
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Table of Contents

APPROVAL FORM	i
ACKNOWLEDGEMENTS	iv
ABSTRACT	v
The IPSASs will improve transparency in the public sector	xii
The IPSASs will improve accountability in the public sector	xii
CHAPTER 1	1
INTRODUCTION	1
1.0 Introduction	1
1.1 Background of the study	1
1.2 Statement of the problem	3
1.3 Main research objective	3
1.4 Sub objectives of the study	3
1.5 Sub research questions	3
1.6 Significance of the study	4
1.7 limitation of the research	4
1.8 Delimitations of the study	4
1.9 Assumptions	5
1.10 Summary	5
Abbreviations	5
CHAPTER 2	6
LITERITURE REVIEW	6
2.0 Introduction	6
2.1 TO ACCESS EXTENT TO WHICH ORGANISATION USE PUBLIC SECTOR	
ACCOUNTING POLICIES AND STANDARDS. 6	
2.1.1 Definition of the Public sector	6
2.1.2 International public sector accounting policies and standards.	7

2.1.3 Private sector accrual basis and traditional cash basis of accounting	7
2.1.4 Moving to Accrual basis IPSAS standards from Cash basis	8
2.1.5 New Public sector management	10
2.2 TO EVALUATE IF GOVERNMENT IS PERFORMING ITS DUTIES, OF ENSURING THAT PUBLIC FUNDS ARE MANAGED EFFECTIVELY AND EFFICIENTLY.	11
2.2.1 Zimbabwe adoption of IPSAS accrual accounting.	11
2.2.2 Why development of IPSAS instead of adopting it as it is	11
2.2.3 The use approved budget	12
2.2.4 Budget information and compliance with legislation	13
2.2.5 GPFRs General purpose financial reporting by public sector entities	13
2.2.6 Enhanced Comparability	14
2.2.7 Accrual recognition of transactions	14
2.3 TO IDENTIFY PROBLEMS FACED IN MANAGING PUBLIC FUNDS.	15
2.3.1 Costs of Implementation	15
2.3.2 Complexity of the standards	16
2.3.3 Possible conflicts with statutes	16
2.4 Summary	16
CHAPTER 3	17
METHODOLOGY	17
3.0 Introduction	17
3.1 Research design	17
3.2 Mixed approach	18
3.3 Target population	19
3.3.1 Census	19
3.4 Sources of data	21
3.4.1 Primary Data	21
3.5 Data collection instruments	21

4.4.3 Zimbabwe should develop its own set of Public sector accounting standards	34
4.5. Is MRDC facing any problems in implementation of standards and managing public funds?	35
4.6 What is the impact of public sector accounting on public fund management in local authorities?	35
4.6.1 The IPSASs will improve transparency in the public sector	36
4.6.2 The IPSASs will improve accountability in the public sector	36
4.6.3 The IPSASs will improve the quality of internal controls and a good auditing yardstick in the public sector	36
4.7 Summary and Analysis of Interviews	37
4.8.1 Interview Response Rate	37
4.8.2 Duration of years the respondents have been employed in the public sector accounting related profession.	38
4.8.3 Adoption of private sector financial accounting techniques in public sector, for example, in MRDC	38
4.8.4 Since Mutare Rural District Council is already in the process of implementing IPSASs, will this initiative positively affect its financial management?	39
4.8.5 Implementation of accrual IPSASs by the public sector such MRDC in place of the traditional cash basis	40
4.8.6 Development of local public sector accounting standards in Zimbabwe	40
4.8.7 Problems that should be addressed before implementation of the accounting standards to ensure success	41
4.9 Chapter Summary	41
CHAPTER 5	42
Summary, conclusion and recommendations	42
5.0 Introduction	42
5.1 Chapter Summaries	42

5.1.1 Chapter 1	42
5.1.2 Chapter 2	43
5.1.3 Chapter 3	43
5.1.4 Chapter 4	43
5.2 Research Discoveries/findings	43
5.3 Conclusions	45
5.5 Recommendations	46
5.5 Regions of Further Examination	47
REFERENCE LIST	48
Appendix I	53
Appendix II: Questionnaires	54
SECTION I – Demographic Particulars	54
Appendix III: Interview Guide	56
INFORMATION USED TO FOMULATE CHART	57

LIST OF TABLES

TABL E	DESCRIPTION	PAGE
1.1	MRDC annual income budget	2
3.1	Census population chart	20
4.1	Questionnaire response rate	27
4.2	If public sector is implementing private accrual techniques	29
4.3	If Zimbabwe should develop its own public sector accounting standards	34
4.4	Interview response rate	36
4.5	The IPSASs will improve transparency in the public sector	36
4.6	The IPSASs will improve accountability in the public sector	36
4.7	The IPSASs will improve the quality of internal controls and a good auditing yardstick in the public sector	37

LIST OF FIGURES

FIGURE	DESCRIPTION	PAGE
1.1	MRDC Annual Income budget	2
4.1	Experience in Accounting related profession	27

4.2	Experience in public sector	28
4.3	Job title of the respondents	29
4.4	Private sector financial management techniques in public sector	30
4.5	The untimely preparation of financial statements attributable to IPSAS adoption	31
4.6	Feasibility development of accounting standards in Zimbabwe	32
4.7	Political ownership of the IPSAS implementation	33
4.8	MRDC problem/challenges in implementing IPSAS and managing public funds	35

LIST OF APPENDICES

DESCRIPTION	PAGE
Appendix I: Request to carry out a research	52
Appendix II: Questionnaire	53
Appendix III: Interview question guide	54

CHAPTER 1

INTRODUCTION

1.0 Introduction

The chapter introduces the research that is the impact of accounting practice on public fund management in Mutare Rural District Council. This Chapter debates the background of the study showing issues leading to the problem of the study. Research objectives, research questions, delimitations, limitations and justifications of key terms are also discussed in this chapter.

1.1 Background of the study

The study seeks to investigate the impact of public sector accounting practise on public fund management in Mutare Rural District Council. Kumar (2020) agreed that, public sector accounting has a significant influence on public funds management since they improves transparency and accountability. Contrary to, Namhoon (2020) who argued that, public sector accounting has insignificant influence on public funds management.

Different studies (Jones R 2020:6; Steytler et al., 2019:6; Walker et al. 2019) agreed that organisations have to ensure sound accounting systems should be used in local councils to improve public funds management hence this reduces corruption.

MRDC was recognised under Rural District Councils Act and registered operating with the mandate to provide efficient and effective low cost services by inheriting the functions of the earlier sanitary districts, this time with a wider and broader authority over matters such as rural district planning, council housing, playgrounds and cemeteries.

Questions frequently arise on why MRDC is under performing in the eyes of local residents and other concerned parties. MRDC poor implementation of public sector accounting such as adoption of accrual basis by accounting department at Mutare Rural District Council resulting on failure to meet targeted income in its major centres it services has drawn the researcher to undertake this study. This has been witnessed by previous annual budgets over the past 3 years 2017, 2018, 2019 showing negative variances.

<i>Fig1.1 MRDC ANNUAL INCOME BUDGETS FOR 2017,2018,2019</i>									
	2017			2018			2019		
CENTER	Estimates	Actual	Difference	Estimates	Actual	Difference	Estimates	Actual	Difference
ZIMUNYA	342000	300654	-41346	350000	250000	-100000	500000	345890	-154110
ODZI	250000	209800	-40200	250000	180000	-70000	300000	254098	-45902
CHITAKATIRA	166700	150600	-16100	180000	174000	-6000	230000	220050	-9950

(Source) MRDC Management Accounts

According to Pricewaterhouse (2016) local authorities are audited periodically and these exercises are done unprofessionally and they came up infrequently. Hence this is proven by MRDC's 2017 books being audited towards the year end of 2019 due to poor accounting systems resulting in preparation for audit taking much time than expected (audit general report 2018).

According to Andrews (2016), local authorities are funded by grants and rates from local individuals. MRDC has been involved in various projects in Manicaland so as to provide affordable basic goods and services to the people it saves. According to MRDC's record book (2018), some projects were discontinued and they are a lot complains from the local residents.

According to MRDC Treasurer's annual report (2018), he cited that continuous complaints from residents in areas such as Zimunya and Odzi on the issue pertaining to poor roads, lighting, poor sanitations though the council is collecting rates and rent, proves poor implementation of

public sector accounting by the council. However, the research will try to figure out why MRDC is facing challenges in managing public funds.

The research will site problems and give recommendation on management of public funds.

1.2 Statement of the problem

Mutare Rural District Annual budget (2018) indicates that, the council is facing challenges in managing public funds and this evidenced by inadequate fund, poor infrastructure, negative cash flows, lack of transparency and accountability on how public funds are managed, hence this indicates failure in managing public funds.. Poor implementation of public sector accounting standards and policies that is non-compliance with IPSAS provision by accounting department at Mutare Rural District Council has resulted in failure to manage public funds as evidenced by lack of transparency and accountability, high volume of errors in financial statements, failure to provide basic goods and services to the people it services, led to the need of this research.

The researcher seeks to investigate the impact of public sector accounting practise on public fund management by MRDC and redress the problem associated with public fund management.

1.3 Main research objective

To evaluate the impact of public sector accounting policies on public fund management?

1.4 Sub objectives of the study

- To access the extent to which Mutare Rural District Council is complying with public sector accounting policies and standards.
- To evaluate if Government is performing its duties, of safeguarding that public funds are managed effectively and efficiently.

- To identify problems faced in managing public funds.
- To evaluate the impact of public sector accounting on public funds management on Mutare Rural District Council.

1.5 Sub research questions

- To what extent is MRDC is complying with public sector policies and standards?
- What measures are being taken by central government to ensure that public funds are managed effectively and efficiently?
- What problems are being faced by MRDC in managing public funds?
- What is the impact of public sector accounting practise on managing public funds in local authorities?

1.6 Significance of the study

Research seeks to investigate the impact of public sector accounting practise in MRDC. Research findings will assist local authorities especially MRDC to manage public funds effectively through the use of public sector accounting effectively.

1.7 limitation of the research

- I. Finance – Approach used in data collection that is the case study approach limits the researcher to generalise findings from the entire local government sector in Zimbabwe as it is costly.
- II. Time – the period under review is very short and it cannot be enough to allow the researcher enough data with very useful and complete paper. However the researcher

will employ quantitative and qualitative research method to come up with a comprehensive paper.

III. Confidentiality – Data collected is confidential and access to it is limited. The researcher guaranteed the MRDC’s management that the information will only be used for academic purposes.

1.8 Delimitations of the study

Period of 2017 to 2019 will be used by the researcher so as to come up with a comprehensive research paper showing recent activities by the council. The researcher was attached to MRDC during his working related working for period of Aug 2018 to July 2019 and if any information pertaining to educational purpose the council would be available.

1.9 Assumptions

The research assumes that MRDC and targeted respondents will be cooperative and provides true and reliable information.

1.10 Summary

The chapter covers the introduction, gave background of the study, research objectives and research questions, delimitations and limitations of the research. The next chapter explains the research objectives, focusing on the related literature connecting to public fund management and public accounting policies and standards.

