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Assessing Compliance with IPSAS 17 in Public Sector Entities: Evidence from the Patents and Companies Registration Agency (PACRA), Zambia (2023-2024)

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Abstract

International Public Sector Accounting Standards (IPSAS) play a very crucial role in enhancing transparency, accountability, and the value of financial reporting in public sector institutions. Notwithstanding the widespread adoption efforts, empirical evidence on the extent of compliance, especially in developing economies, remains limited. This study assesses compliance levels with IPSAS 17 at the Patents and Companies Registration Agency (PACRA) in Lusaka, Zambia, over the period 2023-2024, with a specific focus on property, plant and equipment (PPE) revaluation procedures, adequacy of disclosure, and the challenges in implementation and adaptation.

Using a descriptive study design, a mixed-methods approach was employed. Data were gathered from 105 participants selected from a population of 143 using purposive and convenience sampling strategies. Quantitative data were analysed using descriptive statistics, while thematic analysis was used to examine qualitative data. The IPSAS 17 framework provided the benchmark for assessing compliance.

The results show that compliance with IPSAS 17

revaluation requirements is generally low to moderate, with notable shortcomings in revaluation frequency and in the treatment of accumulated depreciation. In contrast, compliance with PPE disclosure requirements is comparatively high, mostly in the areas of asset classification, accounting policies and disclosure requirements, although in reconciliation reporting, gaps still persist. The study further identifies significant barriers to compliance, including high implementation costs, inadequate technical capacity, limited training, and the intricacy of IPSAS 17 provisions.

The study concludes that while progress has been made toward IPSAS 17 implementation, important technical and institutional gaps still remain. It contributes to the limited empirical knowledge on IPSAS compliance in Sub-Saharan Africa and offers policy-relevant perceptions for strengthening public sector reporting in Zambia. Recommendations include building technical capacity through targeted training, improving asset management systems, and implementing a more structured IPSAS implementation approach, which is policy-driven.

Keywords: IPSAS 17, Public Sector Accounting, PPE, Zambia, PACRA

1. Introduction

International Public Sector Accounting Standards (IPSAS) have, over the past two decades, gained much significance as part of a wider public finance management reforms aimed at improving transparency, accountability, and comparability in government financial reporting mechanisms. IPSAS was developed by the International Federation of Accountants for the promotion of the adoption of accrual-based accounting systems to enhance the quality and reliability of financial information in the public sector (IFAC, 2019) ^[12].

Many countries globally, across Europe, parts of Asia and Africa have either adopted IPSAS or are at different stages of its implementation. However, there is emerging empirical evidence that suggests that while formal adoption rates are fairly high, the actual compliance levels remain uneven, mostly in developing economies. Studies indicate that public institutions usually report IPSAS adoption without fully complying with the prescribed recognition, measurement, and disclosure requirements.

This gap is particularly noticeable in intricate areas such as Property, Plant, and Equipment (PPE) under IPSAS 17 (Attefah, Ferreira, & Gomes, 2025; Scannell & Tawiah, 2024)^[10, 17].

In Zambia, the shift to IPSAS forms a fundamental component of ongoing reforms in public financial management, which are aimed at strengthening fiscal discipline and institutional accountability. The Patents and Companies Registration Agency (PACRA) and several other statutory bodies adopted IPSAS-based reporting frameworks between 2019 and 2022, signaling a progressive transition toward accrual-based financial reporting. Despite these developments, there still remain concerns regarding the degree and consistency of compliance, especially in more critical areas like asset valuation, revaluation practices, and disclosure requirements.

Notwithstanding reported compliance, there is limited empirical evidence assessing the actual level of adherence to IPSAS standards within Zambian public institutions. This gap is particularly evident with respect to IPSAS 17, which governs the recognition, measurement, and disclosure of PPE and is widely regarded as one of the more complex standards to implement. Accordingly, this study evaluates the extent of compliance with IPSAS 17 at PACRA in Lusaka for the period 2023–2024. By focusing on revaluation practices, disclosure adequacy, and implementation challenges, the study contributes to the emerging body of literature on IPSAS compliance in Sub-Saharan Africa and provides policy-relevant insights for strengthening public sector financial reporting in Zambia.

However, there is still limited empirical evidence assessing the actual level of adherence to IPSAS standards within the context of Zambian public institutions, despite the reported compliance. This gap is particularly evident with respect to IPSAS 17, which regulates the recognition, measurement, and disclosure of PPE and is broadly regarded as one of the more complex standards to implement. Therefore, this study evaluates the degree of compliance with IPSAS 17 at PACRA in Lusaka, for the period 2023–2024. The study contributes to the emerging body of literature on IPSAS compliance in Sub-Saharan Africa by focusing on the revaluation practices, disclosure adequacy, and implementation challenges, and provides policy-relevant perspectives for enhancing public sector financial reporting in Zambia.

2. Review of Literature

2.1 Introduction

This section comprises two sections. The first section is the review of extant literature relevant to this study, while the second part provides the theoretical framework underpinning the study.

2.2 Adoption and Compliance with IPSAS: Regional and Global Perspectives

The global transition toward a harmonised public sector financial reporting has increasingly accelerated the adoption of International Public Sector Accounting Standards (IPSAS). IPSAS aims to enhance transparency, accountability, and comparability in public financial reporting through the promotion of accrual-based accounting practices (IFAC, 2019; IPSASB, 2024)^[12, 14]. The standard was developed by the International Public Sector Accounting Standards Board (IPSASB) under the

International Federation of Accountants (IFAC). This shift from cash-based to accrual-based accounting signals a fundamental reform process in public financial management, enabling governments and public institutions to deliver a more complete and accurate representation of their financial position.

The adoption of IPSAS has been widely embraced globally across both developed and developing countries, though with varying levels of implementation success. Countries like New Zealand, the United Kingdom, and Switzerland have proved relatively high levels of compliance owing to strong institutional frameworks, advanced technological capacity, and robust regulatory frameworks. According to Brusca *et al.* (2015)^[4] and Attefah, Ferreira, & Gomes (2025)^[10], many developing economies have, however, experienced challenges in translating formal IPSAS adoption into effective implementation. In literature, this gap has given rise to what is commonly referred to as the “adoption-compliance gap”, where governments formally adopt IPSAS but fail to adequately comply with the recognition, measurement, and disclosure requirements of the standard.

Empirical studies constantly highlight that this gap is more pronounced in complex standards such as the IPSAS 17, which regulates Property, Plant, and Equipment (PPE). For example, Scannell and Tawiah (2024)^[17] posit that while many African countries report IPSAS conformity in their financial statements, comprehensive compliance assessments highlight major deficiencies in asset valuation, depreciation, and disclosure requirements. In another study, Adhikari and Mellemvik (2011)^[1] argue that institutional pressures, such as donor requirements and international legitimacy, often drive symbolic adoption rather than functional implementation. This results in partial compliance, where the financial statements reflect IPSAS terminology without fully adhering to the underlying principles of the standard.

In the African context, international organisations such as the International Monetary Fund (IMF) and the World Bank have been closely linked to supporting the implementation of IPSAS's broader public financial management reforms. These reforms are aimed at strengthening fiscal discipline, improving governance, and enhancing accountability in the management of public resources (IMF, 2019)^[13]. Nevertheless, structural challenges, including limited financial resources, human capital shortages, and weak enforcement mechanisms, continue to hinder effective compliance.

In Zambia, IPSAS adoption forms a central component of ongoing public sector reforms. The government initiated the transition to accrual-based accounting in 2013, with subsequent revisions extending implementation timelines to 2022 and beyond. Statutory bodies such as the Patents and Companies Registration Agency (PACRA) have adopted IPSAS-based reporting frameworks as part of these reforms. Despite these efforts, empirical evidence on the extent and quality of compliance remains scarce, particularly at the institutional level. This lack of context-specific evidence creates a significant research gap, especially in relation to IPSAS 17, which is widely regarded as one of the most complex standards to implement due to its technical and operational requirements.

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2.3 IPSAS17: Property, Plant and Equipment (PPE)

IPSAS 17 gives comprehensive guidelines on the accounting treatment of Property, Plant and Equipment (PPE) in the public sector institutions. The standard requires that the entities recognise PPE as assets when it is likely that potential economic benefits or services will flow to the entity and the cost or fair value of the asset can be reliably measured. On initial recognition, PPE is measured at cost, which includes all expenditures which are directly related to bringing the asset to its intended use. Subsequently, the entities may adopt the cost or the revaluation model. This will depend on the nature of the assets and the accounting policies adopted (IPSASB, 2024) ^[14].

An important feature of IPSAS 17 is the requirement for systematic depreciation of assets over their useful lives, which reflects the consumption of economic benefits or service potential of the asset. Furthermore, the standard mandates the periodic revaluation of assets under the revaluation model to ensure that their carrying amounts reflect fair value. The requirements are meant to enhance the usefulness and reliability of financial statements, thereby improving their relevance for decision-making.

Despite its conceptual clarity, IPSAS 17 offers significant practical obstacles in the implementation process. Empirical evidence shows that asset valuation and revaluation are among the most challenging areas. Gkouma *et al.* (2022) and Attefah, Ferreira, & Gomes (2025) ^[10] posit that many public sector entities either do not conduct regular revaluations or lack the technical competence to apply appropriate valuation techniques. Subsequently, asset values reported in the financial statements are often outdated. This undermines their reliability and comparability.

Furthermore, the application of depreciation policies is commonly unpredictable, with some entities failing to apply appropriate useful lives or depreciation methods. This discrepancy can lead to material misstatements in financial reports, especially in asset-intensive institutions. The treatment of accumulated depreciation and impairment losses also presents technical challenges, particularly in contexts where asset registers are incomplete or poorly maintained.

The disclosure requirements under IPSAS 17 are equally demanding. The standard demands full disclosures, including reconciliation of carrying amounts, measurement bases, depreciation methods, useful lives, and revaluation details. However, Sellami and Gafsi (2020), in their studies, have revealed that while entities often comply with the basic disclosure requirements, more complex disclosures, such as reconciliation schedules and valuation practices, are frequently incomplete or omitted. These gaps diminish the transparency and decision usefulness of financial statements,

limiting their success in promoting accountability.

2.4 Challenges Affecting IPSAS Compliance

The successful implementation of IPSAS 17 is influenced by a number of institutional, technical, and economic factors. The literature recognises several key challenges that hinder effective compliance, especially in developing economy contexts.

One of the most significant challenges is the high implementation cost associated with IPSAS. These costs comprise investments in information technology, asset valuation procedures, staff capacity building, and consultancy services (PwC, 2022). For many public sector organisations operating under stiff budgets, these costs can be prohibitive, leading to partial or postponed implementation.

Technological capacity is another critical challenge. The complexity of IPSAS standards requires a high degree of accounting knowledge, particularly in areas like the measurement of fair value, revaluation of assets, and treatment of depreciation. However, many public sector institutions face shortages of skilled accounting manpower. This limits their ability to effectively implement the standards (Erin *et al.*, 2016; Emmanuel & Kabara, 2025 ^[8]). Inadequate training further aggravates this challenge, as accounting personnel may lack the requisite skills to apply IPSAS requirements in practice.

Institutional and regulatory factors also play an important role. Weak implementation processes and limited oversight minimise motivations for compliance, allowing the entities to diverge from set standards without significant consequences (Christiaens *et al.*, 2010) ^[6]. Additionally, fragmented institutional frameworks and unclear implementation procedures can create ambiguity, further hampering compliance efforts.

These challenges are particularly grave in relation to IPSAS 17, due to its reliance on correct asset registers, strong valuation processes, and technical know-how. Without these fundamental elements, public sector organisations are likely to struggle with essential aspects of the standard, including asset recognition, measurement, and disclosure.

2.5 Theoretical Framework

This study is pinned on the Accountability and Decision-Making Theory and the Accrual Accounting Theory. The two theories provide the avenues for examining IPSAS 17 compliance in public sector institutions.

The Accounting and Decision-Making Theory accentuates the obligation of public sector institutions to provide transparent and reliable information to stakeholders concerning the utilisation of public resources (Bovens, 2007; Hood, 2014) ^[2, 11]. To fulfil this obligation, high-quality financial reporting is a critical component, as it allows stakeholders to assess performance, evaluate resource application, and make informed decisions. Within the context of IPSAS 17, this theory highlights the criticality of asset valuation and full disclosures in reflecting the true and fair financial position of public organisations. Non-compliance with these requirements weakens accountability by distorting financial information and reducing its usefulness for decision-making.