Abbreviations

MRDC – Mutare Rural district council

CHAPTER 2

LITERITURE REVIEW

2.0 Introduction

It seeks to find out what other researchers, writers, authors says about public fund management and public accounting policies and standards in public sector entities such as MRDC. Research questions built from research objectives are answered in this chapter reviewing what other authors and trustworthy scholars published.

2.1 TO ACCESS EXTENT TO WHICH ORGANISATION USE PUBLIC SECTOR ACCOUNTING POLICIES AND STANDARDS.

2.1.1 Definition of the Public sector

According to Kurebwa *et al.* (2019), public sector is part of national economy, government and state agencies, and such items as all state funded agencies that are concerned with the provision of public goods, programs and services, such as MRDC as it provides service to the public. The researcher argued that, numerous features of public sector such as MRDC and features of private sector that are profit oriented differ in theoretic review

Macro (2019) identifies the following features related to the public sector, the high volume and financial significance of non-exchange transactions further classified into taxation and other non-exchange transfer and non-market oriented goods and services provision, the significance of budget as a statutory document, the nature of property, plant and equipment, its main purpose to the entity, the public sector assumes, the ownership or control of natural resources, regulatory law making mandate, the nearly eternal going concern of the public sector.

Kumar (2019) argued that, the public sector is a wide-ranging structure with central government in the core, with a lot of entities outlets such as government, this proven by MRDC's provision

of essential goods and services at affordable prices so as to ensure every citizen have access to basic commodities and services such as residential stands.

KPMG (2019) identifies cash basis system of financial reporting has been used by public sector entities for a long period. The researcher characterised the private sector with accrual basis system and according to the conceptual Framework accrual basis is now a requirement. This leads to the investigation on the impact of public sector accounting practise on fund management at MRDC as it not clear if MRDC is adopting private accrual bases or traditional cash bases.

2.1.2 International public sector accounting policies and standards.

(IFAC 2015) confirms that the IPSASB develops accounting standards for public sector entities referred to as IPSASs. Mudariki (2016) argues that IPSAS are collection of cash based and accrual based, IFRS converged international financial reporting standards developed specifically for use by public sector organisations such MRDC. WHO (2018) concludes that the standard has the support of many governments, developing organisations and accounting professional bodies from all over the world and targets to improve transparent and accountability of financial reporting in public entities. These discussion seek to investigate the impact of public sector accounting practise on fund management at MRDC since transparency and accountability is questionable in Zimbabwe local authorities and this is evidence by the council failure to meet Auditor general (2018) due dates to complexities and difficulties in gathering and representing councils data. Therefore the researcher sought to examine extend at which MRDC is applying these policies.

2.1.3 Private sector accrual basis and traditional cash basis of accounting

Moretti (2016) argued that, these are different bases of financial reporting used to decide when and how to recognise, measurement and disclosure of transactions in public sector entities such as MRDC. Cash basis recognises and records transactions on the receipt of consideration (Moretti 2016). Accrual basis transactions record in the period the event occurs even before receipt of cash thus matching concept (Moretti 2016). This is evidenced as MRDC records transaction only after receiving a consideration.

WHO (2018) found that, IPSAS adoption grants an important adjustment to accrual based system from the traditional cash based system and this benefits with clear reflection of financial position and comparability. The researcher argued that, Accrual accounting benefits on the quality of general purpose financial reporting.

WHO (2018) found that, in recent years most governments, for example South African government, shifted to accrual basis and engaging in many reforms such as financial reforms leading to a positively change to accrual basis.

Mhaka (2014) states that, adoption of IPSAS sponsors transparency, financial information under IPSAS is carried through financial statements and under cash basis the financial statements only consist of cash book for recording receipts and statement of cash flows which only investigate cash movement. Moretti (2016) argued that, traditional cash system do not apply matching principle of charging expenses to income generated and deadlines. Mhaka (2014) states that, public sector standards discloses equity thereby encouraging comparability as compared to traditional cash basis where it is unknown. IPSASB (2019) states that, the accrual basis seized to be an assumption and became mandatory for all IFRS based financial reporting as required by conceptual framework. Accrual accounting basis records for both

sectors and that makes it dependable since it can be used both sides as compare to the traditional cash basis which only applies to public sector (Moretti 2016).

2.1.4 Moving to Accrual basis IPSAS standards from Cash basis

According to IFAC (2017) MRDC can adopt accrual basis IPSAS smoothly since its traditional cash basis is functional, as IFAC argued that, for a public entities planning to adopt the accrual IPSASs, they must have a traditional cash basis already in place. According to Deloitte (2017), Public sector organisations shifting from cash basis system to accrual basis system may need to enhance supplementary accrual information on their disclosures. Challenges are likely to be encountered during implementation of IPSAS although they are benefits related with these IPSAS implementation, these expected challenges includes regular identification and assessment of financial statements components, for example on the date of adoption they may be valuation of assets and liabilities, lack of technical resources like lack of qualified accounting personnel in public entities hence support at highest executive may become a problem leading to failure in adoption and issues of consolidation of government controlled organisations like MRDC financial statements.

Cavanagh *et al.* (2016) states that, for a successful adoption of IPSAS standards, an satisfactory traditional cash basis must in place, public entities such as MRDC planning for the shift must be well equipped for example they must be qualified work force such professional Accountants and information system expert and finance to employ such workforce. The researcher goes on arguing that they must be full support coming from the high political executives. Since MRDC have support from it government on the implementation of accrual base system it can be successful as Musarurwa (2020) states that, in terms of implementation strategy plan, Zimbabwe target is to implement IPSAS for the whole of government by 2025. However due to lack of professionals such as accountants public sector entities such MRDC may find it difficult to shift to accrual basis IPSAS as these factors are considered as requirement by

Cavanagh *et al.* (2016) for this move to be a success. The above discussions solidifies the purpose of the research seeking to evaluate the impact of public sector accounting practise on public fund management at MRDC and also the extent on which MRDC is implementing accrual basis.

2.1.5 New Public sector management

According to Marko (2019), a lot changes has affected the public sector authority for example decentralization, deregulation, and result based management and also emerging of private sector management and accounting policies. The above changes or reforms are denoted as NPM. According to UNNECA (2003) they are management exercise stresses out importance of citizen concentrated activities as well as accountability for findings. Marko (2019) argued that managerial changes in public services and submission of numerous management techniques highly adopted from the NPM. According to the researcher, the achievements from NPM has motivated the researcher to do this research. Main objective of NPM is for public sectors such as MRDC to be transparent and accountable on how they manages public funds to the people it serves as they are the one who contribute operational fund(UNECA 2003). According to Marko (2019), public sector organisations such as MRDC are linked to lowly service delivery, mismanagement of funds, and lack of transparency just but to mention a few and the introduction of NPM was brought about to reduce this incompetency in public entities. However due to slow parse in implementing the NPM by public entities such as MRDC, the wish to eliminate the incompetency and lack of accountability and lack of transparency has failed (Marko). Ofoegbu (2016) argued that administration of private sector need to apply private sector resources and financial accounting policies to public sector organisations for example local authorities such as MRDC. Other African governments have in encompassed NPM and engaged in various reforms which gradually shifting to private sector accounting basis and abandoning the cash basis accounting practise (Ofoegbu 2016). Due to challenges

faced by Zimbabwe in reforms including financial management reforms having resulted to failure to adopt NPM by MRDC, as Mhaka (2014) argued that engagement in reforms including financial management reforms can help easy adoption of NPM.

According to Marko (2016) the introduction of NPM was supported by IPSAS, accrual accounting standards by the IPSASB. This has drove the researcher to investigate and to find out the extent to which MRDC is implementing NPMs.

2.2 TO EVALUATE IF GOVERNMENT IS PERFORMING ITS DUTIES, OF ENSURING THAT PUBLIC FUNDS ARE MANAGED EFFECTIVELY AND EFFICIENTLY.

2.2.1 Zimbabwe adoption of IPSAS accrual accounting.

Zimbabwe publicized that it was going to shift from traditional cash basis system to IPSAS in mid-2012 (McFie 2016). According to Mhaka (2014) in Africa most governments are associated with traditional cash basis of accounting, and Mhaka argued that accrual basis of accounting is the best in records maintenance. World Bank (2018) states that, very few countries in Africa have fully adopted IPSAS. McFie (2016) states that, Zimbabwe has openly existing IPSAS adoption strategy. In terms of implementation strategy plan, Zimbabwe target is to implement IPSAS for the whole of government by 2025 (Musarurwa 2020). Musarurwa (2020) argued that, accepting the use of IPSAS will help public sector entities like MRDC and its stakeholders to have an appreciation of future economic effect of what they are doing now that is decision on political side, on their performance particularly financial position, performance, net asset changes and cash flow changes. ESAAG requires IPSAS adoption by all its member and Zimbabwe as a member has accepted and announced the adoption in 2012 (McFie 2016). However as stated by Musarurwa (2020) in terms of implementation strategy Zimbabwe has no plan yet and as a nation it is targeting fully implement IPSAS by 2025. Such different opinions

in accounting practise by different governments drove the researcher to investigate the position of Zimbabwe on IPSAS adoption.

2.2.2 Why development of IPSAS instead of adopting it as it is

Musarurwa (2020) argues that, IPSAS were developed by IPSASB assuming that governmental entities are universal, none the less, public sectors in the whole world differs depending on geographical locations, political and law-making arrangements and environments. According to Marko (2019), different governments are making their own standards which are suitable for their own countries and these developed standards are in line with the requirements of IPSAS and this benefits retain nation's sovereignty. Musarurwa (2020) argued government may need to develop its own standards for those standards that are very difficult to adopt and very costly.

2.2.3 The use approved budget

Preparation of budgets is a mandatory to most public sector entities such as MRDC, in support of this Reichad *et al.* (2017) highlighted that, it is a constitutional requirement by most jurisdictions to prepare and make publicly accessible approved budget by the legislature. Reichad *et al.* (2017) states that, the law-making body (or proportionate) practises oversight, and constituents and their chosen delegates consider the element's administration monetarily responsible through the financial plan (budget) and different systems. MRDC utilizes approved budgets to get endorsement for spending and this is upheld by Bleyen *et al.* (2017) who states that, the endorsed budget is the reason for setting tax collection levels, and is a piece of the procedure for acquiring authoritative endorsement for spending.

In view of the endorsement spending's importance, data empowers clients to contrast monetary outcomes and the financial plan encourages an appraisal of the degree to which an open area

element has met its financial related goals (Rierchad 2017). Such data advances responsibility and advises dynamic in ensuring spending plans are supported by Bleyen (2017) who states that reporting against spending plan is usually the component for exhibiting consistence with legitimate necessities identifying with the open accounts, and this is prove by MRDC' s preparation of budgets every year.