On the other hand, Accrual Accounting Theory provides the technical foundation for IPSAS 17. It advocates for the recognition of economic benefits or services as they flow,

rather than when actual cash transactions are realised (Chan, 2003, IPSASB, 2024) [5, 14]. The completeness and accuracy of financial reporting are enhanced by this approach through the capture of all assets, liabilities, revenues, and expenses within the reporting period. In relation to PPE treatment, accrual accounting advocates for the recognition of assets at cost or fair value, methodological depreciation, and periodic revaluations to reflect movements in economic value. Failure to apply these values results in incomplete or misleading financial statements, hence undermining both accountability and decision-making.

2.6 Conceptual Link to the Study

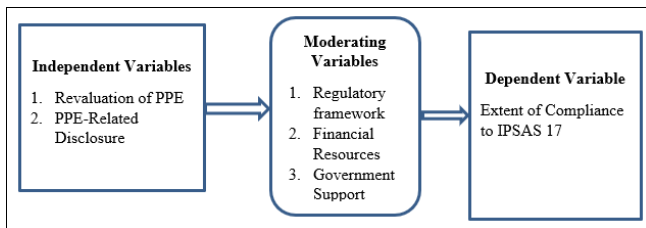


Fig 2.1: Conceptual Framework Diagram

The integration of Accounting and Decision-Making Theory with Accrual Accounting Theory provides a complete framework for understanding IPSAS 17 compliance. While the former elucidates the purpose of compliance, which is to enhance transparency and accountability, the latter explains the procedures through which compliance can be achieved, including recognition, measurement, and disclosure practices.

In this study, PPE revaluation approaches are conceptualised as indicators of measurement accuracy, while PPE disclosures are recognised as indicators of transparency and completeness. Implementation bottlenecks, such as resource constraints and technical capacity limitations, are viewed to be intervening variables that impact the degree of compliance achieved by public sector entities.

Furthermore, the degree of compliance is shaped by moderating factors, which include financial resources, institutional capacity, regulatory environment, and government support. These factors determine the ability of public sector organisations such as PACRA to efficiently and effectively implement IPSAS 17 and achieve meaningful compliance. By examining these associations, the study contributes to narrowing the gap between IPSAS adoption and actual compliance, particularly within the Zambian public sector context.

3. Methodology

3.1 Research Design and Philosophy

This study is grounded in a pragmatic research philosophy, which accentuates the employment of multiple approaches to address complex research problems and generate findings which are practically relevant (Creswell & Creswell, 2017) [7]. Pragmatism is particularly suitable for this study as it enables the integration of both quantitative and qualitative approaches to provide a comprehensive examination of compliance with International Public Sector Accounting Standard (IPSAS) 17. Given the complex nature of public sector accounting, a single methodological approach would not be sufficient to capture both the measurable degree of compliance and the underlying institutional dynamics

impacting implementation.

Consistent with this philosophical alignment, the study adopted a mixed-methods research design within a descriptive case study framework. The case study design was considered suitable because it allows an in-depth examination of a single institution, Patents and Companies Registration Agency (PACRA), within its real-life context. This method facilitates a comprehensive understanding of IPSAS 17 compliance practices, particularly in relation to Property, Plant and Equipment (PPE), while also allowing for contextual explanation of institutional challenges.

The quantitative component of the study focused on measuring the degree of compliance with IPSAS 17 requirements. Specifically, it examined important dimensions such as PPE recognition, revaluation procedures, depreciation policies, and adequacy of disclosure. These aspects were operationalised into measurable indicators to facilitate statistical analysis. The qualitative component, on the other hand, sought to explore the fundamental factors impacting compliance, including institutional capacity, regulatory environment, and operational bottlenecks.

The integration of quantitative and qualitative data was accomplished through methodical triangulation, which increases the integrity and robustness of research findings. By combining numerical findings with narrative perspectives, the study was able to provide a deeper and more holistic understanding of IPSAS 17 compliance at PACRA. This approach helped in the validation of findings across different data sources, thereby strengthening internal validity.

3.2 Study Setting, Population and Sampling

The study was conducted at the Patents and Companies Registration Agency (PACRA), a statutory body mandated to oversee the registration of business and intellectual property administration in Zambia. PACRA carries an important role in the country's economic and regulatory framework, making it a suitable case for examining the implementation of IPSAS-based financial reporting standards within public institutions in Zambia.

The target population comprised 143 employees from relevant functional departments, including finance, internal audit, compliance, and information technology. These departments were selected because of their involvement, direct or indirect, in financial reporting practices and IPSAS implementation. In addition, external auditors associated with PACRA were included in the population because of their role in assessing compliance and ensuring adherence to accounting standards.

A sample size of 105 respondents was determined using Yamene's (1973) [19] formula at a confidence level of 5%. This sample was considered to be adequate and representative while maintaining feasibility in data collection. The study used a combination of purposive and convenience sampling methods.

Purposive sampling was employed to identify key informants with good knowledge and experience in IPSAS implementation, particularly finance staff and external auditors. This ensured that participants possessed the requisite technical expertise necessary to provide reliable and relevant information on compliance with IPSAS 17. Convenience sampling was afterwards applied to select respondents who were readily available within the

institution, thereby enabling efficient data collection within the time and resource limitations.

While the use of non-probability sampling methods may limit the generalisability of findings, it is justified within the context of a case study design, where the prime objective is to gain in-depth perspectives rather than to produce statistically generalisable results.

3.3 Data Collection Methods

The study employed multiple data collection methods to enhance the validity and reliability of the results through data triangulation. Both primary and secondary data sources were utilised.

Primary quantitative data were collected using structured questionnaires, administered to the selected participants. The questionnaire was designed using Likert-scale items to measure the perceptions and practices aligned to IPSAS 17 compliance. The key variables included PPE recognition, revaluation frequency, depreciation practices, and disclosure measures. The use of a structured questionnaire simplified standardisation and enabled the production of quantifiable data suitable for statistical analysis.

To complement the quantitative data, semi-structured interviews were conducted with 10 strategic informants, including finance managers, accounting staff and auditors. The interviews provided a deeper understanding of institutional and operational drawbacks affecting IPSAS 17 implementation. The semi-structured design allowed for flexibility, allowing participants to focus on issues such as technical capacity, resource challenges, and regulatory contexts, while still maintaining alignment with the study objectives.

In addition to primary data, secondary data were gathered from PACRA'S annual reports covering the period 2023-2024. These documents were analysed to assess the trends in PPE valuation, revaluation practices, and disclosure compliance over time. The inclusion of documentary analysis augmented the study by providing unbiased evidence to support findings obtained from questionnaires and interviews.

3.4 Data Analysis

The Statistical Package for Social Sciences (SPSS) and Microsoft Excel, using descriptive statistical techniques, including frequencies, percentages, means, and standard deviation, were used to analyse quantitative data. These methods were utilised to summarise the data and identify patterns in IPSAS 17 compliance. The use of Microsoft Excel and SPSS facilitated efficient data processing and presentation.

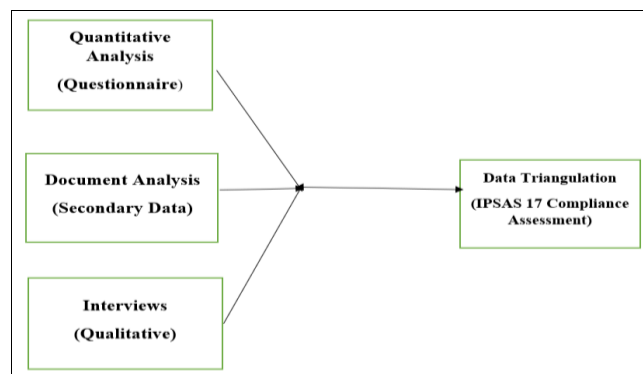
The analysis focused on defining the degree to which PACRA complies with key requirements of IPSAS 17, especially in relation to PPE recognition, measurement, depreciation, revaluation, and disclosure. The findings were presented in the form of tables and charts to enhance clarity and ease of understanding.

Qualitative data obtained from interviews were thematically analysed, following the six-step framework proposed by Braun and Clarke (2006) [3]. This approach involved familiarisation with the data, generation of initial codes, identification of themes, review of themes, definition and naming of themes, and final reporting. The thematic analysis

facilitated the identification of repeated patterns and pertinent issues influencing IPSAS 17 compliance.

The integration of quantitative and qualitative results was achieved through triangulation. Convergent results from different data sources were used to strengthen conclusions, while divergent findings were explored to provide deeper perspectives into context-specific factors impacting compliance. This integrative method enhanced the overall reliability and explanatory power of the study.

Table 3.2 :Triangulation of Data Sources and Methods



3.5 Validity, Reliability, and Ethical Considerations

To ensure validity, the research instruments were carefully designed to align with the study objectives and the requirements of IPSAS 17. A pilot study was undertaken to pre-test the data collection instruments, allowing for refinement of questions to enhance clarity, relevance, and comprehensiveness. Content validity was further improved by testing the instruments against the IPSAS 17 guidelines and established literature.

Reliability was ensured through the employment of standardised data collection procedures and consistent measuring scales. The Likert-scale items used in the questionnaire were structured to lessen ambiguity and promote internal consistency. Where applicable, reliability tests such as Cronbach's alpha were considered to assess the consistency of the measurement instruments.

Ethical considerations were strictly observed throughout the study. Ethical clearance was obtained from the University of Zambia Humanities and Social Sciences Research Ethics Committee (Ref HSSREC 2025-OCT-2025). Participation in the study was voluntary, and informed consent was obtained from all participants before data collection. Participants were assured of confidentiality and anonymity, and all data were used purely for academic purposes. Furthermore, the study observed the principles of academic integrity, ensuring that all sources were appropriately acknowledged and that findings were reported honestly and transparently.

4. Results and Discussion

4.1 Response Rate and Respondent Profile

Out of the 105 questionnaires distributed, 71 were completed and successfully returned. This represented a response rate of 68%, which is considered adequate for statistical analysis and is consistent with acceptable thresholds in survey research (Creswell & Creswell, 2017) [7].

Table 4.1: Response Rate

Category	Frequency	Percentage
Questionnaires distributed	105	100%
Questionnaires returned	71	68%
Non-response	34	32%

4.2 Demographic Characteristics of Respondents

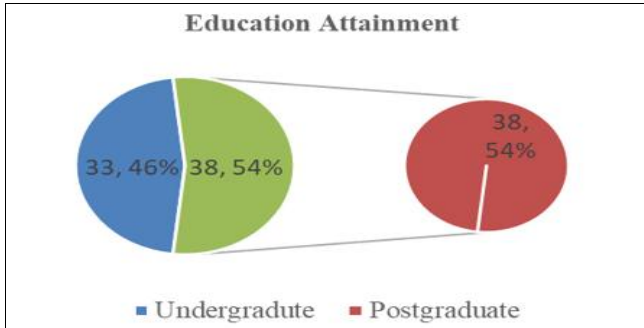


Fig 4.3: Highest Level of Education the Respondents Attained

The respondents were asked to indicate their attained level of education. The statistics show that the majority 54% as postgraduates, 46% undergraduates (Table 4.3 above), suggesting an enlightened and knowledgeable group.

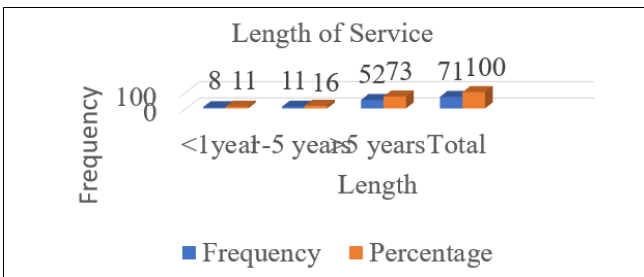


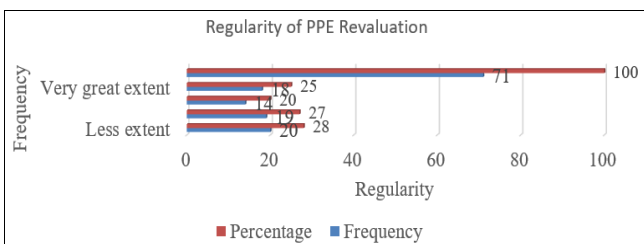
Fig 4.5: Participants' Length of Service with the Organisation

In Figure 4.5 above, the participants were asked to indicate their length of service with the organisation. The majority of the respondents (73%) had served the organisation for more than five years, suggesting a wealth of experience and knowledge about IPSAS standards.