2.2.4 Budget information and compliance with legislation

Commonly, an administration endorses and makes openly accessible an annual budget (Riechad *et al.* 2017). As indicated by researcher, approved budget furnishes concerned gathering with money related data about the element's operational designs for the future time frame, its capital needs and its administration conveyance objectives and desires. It is utilized to legitimize the raising of resoures from taxpayer and different resource suppliers (Riechad *et al.* 2017)

A few resources to help the exercises of public sector organisations, like MRDC might be acquired from contributors or donors, loan specialists or because of exchange transactions and this is bolstered by Bleyen *et al.* (2017) who argued that, resoures to help the exercises of public sector organisations are mainly given in non-exchange transactions by citizens and others, predictable with the desires reflected in an approved budget. Because of these conversations, this exploration tried to research the impact of public sector accounting practice on public fund management at MRDC and the degree to which MRDC is utilizing endorsed budgets.

2.2.5 GPFRs General purpose financial reporting by public sector entities

Wynne (2016) states that, GPFRs gives information about the money related outcomes (regardless of whether portrayed as "excess or deficit," "profit or loss," or by different terms), performance and cash flows of the entity during the detailing time frame, its assets and liabilities at the reporting date and change in that during the announcing time frame, and its service

delivery achievements. As indicated by Wynne (2016), most governments could improve the nature of their financial related reports in the event that they focused on 'best practice' instead of implementing IASs that might be increasingly difficult to comply with. Andernack (2016) argued that, the components of 'best practice' are timeliness, understandability, openness or transparency and consistency.

The incorporation inside GPFRs of information that helps users in evaluating the degree to which incomes, costs, cash flows and financial related outcomes of the entity comply with the estimates reflected in approved budgets, and the entity adherence to relevant legislation or other position administering the rising and utilization of resources, is significant in deciding how well an open public sector has met its budgetary targets (Wynne 2016). Anderanack (2017) argued that, such data is fundamental for the release of a government's or public sector entity's responsibility to its constituents, upgrades the appraisal of financial performance of the entity and will inform decision making. Because of these conversations, this exploration looks to examine the impact of public accounting practice on public fund management at MRDC and the degree to which MRDC introducing it budgetary utilizing these GPFRs.

2.2.6 Enhanced Comparability

IPSAS as a uniform standard applied over all local municipalities of a nation around the world, carries with it similarity which permits users of financial reports to settle on target decisions (Ernst and Youthful 2016). This is in accordance with the IPSAS Framework, target of financial reporting, for example to give information to the users of financial statement about the utilization of assigned resources (Mhaka, 2014). The reception of IPSAS prompts progressively extensive data arranged and disclose which strengthens stewardship, responsibility, transparency and similarity which upgrades the quality of budgetary reports encouraging choice value for the users of financial reports, (Rumney 2017). From these conversations, this examination looks for explore the degree to which MRDC give data to the user of its financial reports about the utilization of distributed resources.

2.2.7 Accrual recognition of transactions

The public sector engages in a numerous long term contracts portrayed by delayed instalments which sets cash basis system susceptible to reporting distorted information to users (Rumney 2017). The researcher is additionally of the view that the system presents a reasonable report picture and structure of what the organisation possesses and owes since accrual accounting focuses on assets and liabilities, equity, income, costs and cash movement through its statement of cash flows.

Traditional cash basis system of accounting can't achieve transparency, quality financial reporting and clear responsibility by government but will basically report a piece of the total operational picture (Rumney 2017). Public sector, non-profit making associations and metro associations, for example, MRDC should be transparent and responsible in the entirety of their exercises to the general population, as people in general are the one contributing the funds for daily tasks. Cavanagh (2016) underpins this view as he expresses that, accrual accounting basis improves decision making through capturing and reflection of all cost and related yields accordingly and the directors or management are considered responsible for all expenses related with the yields delivered.

2.3 TO IDENTIFY PROBLEMS FACED IN MANAGING PUBLIC FUNDS.

2.3.1 Costs of Implementation

Anderneck (2016), holds that the adoption of accounting standards can't exclusively ensure the quality of financial reports but that related to the quality of the regulatory framework. Anderneck (2016) contending that, in spite of the advantages related with IPSAS selection, the costs related are additionally unavoidable, both money related and non-monetary, for example, time. For instance, training resources will require enormous money related expense consultancy costs, IT and ERP implementation costs will be brought about to guarantee an almost certain fruitful usage which almost certain going to require a lot of time (Mhaka 2014). This is proved by disappointment by MRDC and other public entity to employ profoundly qualified workforce such as professional accountant or disappointment by Zimbabwe local authorities like MDRC to have its own IT department as these are described by significant expense hence cost of implementation is excessively high for local authorities such MRDC.

Anderneck (2016) declares that the selection and usage of IPSAS is almost certain to be costly with the end goal that some expects have questioned its much promoted paybacks and such having seen more than arranged time spans in adoption of the standard by different states. Anderneck (2016) is likewise of the view that a lot of time and financial resources should be invested in the arrangement and getting ready for the progress to guarantee achievement of the change to IPSAS. In 2012, Nigeria and Zimbabwe reported that they would change to IPSAS in 2013, Nigeria sensibly moved its cash basis IPSAS to 2014 and 2016 for accrual basis IPSAS, and this demonstrates how much consideration that should be paid to a change of its greatness (McFie, 2016).

2.3.2 Complexity of the standards

Accrual based accounting is more complex and requires more specialized ability and expanded proficient judgment for example financial instruments, employee benefits and property valuations, Anderneck (2016) keeps up that professional accountants, controllers, accounting instructors, and preparers of financial statements are completely required to cooperate to guarantee a smooth progress. MRDC may face the practical implementation challenge since it requires professional accountants` auditors and controllers who are hard to find in the public entities, (Martins, 2016). Furthermore, this is confirm by gathering for example MRDC inability to employ highly qualified accountants and able workforce and missing of significant department such IT office as this is exceptionally expensive, subsequently appropriation of standards with normal workforce is difficult.

2.3.3 Possible conflicts with statutes

Alterations to the current laws might be required in the implementation procedure (Kurebwa 2019). The public sector accounting in Zimbabwe is mostly administered by the public fund management Act [chapter 22:19] and local authorities are likewise represented by Urban council Act [chapter 29:15] and the RDC Act [chapter 29:13] that is overseeing MRDC. The arrangements specified by these Acts and the IPSAS may struggle materially requiring the regulators to merge the Acts and the IPSAS for smooth progress, (Mhaka, 2014) and (Kurebwa, 2019).

2.4 Summary

The part looked into public sector accounting policies literature and objectives, focusing on the requirement for the exploration to build up the impact of these public sector accounting policies on fund management at MRDC. In the following part the examination investigations and legitimizes the techniques utilized in information and data gathering. The exploration structure and the populace study will likewise be talked about.

CHAPTER 3

METHODOLOGY

3.0 Introduction

This section features the research methods and procedures organizing the lead of the investigation and the justification thereof. In order to permit the down to earth use of discoveries to other rural district councils of Zimbabwe. The researcher embraced a case study approach so as to gather information from various sources. It shows the best appropriate examination instruments utilized by the researcher so as to come up with reliable and valid data best addressing research objectives. The chapter sets out how information will be presented and analysed in the accompanying section.

3.1 Research design

There is the requirement for researcher freedom and balance of assessment concerning the subject under investigation for the most possible chance of reliable and verifiable conclusive evidence. Both qualitative and quantitative examination components from a case study research plan where incorporated in this exploration looking for casual and numerical clarifications on impact of public sector accounting practise on public fund management in MRDC, for the most part diminishing the entire extent of discoveries to the least difficult yet undistorted components so as to encourage examination. Qualitative and quantitative objectives of this examination shows the worth joined in utilizing the blended methodology, with quantitative components managing the collection and investigation of measurable figures and outlines then qualitative managing the conversations on the impact of public sector accounting system on public fund management through subjective articulation. The contextual analysis configuration offers the specialist with a comprehension on the impact of public accounting policies on public fund management focuses from the perspective of people straightforwardly associated with the region being investigated on.

As indicated by Sileyew (2019), the conversation above is the case study plan as the examination configuration depends on various sources to explore an exploration issue prompting definitive proof from a superior educated position and because of its capacity to bring numerous implications of individual encounters, social and verifiable developed implications with the purpose of building up the impact of public accounting policies on public fund management in MRDC offering an inside and out investigation to the research problem, narrowing the expansive field of investigation into scarcely any researchable units and permitting speculation of discoveries to comparative exchanges.

3.2 Mixed approach

As per Sileyew (2019), mixed approach includes the assortment, breaking down and joining of quantitative and qualitative information in zones under investigation. The researcher utilized this technique as it gives an increasingly complete and exhaustive comprehension of the examination issue than just utilizing any of the strategies. By blending quantitative information which incorporates close-finished data like estimation of the impact of accounting policies in public sector and how they help in public funds and subjective information which comprises of open finished data like unhindered assessments of target populace towards the existing public sector accounting standards and policies and how public funds are been managed through polls, the analyst gains in broadness and profundity of comprehension and confirmation, while balancing the shortcomings characteristic to utilizing each approach without anyone else.

The blended examination gives a way to deal with rising better, more setting explicit exploration instruments that seek after to address the subjective and quantitative attributes of set up research targets. For example, it is conceivable to accumulate data about the effectiveness of public sector accounting practises in management of public fund so as to build up an instrument with more prominent develop legitimacy by utilizing the subjective component in a blended methodology, that is, an instrument which impartially quantifies what it expects to gauge. Utilizing both subjective and quantitative exploration techniques hence strengthens the investigation of the commitment of public sector accounting practises towards management of public funds, legitimizing the requirement for a blended methodology for this examination.

3.3 Target population

Populace are on the whole components, people, or units that meet the determination standards for a gathering to be contemplated and from which a delegate test is taken for itemized assessment (Wole 2018). The analyst utilized a gathering of 14 people with an immediate relationship with MRDC as the populace reasonable with the end goal of this examination. The populace, which comprises of, the finance department staff and finance management of MRDC and the rate payers representative of MRDC registered with the council as rate payers and in the council database, were to answer a questionnaire designed with objectives conscience so as to establish knowledge pertaining public fund management at MRDC.

3.3.1 Census

Because of the generally small size of MRDC populace, the researcher gathered information from an evaluation with the goal that it turns into a count of the entire components of the entire populace. A census is a method of deliberately getting and recording data about and from individuals from a focused on populace or individual specification and all-inclusiveness inside a characterized domain (Romani 2015). The researcher included that the enumeration approach is utilized to separate progressively dependable information inferable from the presence of a little arrangement of people involved in the objective populace. In such manner, the registration of this examination included finance management, accounting personnel, bookkeeping work force and the representative of MRDC. However since the rates payer occupies a large number, the research chose to gather information from their representatives. Table 3.1 underneath shows the populace measurements of the registration populace of MRDC secured by the specialist.

Table 3.1 Census population chart

Population targeted	Number of employees	Census population

Finance management	2	2
Finance committee	4	4
Revenue officers	2	2
Accounts clerks	4	4
Rate payers representatives	2	2
<i>TOTAL</i>	<i>14</i>	<i>14</i>

From the focused on populace measurements featured in Table 3.1 above, it is clear that it will be treacherous to utilize examining on the little populace circulation as bolstered by Romani (2015), advocating the researcher settling on an evaluation way to deal with assemble adequate, satisfactory and solid information which improves the discoveries and finishes of the examination since there is no testing blunder.