As shown in the above tables, Tables 4.3 and 4.5, the majority of the participants hold postgraduate qualifications and have a significant length of service with the institution, indicating a knowledgeable and technically competent sample. This enhances the credibility and reliability of the results, as participants are well-positioned to provide informed perspectives on IPSAS 17 compliance.

4.3 Compliance with IPSAS 17: PPE Revaluation Practices

The extent of compliance with IPSAS 17 in relation to PPE revaluation processes was assessed using Likert-scale measurements. The results are presented in Table 4.6 below.



The majority of respondents (28%) (Fig.4.6) indicated that revaluation is conducted to a lesser extent, while only 20% indicated a great extent. This suggests that PPE is not revalued regularly enough to ensure alignment with fair value.

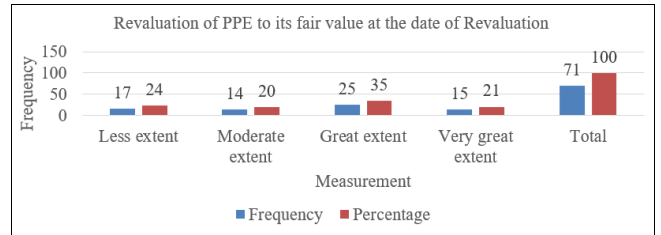


Fig 4.7: Revaluation of Asset to Fair Value at the Date of Revaluation

Most respondents (35%) (Fig. 4.7) indicated that PPE is measured at a fair value to a great extent, demonstrating strong compliance in this area.

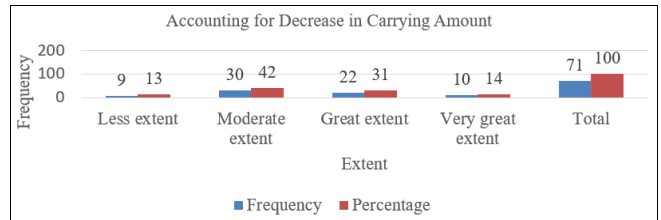


Fig 4.8: Accounting for Increases in Carrying Amount

A majority (42%) (Fig. 4.8) indicated moderate compliance, meaning increases are generally recognised in revaluation surplus, though not consistently.

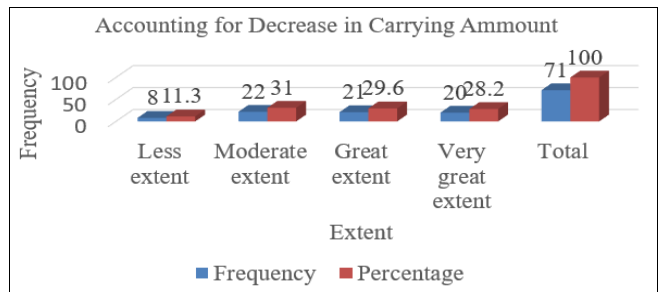


Fig 4.9: Extent to Which the Agency Accounted for Decrease in Carrying Amount

Similarly (Fig.4.9), most respondents (31%) reported moderate compliance, indicating that decreases are recognised in surplus or deficit as required, but not fully consistently.

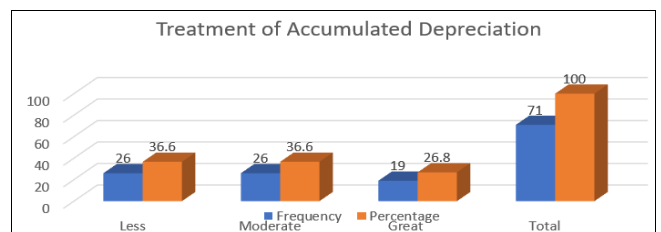


Fig 4.10: Treatment of Accumulated Depreciation

Findings (Fig. 4.10) show that treatment of accumulated depreciation is both less (36%) and moderate (36.6%), indicating inconsistency in applying IPSAS 17 methods.

As indicated in the statistics above (Fig. 4.6 to Fig. 4.10), the score for regular PPE revaluation is relatively low, signifying that revaluation is not frequently conducted at PACRA. This represents a deviation from IPSAS 17 guidelines, which emphasise periodic revaluation to ensure assets are maintained at fair value.

However, relatively higher to moderate scores were observed for the use of fair value measurement, and accounting for gains and losses arising from revaluation, indicating a relatively stronger compliance in technical accounting procedures when revaluation is undertaken, and moderate alignment with IPSAS 17 guidelines.

Notably, the treatment of depreciation shows only moderate consistency, pointing to potential weaknesses in the systematic allocation of asset costs over their useful lives. Overall, these findings suggest partial compliance, characterised by stronger performance in technical measurement aspects than in the frequency and consistency of revaluation practices.

Notably, the treatment of depreciation shows only moderate consistency, indicating potential weaknesses in the systematic spread of asset costs over their useful life spans. Overall, these results suggest partial compliance, characterised by strong performance in technical measurement aspects than in the frequency and consistency of revaluation processes.

Qualitative results corroborate the quantitative findings. Interview responses revealed that revaluation practices differ significantly across asset classes, with plant and equipment being revalued more often than property. In some cases, property assets had not been revalued for long periods, exceeding ten years. This indicates substantial non-compliance and reflects underlying institutional and resource obstacles.

4.4 Adequacy of PPE-Related Disclosure at PACRA

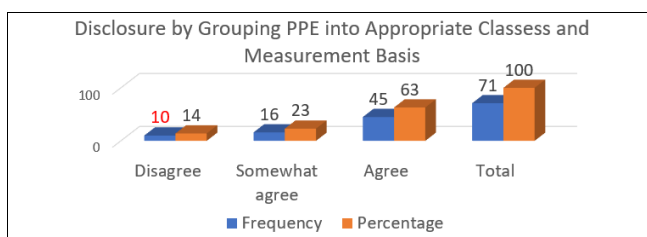


Fig 4.11: Presents data on whether respondents agree that the Agency grouped and disclosed its PPE into appropriate classes, and the measurement basis

Most respondents (63%) (Fig.4.11) agreed that PPE is properly grouped and disclosed, indicating adequate compliance.