3.4 Sources of data

3.4.1 Primary Data

To acquire a foundation of MRDC's management of public fund and potential difficulties, the researcher utilized original material dependent on direct declaration of real portrayal. Information accumulated by the researcher was cutting-edge and especially identified with public fund management and was along these lines fit to the examination issue of getting to the impact of public sector accounting policies on public fund management. Direct data on open reserve the board was assembled from the respondents and from this data, the analyst had the option to make inferences on the topic understudy. Essential information gathered included both subjective and quantitative parts of the examination, with data identifying with sentiments on

how MRDC can improve its administration of rate payer's money. The level of inventiveness, exactness and direct importance of essential information to the investigation drove the analyst to assemble the information from the MRDC populace influenced by the examination by method of statistics. What's more, essential information additionally gave the researcher an increasingly practical knowledge about the public funds management issues viable because of its capacity to meet tailor fit needs and exploration destinations through focus on exact data and its capacity to yield reasonable returns (Sileyew 2019). Different instruments and strategies for essential information assortment can be utilized and these incorporate meetings and surveys (Sileyew 2019).

3.5 Data collection instruments

Data collection instruments are defined as tests, questionnaires, interview schedules or guides, rating scales and survey plans or any other forms which are used to collect information on substantially identical items from respondents (Wole 2018). So as gather data to the research problem the researcher used questionnaires.

3.5.1 Questionnaire

As indicated by Kumor (2012), a questionnaire is a lot of composed inquiries on a sheet with spaces given to respondents to answer to the inquiries. The exploration continues alluding it as a set of enquiries and questions customized to get reactions and responses from members according to the issue under examination. To empower the estimation of exploration suggestions, the survey attempts to build up the general disposition of inhabitants and other concerned gatherings towards board administration and the degree to which public sector accounting policies are implemented in managing public fund in MRDC. As indicated by (Sileyew 2019), questionnaire are financially savvy as one lot of set up questions can be utilized

for all respondents without the requirement for setting up occasions however they are tedious as people take as much time as necessary to finish them, in short they cut off costs and time devoured by interviews upgrading consistency as respondents get questions explained in the very same way. The nonappearance of a standard measure to survey respondents' inspiration in finishing the questionnaire drives the principle down drop of polls to this examination and this may effect on the legitimacy of reactions sent. The researcher utilized open finished inquiries to offer space to respondents to spur their reactions with unlimited opportunity and shut inquiries for a snappier reaction rate accordingly, and for the motivations behind this exploration.

3.5.2 The Likert scale

The researcher utilized the Likert scale as a psychometric scale to accumulate essential information for quantitative targets as it estimates perspectives and sentiments towards obligation assortment rehearses and fortifies members' emotions and affirmation to the obligation assortment process. As proposed by De Villiers (2018), the scale guides respondents through a symmetric concur - differ check for a progression of organized good and troublesome inquiries, for this situation identifying with obligation assortment methodologies to which respondents will communicate a conclusion. It is a brisk and moderately simple strategy in evaluating the viability of inner, redistributing, proactive and authorization obligation assortment methodologies in the red recuperation and results in simple to break down information and dependable ends not influenced by uncertainty or error through permitting respondents to communicate their degree of understanding or difference to the obligation assortment process without going past the goals and extent of the examination. From the examination of likert scale reactions, the specialist will have the option to make measurable inferences on the adequacy of obligation assortment procedures paying off debtor's recuperation.

3.6 Data presentation and analyses

3.6.1 Data presentation

Potter (2016) gave that information introduction methods needs to guarantee that information is summed up in a progressively significant and intelligent way, making understanding moderately simpler and basic. Potter (2016) at that point expresses that for simpler and powerful investigation, the initial step is gathering and grouping of comparative information. The researcher expresses that quantitative and subjective information is introduced independently. Subjective reactions are introduced subjectively utilizing a topical methodology which concentrates the specialist on the general clarification of targets. Figures were utilized for introducing information quantitatively through pie diagrams and charts to create comprehension of essential information gathered, from which investigation is led and ends drawn.

3.6.2 Data analysis

Information investigation (both subjective and quantitative) including making derivations by precise and target assessment of sent reactions by respondents was likewise done by the specialist. Investigation included clarification of introduced diagrams, pie outlines, tables and this were arranged and determined utilizing exceed expectations, simultaneously identifying with writing from different researchers in order to find out to examples of similarity or uniqueness and get significant powerful ends from those examinations.

3.7 Reliability

The researcher directed this exploration with cognizance on exactness and precision by utilizing surveys best fitting to a mixed approach, permitting the analyst to accumulate information which can be confirmed by resulting investigates absent a lot of take-off from the basic standards of this examination, and which can be applied to establishments inside the coordinating business. The analyst focused on respondents legitimately connected to MRDC's

accounting and finance activities and utilized a solid strategy for information assortment and estimation to the focused on evaluation populace bolstered by set up setting to give unwavering quality and trustworthiness to archived results, which when contrasted with comparable investigates will have no material deviation subsequently the information can be depended on.

3.8 Validity

Legitimacy involves the degree to which an instrument is equipped for estimating what it indicates to gauge so as to have significance (Smithson, 2016). The analyst figured out how to arrive at the objective populace made out of representatives of MRDC making the essential information gathered legitimate. The reactions showed consistency with planned classes of information and expanded the validity, confirmation and the level of dependence that can be set on the discoveries. The analyst based questionnaire to destinations of the examination to fence against outside the realm of relevance reactions and to guarantee that information accumulated identifies with the issue, falls inside the time span under investigation and is certain.

3.9 Ethical consideration

The research valued the moral estimations of the respondents during the lead of the examination and guaranteed member's non-divulgence of their personalities and reactions sent thereof. By guaranteeing privacy, the analyst guaranteed legitimate bona fide recognitions and suppositions on the issue under investigation. The researcher likewise refreshing authority working long periods of respondents and guaranteed that assortment of information was finished during favoured hours.

3.10 Summary

The above Chapter discussed issues concerning to the research methodological framework, research design, data sources and collection methods used by the by the researcher. Having discussing how data is going to be composed, the coming chapter reviews the results and discussions thereof.

CHAPTER 4

DATA PRESENTATION, ANALYSIS AND FINDINGS

4.0 Introduction

The section of the research paper focuses on data presentation and presents an analysis of discoveries in regard to information gathered by the writer during the data collection process. The section likewise focuses on the examination of the primary data discoveries acquired mostly through questionnaires. The analysis of data is done using appropriate data presentation instruments for the various cases, for example, pie outlines, reference charts and section diagrams

4.1 The questionnaire response rate

The writer gathered primary data from the Accounting department, Finance the executives and income officials. The writer figured out how to arrive at the targeted populace who were representatives of MRDC making the first hand information gathered substantial. Fourteen questionnaire were sent to respondents and all the surveys were taken care of by the respondents, giving a survey reaction pace of 100% accordingly making the gathered information profoundly solid. The accompanying table 4.1 shows the survey reaction rate.

Respondents	Number of questionnaires distributed	Number of questionnaires returned	Response rate
Finance management	2	2	100 %
Finance committee	4	4	100 %
Revenue officers	2	2	100 %
Accounts clerks	4	4	100 %
Rate payers representatives	2	2	100 %
<i>TOTAL</i>	14	14	100 %

Table 4.1: Questionnaire responds rate

As shown in table 4.1 more than, an entirety of 14 questionnaire survey were distributed, 100% response rate was accomplished by the researcher. Yount (2016) argued that, for a practical assessment and sensible decisions in regards to the issue under study, they ought to be a response rate of not less than two thirds or 66%, and with a response rate of 100%, the investigation can make significantly solid information.

4.2 Demographic response

Demographic questionnaires seek after to decide the experience of respondents in any bookkeeping/accounting related profession, involvement with public sector accounting, the office and the activity titles of the respondents at MRDC.

4.2.1 Experience in an Accounting Related Profession

The respondents have been in any accounting related profession for different years, summarized into under 5 years and 5 years and more in figure 4.1 underneath.

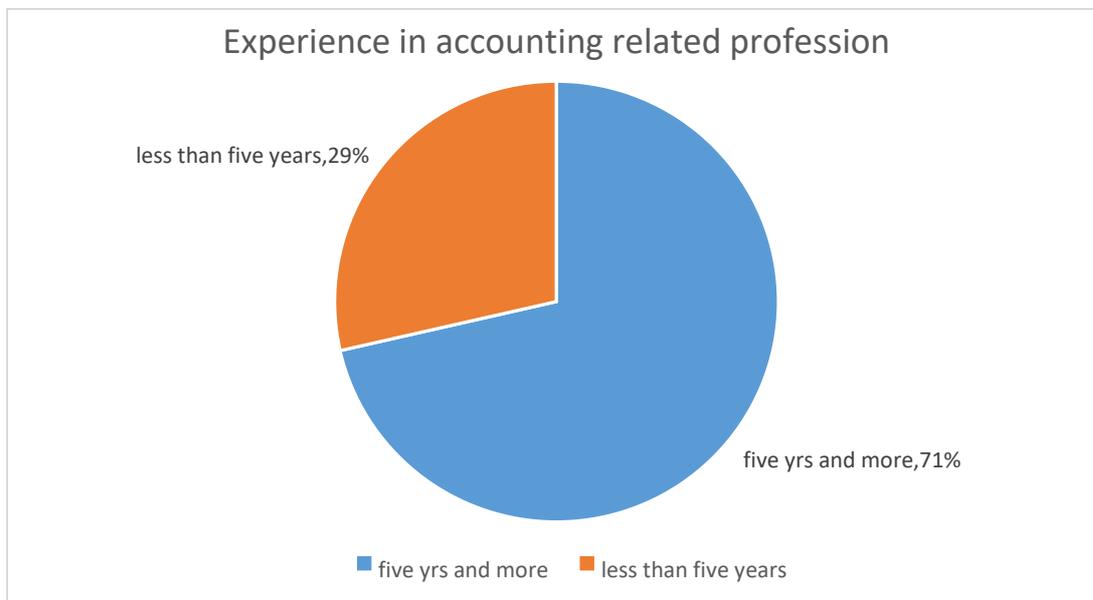


Figure 4.1: experience in accounting related profession

The question seeks to discover the long stretches of understanding of the respondents in public accounting related profession. Figure 4.1 above shows that, 71% of the respondents have gone through 5 years and more working in accounting related occupations while 29% of the respondents having worked under 5 years in accounting related occupations. The questionnaire were answered by respondents with sensible experience of functional accounting related issues accordingly demonstrating the authenticity/credibility of the results in this investigation.

4.2.2 Years of experience in the public sector

Figure 4.2 sums up the distinction in years spent by the respondents in the public area.

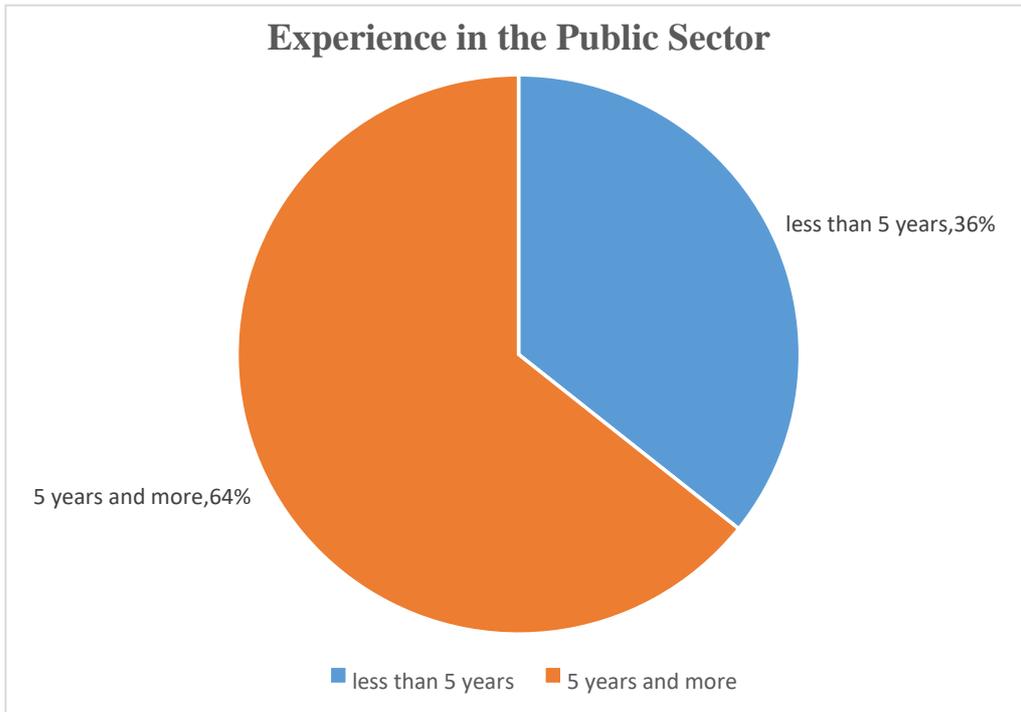


Figure 4.2: Experience in the public sector

Figure 4.2 above shows that, 64% of the respondents demonstrated that they have gone through 5 years and more working in public accounting related careers while 36% of the respondents having worked for not more than 5 years. Most of questionnaires were reacted to by individuals with sensible involvement with public area related issues in this way supporting the validity of results.

4.2.3 Job Titles

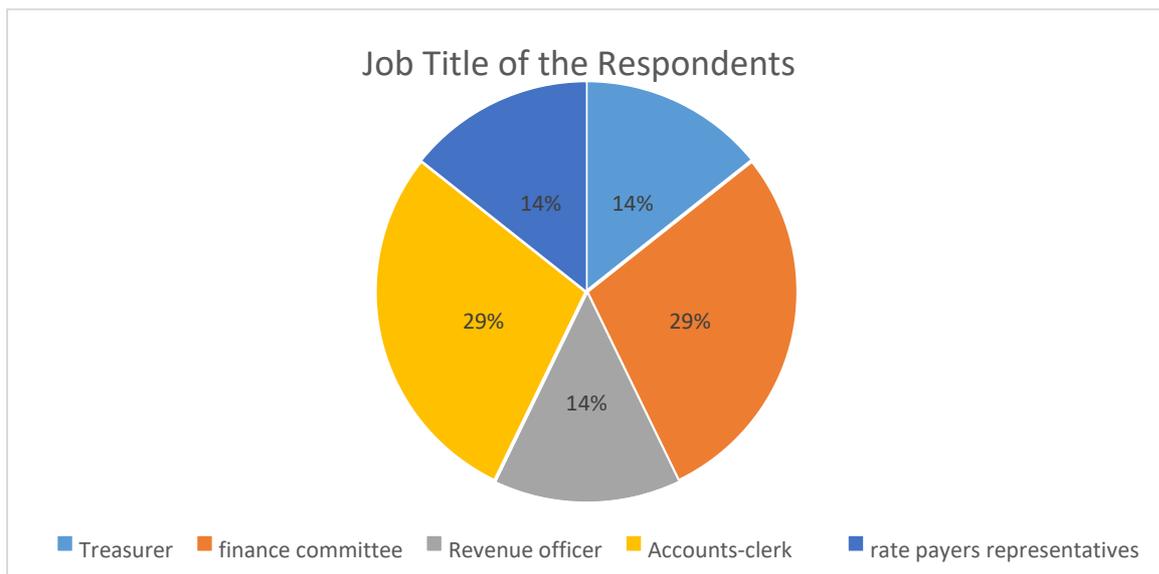


Figure 4.3: Job title of the respondents

Figure 4.3 summarises the different job occupations of the respondents to the questionnaires within the MRDC. The significance of highlighting the above structure of the respondents is to show that the responses were obtained from a majority of individuals with plausible knowledge on accounting matters.

4.3 Response on MRDC’s compliance with public sector policies and standards?

4.3.1 Is public sector (MRDC) implementing private sector accrual techniques?

Responses.	S Agree.	Agree.	Uncertain.	Disagree.	S Disagree.	Total.
Count	3	4	5	2	0	14
Percentage	21%	29%	36%	14%	0	100

Table 4.2: if public sector MRDC implementing private accrual techniques

This current questionnaire motivation was to decide whether the public sector (MRDC) should execute private sector accounting strategies. Figure 4.2 above shows that, the reactions to this inquiry were likewise ruled with a serious extent of uncertainty remaining at 36%, 14% were in disagree, nobody emphatically differing while 21% firmly agreed and 29% agreed. Contrasted with the dissatisfaction pace of 14%, more respondents that is a lion's share of half endorsed. IPSASB (2019) upheld this as it expresses that, the accrual basis of accounting seized to be a supposition and got compulsory for all IFRS based financial announcing as required by the Conceptual Framework. In help Moretti (2016) contended that, accrual accounting has demonstrated to be a trustworthy basis upon which to base financial records for both public and private sector entities.

4.3.2 The public sector should adopt private sector financial managing techniques.

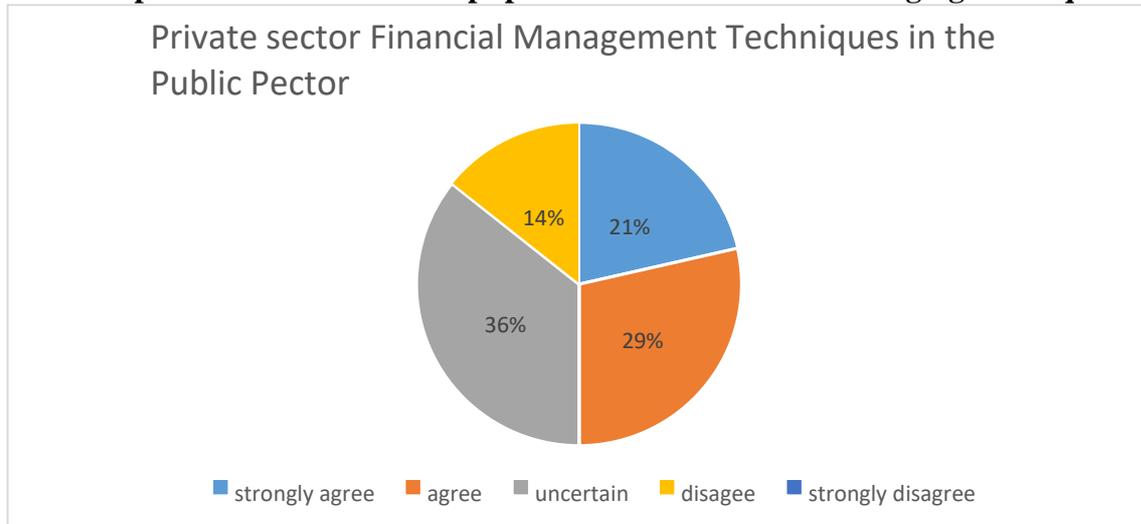


Figure 4.4: private sector financial management techniques in the public sector

The target of this questionnaire is to found out whether the public sector ought to receive private part financial administration strategies to improve MRDC' public funds management. As appeared in figure 4.4 above, 36% of the returned surveys were unsure if private sector financial administration strategies ought to be additionally utilized in the public sector while nobody emphatically differ and 14% opposing this idea. 21% strongly agree with such a move and 29% agree bringing about all out lion's share of 50% of the respondents in endorsement. This perspective on most of respondents is bolstered by KPMG (2019) who said that, the public sector associations have for quite a while been described with cash basis system of financial reporting while the private sector, profit oriented association expected the gatherings guideline in their explanations which currently as indicated by the Conceptual Framework is a necessity.

4.3.3 Is the untimely preparation of financial statement in public sector attributable to IPSASs adoption?

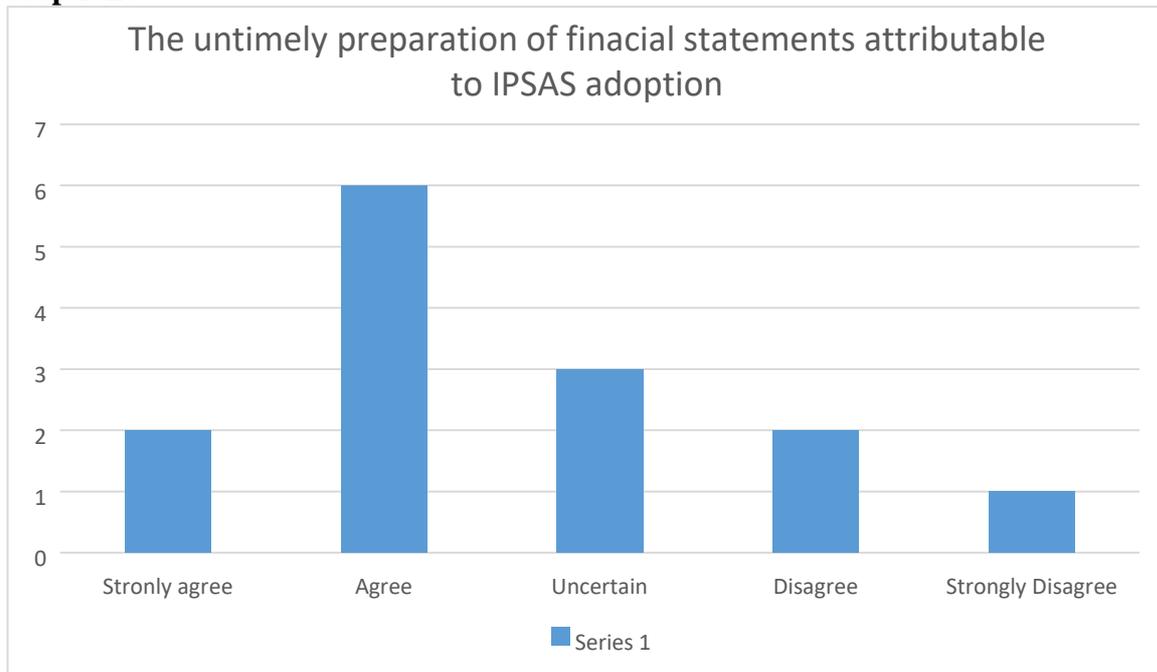


Figure 4.5: The untimely preparation of financial statements attributable to IPSAS adoption

The questionnaire attempts to see if the respondents were likewise of the view that the untimely preparation of financial statements came about because of presentation of IPSASs. Figure 4.5 shows that 2 respondents strongly agree, 6 of the respondents agree, 3 were uncertain, 2 disagree and 1 firmly oppose this idea. Anderneck (2016) contended that, issues, for example, the requirement of better approaches for detailing, better approaches for conveying financial data alteration of the IT infrastructure will cause issues, for example, untimely recording of financial statements and reporting for first time adopters and this is in concurrence with reacted of this questionnaire as all out dominant part of 7 respondent i.e.50% consented to this declaration. The researcher contended that if financial articulations are not appropriately introduced it will bargain transparency and accountability of public funds.