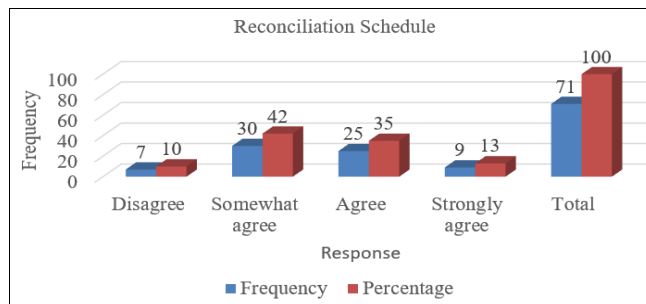


Fig 4.12: Preparation of Reconciliation Schedules

The results in Figure 4.12 look at whether respondents agree or disagree that the Agency prepares a reconciliation schedule of the carrying amount for each class from the beginning to the end of the period, detailing additions, disposals, revaluations, impairment losses, and depreciation. The majority (42%) somewhat agreed, indicating moderate compliance, suggesting room for improvement.

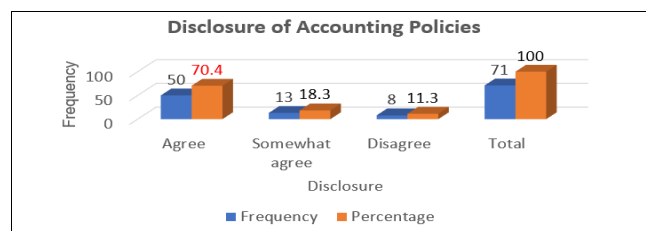


Fig 4.13: Presents data on whether respondents agree or disagree that the Agency disclose accounting policies in its published financial information

Figure 4.13 looks at whether respondents agree or disagree that the Agency prepares disclosed accounting policies. A significant majority (70.4%) agreed that accounting policies are disclosed adequately.

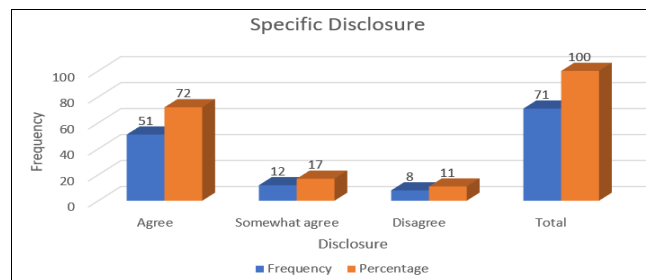


Fig 4.14: Specific Disclosure

Figure 4.14 above looks at whether respondents agree or disagree that the Agency made specific disclosures of restrictions and pledges, construction in progress, contractual commitments for acquisition, and compensation from third parties for impaired or lost assets. Most respondents (72%) confirmed that specific disclosures are adequately provided. This means that the Agency's specific

disclosures of restrictions and pledges, construction in progress, contractual commitments for acquisition, and compensation from third parties for impaired or lost assets were adequate.

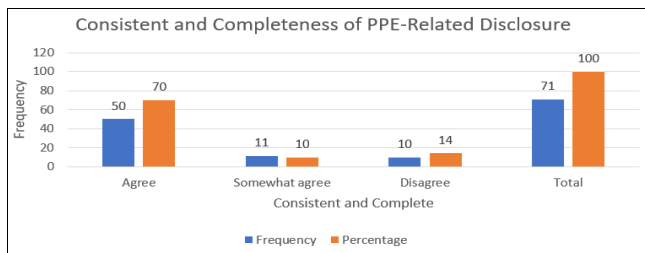


Fig 4.15: Consistency and Completeness in Disclosure of PPE

Figure 4.15 looks at whether participants agree or disagree that PPE-related disclosures align with the financial statements and prior periods, and that notes provide necessary details about PPE items. About 70% agreed that disclosures are consistent and complete, indicating strong compliance.

As indicated in the statistics above (**Fig.11 to Fig. 4.15**), compliance with IPSAS 17 disclosure guidelines is generally high. The majority of the respondents agreed that PPE classification, accounting policies, and financial statement disclosures are adequately presented, reflecting strong adherence to disclosure guidelines.

However, reconciliation schedules (**Fig.4.12**) indicate only moderate compliance, suggesting a gap in providing detailed information on movements in asset values over time. This limits the ability of stakeholders to fully assess and evaluate movements in assets and financial performance.

Qualitative findings support these observations, with participants noting that disclosure practices are relatively well established because of the use of standardised reporting models and regulatory expectations. This suggests that disclosure-related requirements are more easily implemented compared to technically challenging aspects such as asset valuation.

4.5 Challenges Affecting IPSAS 17 Compliance

The qualitative interview identified key challenges as:

1. High implementation costs
2. Limited technical expertise
3. Need for training and capacity building
4. Complexity and time-consuming processes
5. Inadequate infrastructure
6. Resistance to change

Qualitative evidence further provided insight into these challenges. Respondents contended that shifting from cash-based to accrual-based accounting required substantial investment in asset valuation, system upgrades, and capacity building. The lack of adequately skilled manpower necessitates ongoing training, which further increases implementation costs.

Additionally, organisational aspects such as resistance to change and inadequate infrastructure were identified as key obstacles. These results indicate that IPSAS compliance is not exclusively a technical issue but also an institutional and organisational one.

Key informants stated that:

Theme 1: Extent to which PACRA Revalues its PPE

“For plant and equipment, revaluation is more often, but not consistently, every 4 years as per the fixed asset policy. For property, it is rarely revalued. In the last 10 years, we have done no revaluation of the property. It was last done in 2014.”

“You have asked a complex question to answer, but I will give you my independent knowledge about this: All statutory institutions in Zambia, including the Agency, are always behind in terms of the timely preparation of financial information. Since PACRA falls in this category, it's behind in revaluation. I think it revalued its assets somewhere between 2013 and 2015 for the assets that were acquired in the 1990s, which was quite a long time ago. “There are some assets, such as plant and equipment, that were more regular but inconsistent in terms of measuring their value.”

Theme 2: Adequacy of PPE-Related Disclosures at PACRA

“This is adequately done, all assets are grouped and disclosed in the way they are supposed to”

“Well, I can say these are adequately covered unless otherwise, you know, I cannot be 100% in my responses”

“This is done as it is supposed to be, I think.”