4.4 Is central government performing its duties, of ensuring that public funds are managed effectively and efficiently?

4.4.1 Feasibility development of accounting standards in Zimbabwe

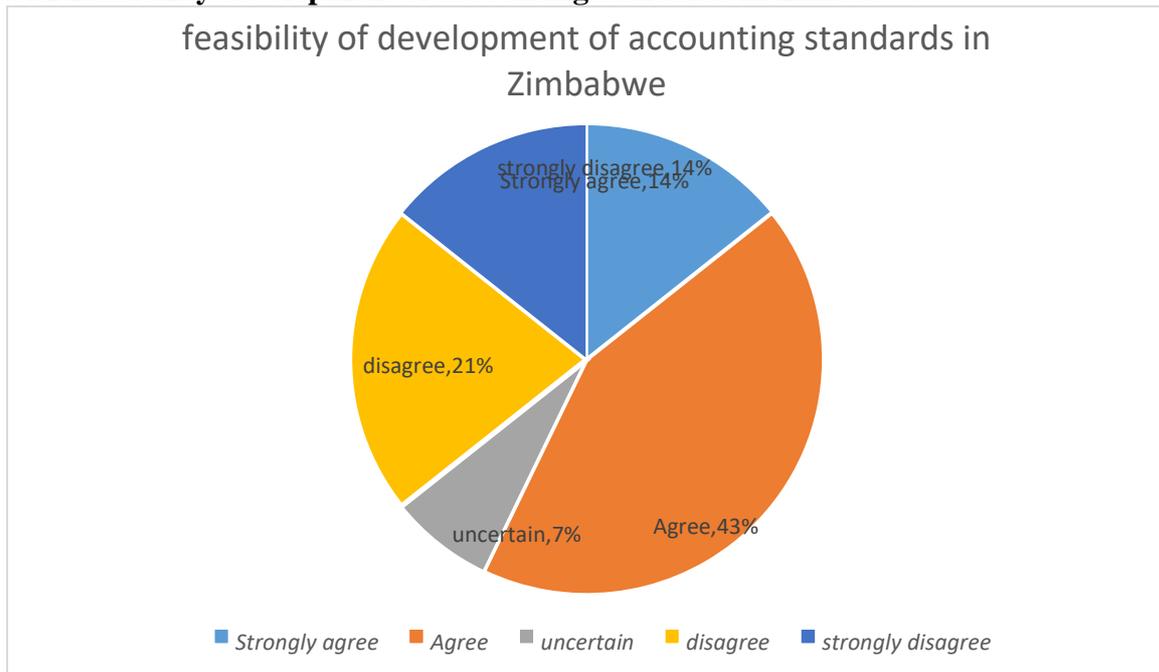


Figure 4.6: feasibility of development of accounting standards in Zimbabwe

This questionnaire tries to figure out, whether the improvement of public sector accounting principles is possible in Zimbabwe and measures set up by Zimbabwean government to guarantee that public funds are managed successfully and productively. Figure 4.6 above shows that, 57% of the respondents were of the sentiment that nearby improvement of public sector accounting norms is a practical exercise with 43% agreeing and 14% strongly agreeing, 14% strongly disagree that it isn't possible while 22% disagree and 7% of the respondents being questionable. Marko (2019) argued that, for a country to keep their sovereignty, various states are currently utilizing their own measures which are essentially reliable with the necessities of IPSAS, and the practicality improvement of such norms is likely as they depend on IPSASs subsequently this is bolstered by this perspective on most of respondents.

4.4.2 Political ownership of the initiative is a necessary factor in ensuring that IPSASs adoption is successful

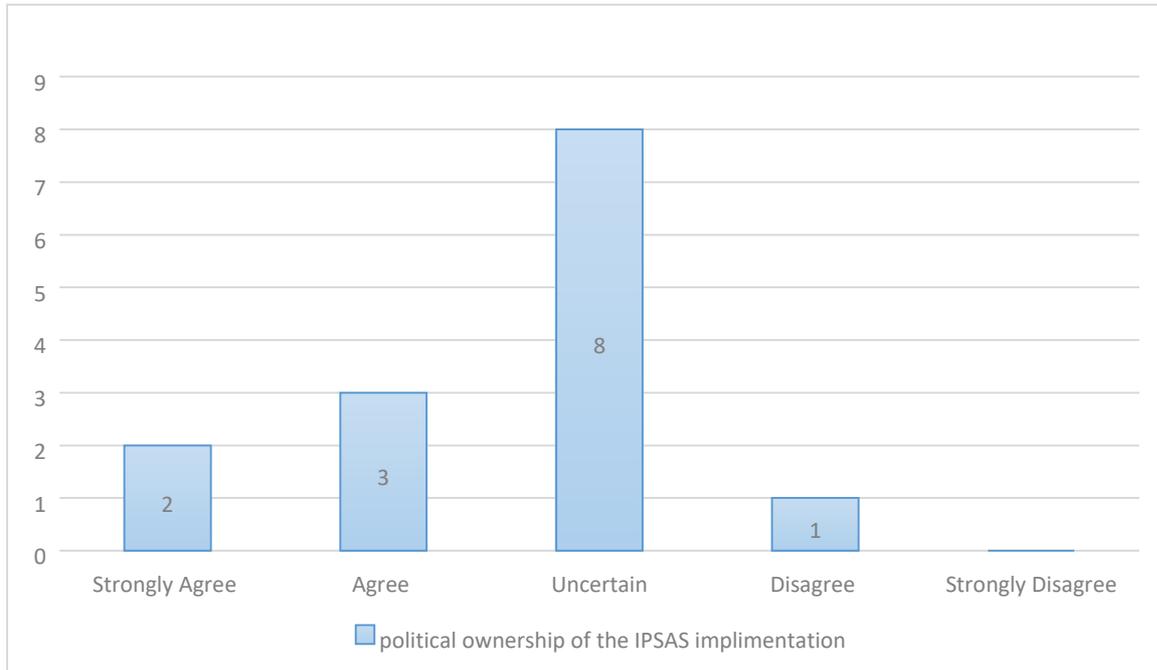


Figure 4.7 political ownership of the IPSAS implementation

This survey tries to build up if political responsibility for standards would help assist the adoption as these have direct impact on how public funds are managed. Figure 4.7 above shows that, 36% of the respondents were in agreement that political responsibility for activity is a fundamental factor in guaranteeing that IPSASs appropriation is fruitful with 2 respondent strongly agreeing and 3 respondent agree. No respondent firmly disagree that it was a bit much while 1 respondent disagree and 8 of the respondents being unsure. In spite of the elevated level of uncertainty 8 respondents, contrasted with disagreement of 1 respondent 7%, endorsements have a higher extent of 36% and this is fortified by Marko (2019) who sets that transparent government backing of IPSAS selection is significant to the adoption of the project and help improve the of public funds in government entities such MRDC.

4.4.3 Zimbabwe should develop its own set of Public sector accounting standards

Response	Strongly Agree	Agree	Uncertain	Disagree	Strongly disagree	Total
Count	4	5	2	2	1	14
percentage	29%	36%	14%	14%	7%	100 %

Table 4.3: Zimbabwe should develop its own set of public sector accounting standards

Table 4.3 Zimbabwe should develop its own set of Public sector accounting standards

This question was asked in order to determine if there should be development of public sector accounting standards in Zimbabwe so as to improve management of public funds in Zimbabwe local authorities. As summarised above in table 4.3, over 50% of the respondents approved with 29% strongly agreeing and 36% agreeing. The level of uncertainty was 14%, 7% strongly disagreed and 14% disagreed. Standards that are extremely complex such that its implementation would be costly, a locally developed standard would be best (Musarurwa 2020). This is in support of the outcomes drawn from the questionnaire.

4.5. Is MRDC facing any problems in implementation of standards and managing public funds?

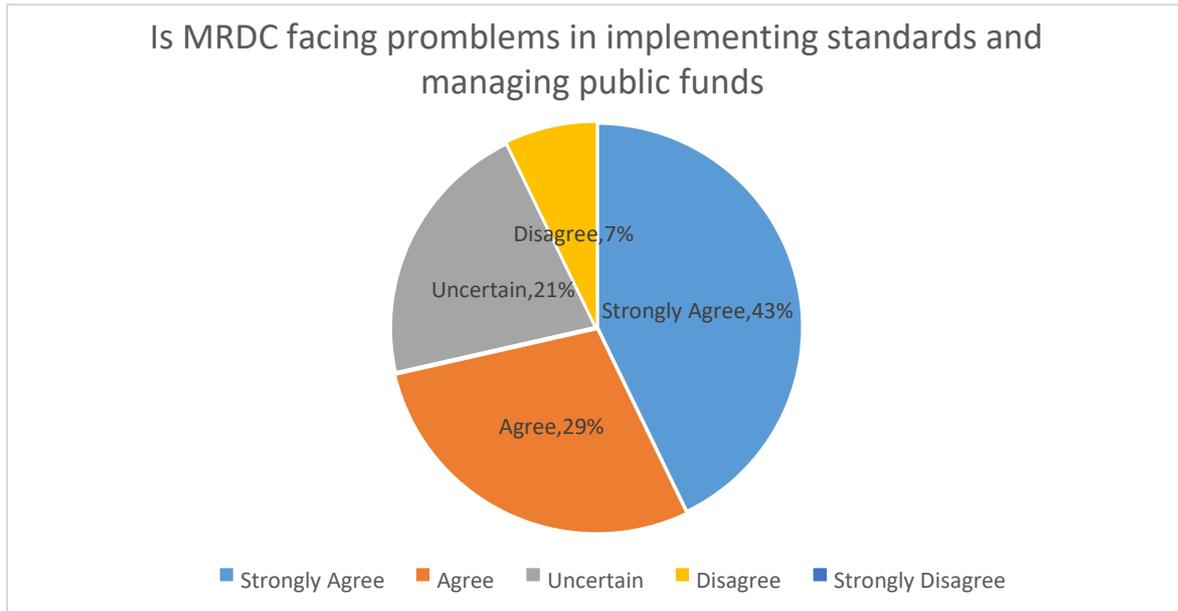


Figure 4.8: MRDC facing problems in implementing standards and managing public funds

This questionnaire seeks to find out if MRDC is facing challenges in implementing standards and managing public funds. Figure 4.8 above shows that, 72% of the respondents were in agreement that the council is facing challenges in implementing standards due to high cost with 43% strongly agreeing and 29% agreeing. Despite 7% respondents disagreeing that implementation of standards is not a challenge and without anyone strongly disagreeing and 21% of the respondents being uncertain and this is buttressed by Andernack (2016) arguing that, in spite of the advantages related with IPSAS selection, the costs related are likewise inescapable, both monetary and non-monetary, for example, time. The arrangements specified by these Acts and the IPSAS may struggle tangibly requiring the controllers to meet the Acts and the IPSAS for smooth progress, (Mhaka, 2014) and (Kurebwa, 2019).