Theme 3: Challenges Faced by PACRA in Implementing IPSAS 17 Compliance for PPE Accounting

“PACRA faces significant challenges in implementing IPSAS 17 for Property, and Equipment (PPE) due to high, prohibitive costs, complex valuation requirements, and a lack of technical expertise”.

“To enhance compliance, the transition requires substantial training and capacity building to manage, recognise, and report assets, which are often hindered by inadequate infrastructure and limited financial resources”.

“High Implementation Costs concerning the financial burden associated with shifting from cash-based to accrual-based accounting (IPSAS 17) for PPE is a major barrier in PACRA”.

4.6 Synthesis of Results

Overall, the results reveal a mixed pattern of IPSAS 17 compliance at PACRA. While the disclosure processes demonstrate relatively high compliance, revaluation procedures remain unpredictable and incomplete. This shows that the institution has made notable strides in adopting IPSAS-based reporting frameworks but continues to encounter challenges in attaining full compliance in technically demanding areas.

The results point to a clear but partial compliance scenario, where formal adoption of IPSAS is not completely matched by practical implementation. This reflects wider trends observed in many developing economies where institutional capacity constraints, financial limitations, and technical challenges hinder the effective implementation of public sector accounting reforms.

From a theoretical perspective, these findings suggest that while accountability objectives are being partially implemented through enhanced disclosures, the partial application of accrual accounting guidelines, particularly in asset valuation, limits the total effectiveness of financial

reporting. Consequently, the study emphasises the need for strengthened institutional capacity, improved technical expertise, and sustained financial investment to close the gap between IPSAS adoption and total compliance.

5. Discussion of Findings

5.1 Introduction

This chapter interprets and critically analyses the findings presented in Chapter Four in relation to the study objectives, existing literature, and underpinning theoretical frameworks. The discussion focuses on three key areas: compliance with IPSAS 17 revaluation requirements, adequacy of PPE disclosures, and challenges affecting implementation. The chapter further integrates the findings within Accountability and Decision-Making Theory and Accrual Accounting Theory to provide a deeper understanding of IPSAS 17 compliance at the Patents and Companies Registration Agency (PACRA).

This chapter interprets and critically examines the findings presented in Chapter Four in relation to the study objectives, extant literature and supporting theoretical frameworks. The discussion focuses on three key areas of the study: compliance with IPSAS 17 revaluation guidelines, adequacy of PPE disclosures, and challenges affecting implementation. The chapter further integrates the results within the Accountability and Decision-Making Theory and Accrual Accounting Theory to provide a nuanced understanding of IPSAS 17 compliance at the Patents and Companies Registration Agency (PACRA)

5.2 Compliance with IPSAS 17: PPE Revaluation Procedures

The findings highlight that compliance with IPSAS 17 in relation to PPE revaluation at PACRA is mostly low to moderate. While the institution displays some adherence to technical guidelines, such as the use of fair value, the regularity and consistency of revaluation remain inadequate. This pattern reflects the adoption-compliance gap broadly documented in the literature (Attefah, Ferreira, & Gomes, 2025; Filos & Gkouma, 2022) ^[10, 9], where public sector organisations formally adopt IPSAS but struggle with full implementation. The irregular revaluation of assets, particularly property, suggests that financial statements may not accurately show current asset values, thus reducing their reliability.

From an Accountability and Decision-Making standpoint, irregular revaluation weakens transparency and inhibits stakeholders' ability to make informed decisions. Correct asset valuation is critical for examining financial performance and resource utilisation; hence, failure to update asset values compromises the accountability function of financial reporting.

From an Accrual Accounting standpoint, the results show incomplete application of accrual principles. Accrual accounting requires assets to be measured and reported in a way that reflects their economic reality. When revaluations are infrequent, the carrying amounts of assets become outdated, reducing the usefulness and comparability of financial statements.

5.3 Adequacy of PPE-Related Disclosures

In contrast to revaluation practices, the study reveals relatively high compliance with IPSAS 17 disclosure requirements. This indicates that PACRA has made notable

strides in adopting reporting practices that improve transparency and consistency in financial statements.

These findings are consistent with previous studies by Sellami & Gafsi (2020) and Mnif Sellami & Gafsi (2019) ^[18], which indicate that public sector organisations tend to achieve higher compliance in disclosure requirements compared to more technically complex areas such as asset valuation.

The relatively strong performance in disclosures may be ascribed to the use of standardised reporting models and regulatory oversight, which facilitate compliance. However, the identified gaps in reconciliation schedules indicate that disclosure is not yet fully complete.

From a theoretical perspective, enhanced disclosure practices support accountability objectives by providing stakeholders with useful financial information. However, incomplete disclosures, particularly regarding asset movements, limit the value of transparency and reduce the effectiveness of financial reports for decision-making.

5.4 Challenges Affecting IPSAS 17 Compliance

The study identifies several key obstacles affecting IPSAS 17 compliance, including high implementation costs, inadequate technical expertise, limited training, and the complexity of the standard.

These findings align with extant literature, which highlights resource and capacity limitations as major barriers to IPSAS implementation in developing economies. The high cost of asset valuation, system upgrading, and training presents a significant hindrance, particularly in resource-strapped environments (Erin *et al.*, 2016; Emmanuel & Kabara, 2025 ^[8]).

The shortage of skilled manpower further complicates these challenges, as effective implementation of IPSAS 17 requires specialised knowledge in areas such as fair value measurement and asset management. In addition, organisational elements such as resistance to change and inadequate infrastructure hinder the shift to accrual-based accounting.

From an Accrual Accounting standpoint, these challenges limit the practical application of accrual principles, resulting in partial compliance. From an Accountability perspective, they weaken the ability of institutions to generate financial reports which are reliable and transparent, thereby undermining stakeholder confidence.

5.5 Integrated Discussion

The findings of this study highlight a systemic pattern of partial compliance, where PACRA demonstrates stronger adherence to disclosure practices and guidelines than in asset valuation and revaluation. This disparity postulates that while institutional reforms have enhanced reporting structures, deeper technical and operational challenges remain unresolved.

The study confirms that IPSAS adoption alone is not enough to achieve real reform. Effective compliance requires not only regulatory orientation but also enough resources, technical capacity, and institutional support. Without these enabling conditions, public sector organisations are likely to experience persistent gaps between formal adoption and practical implementation.