4.6 What is the impact of public sector accounting on public fund management in local authorities?

4.6.1 The IPSASs will improve transparency in the public sector

Responses	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
Count	6	4	2	1	0
Percentage	43%	29%	14%	7%	0%

Table 4.5: IPSASs will improve transparency in the public sector

The aim here was to determine if IPSAS will improve transparency on how public funds are managed in the public sector. As summarised in table 4.5 above, 43 % of the respondents strongly agreed and 29 % agreed to that IPSAS adoption would bring about transparency in the public sector. Of all the respondents, 14% were uncertain, 7% disagreed and no one strongly disagreed. A majority of 72% approve that the

IPSASs will improve transparency in the public sector. This is supported by Ofoegbu (2016) who asserts that adoption and implementation of IPSASs will improve transparency in the public sector.

4.6.2 The IPSASs will improve accountability in the public sector

Responses	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
Count	7	3	2	2	0
Percentage	50%	22%	14%	14%	0%

Table 4.6: IPSASs will improve accountability in the public sector

The objective of this questionnaire was to ascertain if implementation of these standards will result in improved accountability. As summarised in table 4.6 above, 52% of the respondents were strongly agree of the view that IPSAS adoption would improve accountability in the public sector, 22% were in agreement and 14% uncertain. None strongly disagreed to this and 14% disagreed. A majority of 72% approve that the IPSASs will improve accountability in the public sector. This is supported by Ofoegbu (2016) who asserts that adoption and implementation of IPSASs will improve accountability in the public sector.

4.6.3 The IPSASs will improve the quality of internal controls and a good auditing yardstick in the public sector

The responses of the respondents pertaining to if the IPSASs will improve the quality of internal controls and a perfect auditing yardstick in the public sector are summarised in Table 4.7 below.

Response	Strongly Agree	Agree	Uncertain	Disagree	Strongly disagree	Total
Count	4	5	2	2	1	14
percentage	36%	36%	14%	14%	0%	100 %

Table 4.7: The IPSASs will improve the quality of internal controls and a good auditing yardstick in the public sector

This question sought to ascertain if IPSASs will improve the quality of internal controls and be a good auditing yardstick in the public sector. As summaries above in table 4.7, 36% of the respondents strongly agreed to this, 36% agreed, 14% were uncertain, 14% disagreed and none strongly disagree to the view that, if the IPSASs implementation will improve the quality of internal controls and a perfect auditing yardstick in the public sector. A majority of 72% approve that the IPSASs will improve the quality of internal controls and introduce a good auditing yardstick in the public sector. This is buttressed by ICAZ (2018) which concludes that adoption and implementation of IPSASs will improve the quality of internal controls and introduce a good auditing yardstick in the public sector. In support of this view Pricewaterhouse (2016) argued that strong internal controls improves management of public funds as internal controls improves transparency and accountability.

4.7 Summary and Analysis of Interviews

The interviews were held face to face at organisation premises as MRDC provides essential service, they continued working even during Covid 19 lockdown. 6 interviews were scheduled across all the categories of the population and all were conducted.

4.8.1 Interview Response Rate

Five interviews were planned and the researcher just managed four interviews. These were done to confirm data gained through the questionnaires. The meetings were intended to talk with respondents from all the classes and the analyst figured out how to direct meetings eye to eye with all offices booked for the meeting, barring the rate payer's representatives which was done through phone as a result of different duties assigned to them. The meeting reaction rate is summed up beneath in Table 4.6.

Respondents	Interview scheduled	Interview conducted	Response rate
Finance management	1	1	100 %
Finance committee	1	1	100 %
Revenue officers	1	1	100 %
Accounts clerks	1	1	100 %
Rate payers representatives	1	1	100 %
<i>TOTAL</i>	5	5	100 %

Table 4.4: interview response rate

4.8.2 Duration of years the respondents have been employed in the public sector accounting related profession.

This question aims on deciding the quantity of long periods of experience of the respondents to assess the sensibility of their insight about public sector accounting. The normal long stretches of understanding of respondents is 8 years, and a greater amount of these have over 5 years' involvement with MRDC. The discoveries of this exploration are applicable as a larger part of the meeting respondents have sensible information on public sector accounting and information about MRDC. The questionnaire were reacted to by greater part of individuals with sensible

experience of practical accounting related issues at MRDC, in this way demonstrating the credibility of outcomes in this examination.

4.8.3 Adoption of private sector financial accounting techniques in public sector, for example, in MRDC

The meeting tries to decide whether the respondents are of the view point that public sector associations, for example, MRDC ought to embrace private sector financial management and accounting strategies in order to improve the management of public funds in local authorities. A portion of the respondents concurred that the public sector ought to embrace private sector financial management and accounting procedures some referencing the achievement that private sector has earned and a small number of the respondent were unclear about this question. Related inquiries being referred to 4.3.2 were posed in the survey and achieved a normal endorsement pace of 39%. KPMG (2019) upheld this view contending that, the public sector associations have for quite a while been described with cash basis system of financial revealing while the private sector, which are profit oriented organisation accepted the accrual guideline in their books which is currently indicated by the Conceptual Framework as a necessity.

4.8.4 Since Mutare Rural District Council is already in the process of implementing IPSASs, will this initiative positively affect its financial management?

The question was posed in order to discover, in view of the current implementation of IPSASs by Mutare Rural District Council, if IPSASs adoption will emphatically affect public sector fund management (MRDC) and in this manner improve transparency and accountability. Larger part of the respondents subscribed to this announcement while one was questionable and the other contending that the 2 sectors ought to keep up various accounting techniques. A majority reaction rate concurred the reception of IPSAS will positively affect its management of public funds, financial reporting and the management as transparency and accountability is greatly improved. This is bolstered by Mhaka (2014) by concluding that IPSAS reception improves the

nature of financial reporting and the administration of government funds and government obligations, outside and internal.

4.8.5 Implementation of accrual IPSASs by the public sector such MRDC in place of the traditional cash basis

This inquiry tries to decide whether the respondents concur that the public sector associations like MRDC should surrender the traditional cash basis of accounting and adopt accrual IPSASs in order to improve the management of public funds. Of the all respondents, 7 respondents concurred that IPSASs adoption was the most ideal alternative with 2 respondent being against this move contending that the 2 sectors are not the same and ought to subsequently utilize diverse accounting procedures in managing public funds whilst 5 were uncertain. 50% of the respondents concurred that the public sector such as MRDC ought to embrace accrual IPSAS and forsake the traditional cash basis. This is bolstered by the IPSASB (2019) which expresses that, the accrual basis of accounting seized to be an assumption and became obligatory for all IFRS based financial reporting as required by the Conceptual Framework. Moretti (2016) contended that, accrual accounting has demonstrated to be a reliable basis whereupon to base financial records for both public and private part organisations.

4.8.6 Development of local public sector accounting standards in Zimbabwe

The key purpose behind this interview question was to find out whether the Zimbabwean society ought to build up its own set of public sector accounting standards which suits issues encountered by Zimbabwean councils in managing public funds. Over half of the respondents consented to this advancing, as it help on lecturing of explicit Zimbabwean public sector, for example, MRDC issues being developed of standards and the adaptability of changes when need emerges. A similar question was posed in questionnaire 4.4.3 brought about 50% respondents agreeing to that legitimate demonstrations should be inspected for fitting them to IPSASs in order to improve presentation of financial statements along these lines expanding

transparency on management of public funds. Musarurwa (2020) upheld this view contending that, principles that are incredibly unpredictable with the end goal that its adoption would be expensive, a locally evolved standard would be ideal.

4.8.7 Problems that should be addressed before implementation of the accounting standards to ensure success

The interview question seeks to find on what the respondents considers would be pivotal for the adoption of IPSASs to be a success. Management involvement, training and checking was mostly fundamental issues located by the respondents. On the side of this Anderneck (2016) expressed that there is requirement for sufficient training of public sector accountants such MRDC's treasurer, both in financial revealing and IT, collaboration between accountants from all parts and the consideration of IPSASs in tertiary education curriculums accordingly improving responsibility and transparent on funds are overseen in the two sectors. A similar question was posed in questionnaire 4.5 brought about 70% respondents agreeing that the council is facing challenges in trying to implementing accrual IPSASs and this justifies the relents of this question as such problems needs to be addressed for the

IPSAS adoption to be effective.

4.9 Chapter Summary

This section featured the research ends. These discoveries clears a way and a premise whereupon ends and proposal will be inferred in the following section tables, pie outlines and diagrams for introduction and simplicity of understanding of these information discoveries was utilized by the researcher.

CHAPTER 5

Summary, conclusion and recommendations

5.0 Introduction

This is the last chapter of the research paper, and in this section the examination is summed up, conclusions are drawn from the research results in part four, recommendations regarding the matters under study are passed and recommendations are made on a region of further examination.

5.1 Chapter Summaries

The examination mostly tried to research the impact of public sector accounting practice on public funds management at MRDC, among different goals was to get to the degree to which MRDC utilize public sector accounting strategies and standards, to assess if Government is playing out its obligations of guaranteeing that public funds are managed effectively and efficiently and to find issues looked in overseeing public funds in local authorities like in MRDC. The researcher additionally looks to decide if advancement of local public sector accounting standards is fundamental, that are in accordance with the particular Zimbabwe's legal framework and its particular public sector setting, if financial management tasks of private sector probably like those of the public sector to warrant same accounting strategies for the two sectors of the economy. And furthermore factors that can defend a smooth progress from the traditional cash basis of accounting to full accrual based framework to improve public fund management and financial reporting.

5.1.1 Chapter 1

Section 1 began with an introduction followed by the background whereupon the research was directed. First Chapter likewise observed the statement of the problem, the main research

objectives and sub research goals and research questions. The centrality of the research, assumptions of the research, delimitations and constraints of the research, abbreviations and meaning of terms was likewise taken a gander at in this section of the study.

5.1.2 Chapter 2

To a limited extent tending to the goals, the researcher additionally thought to be connected writing predominantly from diaries and from different sources in this section. This part took a gander at related writing to the issues relating to public accounting principles and polies and fund management methods in public sector.

5.1.3 Chapter 3

Section 3 of this study laid out data collected from respondents and information investigation methods to be utilized by the researcher. The research utilized both qualitative and quantitative. The polls and individual interviews where used to confirm and approve discoveries from surveys. The polls were regulated to a registration of 14 respondents comprised of scholastics, accountants (treasurers), accounting agents and sales revenue in the public sector like in MRDC, and 14 were returned speaking to a reaction pace of 100%.

5.1.4 Chapter 4

Part 4 of the study gave an investigation of information gathered from respondents and the research discoveries were introduced and examined using tables, diagrams and outlines in this section, calculation of graphs and examination of information was finished using Microsoft EXCEL.

5.2 Research Discoveries/findings

- **To access the extent to which Mutare Rural District Council utilize public sector accounting policies and standards.**

The assessment reveals that public sector is that bit of the national economy, government and state agencies, and such items as all state upheld agencies that are concerned over the course of action of public items, activities and services (Chan 2018). The public sector organisations, for instance, MRDC are depicted with cash basis system of financial reporting and the disclosures of the assessment found that MRDC isn't fully adopting IPSAS. The disclosures found that MRDC has as sound standard cash basis system and this basic the path toward Moving from the Cash basis to the Accrual basis IPSASs Standards as maintained by IFAC (2017) which included that, for an public entities needing to grasp the accrual IPSASs, they are encouraged to have a down to earth cash basis already functioning which can in like manner achieved through the cash based standard (financial itemizing under the cash basis) which awards for accrual based information uninhibitedly.

- **To evaluate if Government is playing out its obligations, of guaranteeing that public funds are managed effectively and efficiently.**

The investigation uncovers that, for Zimbabwe to guarantee that public funds are managed successfully and effectively by public entities such MRDC it ought to build up its own arrangement of public sector accounting standards. The research discovered that Zimbabwean government worried in guaranteeing that public funds are managed adequately and effectively. This is evidenced by Zimbabwean government as it announces, its IPSAS adoption in mid-2012 set for 2013 (McFie 2016). As per ICAZ (2018), the establishment champions the selection of IPSAS in Zimbabwe rather than simply the IFRS in light of the fact that it addresses public sector explicit issues, that is, income from non-exchange transaction, social advantages for example mature age benefits, child grants, legacy resources, public private partnerships and

financial planning. The advancement of local standards by Zimbabwean government is probably going to an extreme venture to get in progress as legal framework ought to be looked into and be customized with IPSAS.

- **To identify problems faced in managing public assets**

The examination uncovers that MRDC faces difficulties in managing public funds as cost of managing public accounting standards and policies are high. This is bolstered by Mhaka (2014), who holds that, In spite of the advantages related with IPSAS reception, the costs related are likewise inescapable, both financial and non-financial, for example, time. The examination likewise shows that MRDC's difficulties in managing public funds are also because of complexity in the implementation of standards and policies and Okolieaboh (2013) bolsters that as he expressed that, Accrual based accounting is progressively complex and requires more prominent specialized skill and expanded professional judgment for example financial instruments, employee benefits and property valuations.

5.3 Conclusions

- Based on the discoveries in this investigation, public sector, for example, MRDC can utilize private sector management and accounting strategies which are embraced by the accrual basis IPSASs. The financial management tasks of private sector are conceivably like those of the public sector to warrant same accounting methods for the two sectors and IPSASs selection with the quality financial reporting in the public sector.

- The improvement of local standards by Zimbabwean government is probably going to be an intense venture to get in progress as legal framework ought to be explored and be custom fitted with IPSAS.
- The challenges experienced by MRDC, for example, the late preparation of budget summaries i.e. financial statements, high volume of mistakes, consolidation of IPSAS arranged council statements with IFRS arranged GBE statements are progressively inferable to the general absence of professional accountant in the public sector, inadequate training and restricted management contribution and responsibility.

The research objectives were met, along these lines the research was a success.

5.5 Recommendations

The researcher proposed the accompanying proposals, from the consequences of this examination.

- There is requirement for the executives/management of MRDC to embrace IPSAS accrual accounting basis as it positively affects the quality of universally purpose financial reporting by public sector entities, bringing about improved educated evaluations regarding the resource allotment choices made by governments and other users of the information, consequently improving transparency and accountability on public fund management by public sector entities like MRDC.

There is requirement for adequate training of MRDC's accounting staff on both cash basis and accrual bases of IPSAS before and during the adoption period of the standards to improve financial reporting, transparency and accountability as this improves public funds management

in local authorities such as MRDC. Anderneck (2016) bolstered this as he expressed that there is requirement for adequate training of public accountants both in financial reporting and IT.

- Zimbabwean government should put forth an attempt to completely actualize IPSAS accrual basis standards as the standards can possibly improve public sector transparency, accountability and the quality money related reporting thus public fund management is significantly improved in authorities like in MRDC. Mhaka (2014) bolsters this by inferring that IPSAS adoption improves the quality of financial reporting and the administration of public funds and obligations, both interior and external.

- Since adoption of IPSAS is complex and is related with significant expense, there is requirement for MRDC to gain from other people who have just attempted the procedure as this encourages the council to distinguish best methodology and repeatable practices. MRDC may likewise benefit from outer help, for example, benefactors or donors as they can bolster the professionalization of public sector financial management and employing of professional accountancy associations which help to bring issues to light and dangers related with usage approach picked by MRDC top management. The researcher encourages MRDC to improve its debt collection strategies so as to raise funds through debt recovering.

5.5 Regions of Further Examination

The researcher discover that, most of reactions were of the view that Zimbabwe ought to build up its own public sector accounting guidelines to improve the management of public fund in local authorities such as MRDC, a much wide examination on the practicality of this task is important and required. A further report is subsequently suggested on the feasibility of advancement of indigenous public sector accounting standards and approaches in the public sector organisation as is with MRDC in Zimbabwe.

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Appendix I

Midlands State University

Department of Accounting

B Bag 9055

Gweru

1 June 2020

Dear Sir/Madam

RE: Questionnaires of a research study

I am a fourth year student studying an Honours Degree in Accounting at the Midlands State University in Gweru, Zimbabwe. I am currently carrying out a research project entitled, impact of public sector accounting practice on public fund management, using your organisation (Mutare Rural District Council) as my case study.

You are kindly requested to fully attend to the various issues which the questionnaire intends to address. Please note that you are not required to indicate any of your personal details specifically your name, as such all your response are specifically for academic purposes and the responses will be treated with strict confidentiality

If a need for clarifications may arise pertaining to the questionnaires and of any other related issue, my contact details are as follows, mobile number: +263779 779 420 and email address: leemuyambo@gmail.com. Your cooperation and completion of the questionnaires will be highly appreciated.

Yours Faithfully
Tinashe L Muyambo

Appendix II: Questionnaires

Instructions:

- 1. Please indicate how strong you agree or disagree with the following statements making use of the various provided scales by ticking on the appropriate box.***
- 2. Do not write your name on the questionnaire.***
- 3. Answer all questions across all sections.***

SECTION I – Demographic Particulars

1. Years of experience in the accounting profession:

Less than 5 years *5 years and more*

2. Years of work experience in the public sector:

Less than 5 years *5 years and more*

3. Job Title:

Treasurer *Administrator* *Revenue officer*
Accounts-clerk *Academia*
Other (specify below)

Section II – Specific research questions

KEY

5) Strongly Agree 4) Agree 3) Uncertain 2) Disagree 1) Strongly Disagree

STATEMENT	5	4	3	2	1
Is MRDC complying with public sector policies and standards?					

1.1 Is public sector (MRDC) implementing private sector accrual accounting techniques?					
1.2 Should MRDC adopt Public sector financial management techniques in Public Sector?					
1.3 Is the untimely preparation of financial statement in public sector attributable to IPSASs adoption?					
1.4 Is there is a need for abandoning the cash basis of accounting for accrual IPSASs accounting?					
1.5 The IPSASs will improve transparency in the public sector					
1.6 The IPSASs will improve accountability in the public sector					
1.7 The IPSASs will improve the quality of internal controls and a good auditing yardstick in the public sector					
Is central government performing its duties, of ensuring that public funds are managed effectively and efficiently?					
2.1 Feasibility of development of accounting standards in Zimbabwe					

2.2 Political ownership of the IPSAS implementation					
2.3 Should Zimbabwe develop its own set of public sector accounting standards					
Is MRDC facing any problems in managing public funds?					
The impact of public sector accounting on public fund management in local authorities?					
3.1 The IPSASs will improve transparency in the public sector					
3.2 The IPSASs will improve accountability in the public sector					
3.3 The IPSASs will subsequently improve the quality of financial reporting in the public sector					

Appendix III: Interview Guide

1. How long have you been employed in the public sector?
2. Should the public sector adopt private sector financial managing and accounting techniques?
3. Should the public sector abandon the old cash basis system for the accrual IPSASs?
4. Since MRDC is already implementing IPSASs, will this initiative positively impact its financial management?
5. Should Zimbabwe develop its own set of public sector accounting standards instead implementing IPSASs?
6. What problems should be addressed before implementation of the accounting standards to ensure success in management of public funds?

THANK YOU FOR YOUR RESPONSE

INFORMATION USED TO FORMULATE CHART

FIG 4.1: Experience in Accounting related profession

	Less than 5years	More than 5 years
Count	4	10
Percentage	29%	71 %

FIG 4.2: Experience in public sector

	Less than 5years	More than 5 years
Count	5	9
Percentage	36%	64 %

FIG 4.3: Job title of the respondents

	treasurer	Accounts clerk	Ratepayers representative	Revenue officers	Finance committee
Count	2	4	2	4	2
percentage	14%	29%	14%	29%	14 %

FIG 4.4: Private sector should adopt private sector financial managing techniques

	Strongly Agree	Agree	Uncertain	Disagree	Strongly disagree
count	3	4	5	2	0
percentage	21%	29%	36%	14%	0

FIG 4.5: The untimely preparation of financial statements attributable to IPSAS adoption

	Strongly Agree	Agree	Uncertain	Disagree	Strongly disagree
Count	2	6	3	2	1
percentage	14%	43%	22%	14%	7 %

FIG 4.6: Feasibility development of accounting standards in Zimbabwe

	Strongly Agree	Agree	Uncertain	Disagree	Strongly disagree
Count	2	6	1	3	2
percentage	14%	43%	7%	22%	14 %

FIG 4.7: Political ownership of the IPSAS implementation

	Strongly Agree	Agree	Uncertain	Disagree	Strongly disagree
	Agree				disagree

Count	2	3	8	1	0
percentage	14%	22%	57%	7%	0

FIG 4.8 MRDC problem/challenges in implementing IPSAS and managing public funds

	Strongly Agree	Agree	Uncertain	Disagree	Strongly disagree
Count	6	4	3	1	0
percentage	43%	29%	21%	7%	0

Dissertation

ORIGINALITY REPORT

23 % **3**% **0** % **22** %

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