By combining empirical findings with theoretical perspectives, the study exemplifies that IPSAS 17 compliance is both a technical and institutional issue.

Addressing the identified challenges is therefore critical for improving the quality, reliability, and usefulness of public sector financial reporting in Zambia.

6. Conclusion and Recommendations

6.1 Introduction

This chapter presents the overall conclusions of the study and offers practical and policy-aligned recommendations founded on the results. It also provides the contributions of the study to knowledge, outlines its limitations, and suggests areas for further and future research. The chapter draws on the empirical evidence and discussion presented in the earlier chapters to provide a coherent synthesis of the study's key highlights on compliance with international Public Sector Accounting Standards (IPSAS) 17 at the Patents and Companies Registration Agency (PACRA).

6.2 Conclusion

This study set out to examine the degree of compliance with IPSAS 17, focusing on Property, Plant and Equipment (PPE) revaluation practices, adequacy of disclosure, and the challenges impacting the implementation within PACRA. The results reveal that while the institution has made measurable progress in adopting IPSAS-based financial reporting frameworks, full compliance with IPSAS 17 has not yet been attained.

The results also indicate a mixed compliance pattern. On one hand, PPE-related disclosures demonstrate fairly high degrees of compliance, suggesting that PACRA has successfully institutionalised standardised reporting practices. On the other hand, PPE revaluation practices remain disproportionate and infrequent, indicating partial adherence to the measurement requirements of IPSAS 17. This imbalance reflects a wider trend in public sector accounting reforms, where entities achieve routine compliance in disclosures but face challenges in implementing technically demanding aspects such as asset valuation and revaluation.

The study further found that IPSAS 17 compliance is hindered by a combination of financial, technical, and institutional challenges. High implementation costs, limited technical expertise, insufficient training, and the complexity of the standard were identified as key obstacles. These obstacles highlight that compliance is not merely a matter of regulatory adoption but requires substantial institutional capacity and continuous resource commitment.

From a theoretical standpoint, the findings support the relevance of both Accountability and Decision-Making Theory and Accrual Accounting Theory. While enhancements in disclosure practices contribute to improved transparency and accountability, partial application of accrual accounting principles, particularly in asset valuation, limits the overall effectiveness of financial reporting. Consequently, the study concludes that IPSAS adoption at PACRA reflects a state of partial compliance, characterised by progress in disclosure practices but repeated gaps in measurement and valuation.

6.3 Recommendations

The following recommendations are proposed based on the findings of the study to enhance IPSAS 17 compliance at PACRA and similar public sector institutions.

6.3.1 Strengthen Asset Revaluation Practices

PACRA should institutionalise consistent and systematic asset revaluation policies in line with IPSAS 17 requirements. This should include establishing clear timelines for revaluation across all asset classes and ensuring regularity in application. The use of professional valuers should be formalised and consolidated into routine financial reporting processes to ensure that asset values reflect fair value.

6.3.2 Invest in Technical Capacity and Training

There is a need for constant investment in capacity building and professional training for accounting and finance staff. Training programmes should emphasise critical areas such as fair value measurement, depreciation methods, and asset management systems. Strengthening technical know-how will enhance the ability of staff to implement IPSAS 17 effectively and consistently.

6.3.3 Enhance Asset Management Systems

PACRA should invest in robust asset management and information systems to enhance asset tracking, valuation, and reporting. Integrated systems can ease accurate record keeping, support timely revaluation, and ensure compliance with disclosure requirements. This will also enhance the reliability and efficiency of financial reporting processes.

6.3.4 Strengthen Regulatory Oversight and Enforcement

Regulatory oversight bodies and institutions should improve monitoring and enforcement instruments to ensure compliance with IPSAS standards. Typical audits and compliance reviews can provide accountability and motivate institutions to adhere more closely to IPSAS 17 guidelines.

6.3.5 Improve Disclosure Completeness

While disclosure practices are relatively strong, PACRA should prioritise improving reconciliation schedules and detailed asset movement reporting. Providing exhaustive disclosures will improve transparency and enable stakeholders to better assess changes in asset values over time.

6.3.6 Financial Resource Allocation

Given that implementation costs are a major limitation, the government and relevant authorities should allocate enough financial resources to support IPSAS implementation. This includes financing for asset valuation exercises, system upgrades, and training incentives.

6.4 Contribution to Knowledge

This study makes several important contributions to the existing body of knowledge on public sector accounting and IPSAS implementation.

Firstly, the study provides empirical evidence from Zambia, a context that remains underrepresented in the literature on IPSAS compliance. By focusing on a statutory body, the study provides an understanding of institutional-level implementation challenges and practices.

Secondly, the study contributes to the literature on the adoption-compliance gap by showing how formal adoption of IPSAS does not ordinarily translate into full compliance. It highlights the particular areas, particularly asset valuation and revaluation, where this gap is most evident.

Thirdly, the study combines theoretical and empirical perspectives, showing how Accountability and Decision-Making Theory and Accrual Accounting Theory can be applied to appreciate compliance dynamics in the public

sector. This provides a more inclusive framework for analysing financial reporting reforms.

6.5 Study Limitations

Notwithstanding its contributions, the study has several limitations that should be acknowledged.

Firstly, the study is grounded on a single case study (PACRA), which may limit the generalisability of the findings to other public sector organisations. However, the case study approach provides in-depth perspectives that are valuable for understanding the context-specific dynamics.

Secondly, the use of non-probability sampling methods (purposive and convenience sampling) may introduce selection bias, although enough efforts were made to include participants with relevant knowledge.

Thirdly, the study relies partly on self-reported data, which may be subject to response bias. However, this limitation was mitigated through triangulation with secondary data and qualitative interviews.

6.6 Areas for Future Research

Future studies should consider increasing the scope of research to include multiple public sector institutions to improve generalisability and enable comparative analysis. Cross-country studies within the African region could also provide valuable knowledge into regional patterns of IPSAS implementation.

In addition, further research could adopt quantitative modelling methods, such as regression analysis, to examine the associations between institutional factors and IPSAS compliance levels. This would provide a more thorough, rigorous understanding of the determinants of compliance.

Finally, future studies should investigate the long-term impact of IPSAS adoption on financial performance, accountability, and governance outcomes in the public sector. Such research would contribute to evaluating the effectiveness of public financial management reforms more broadly.

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