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Evaluating the Barriers of Government Accounting Development in Iran

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Abstract

Basically, public sector accounting systems and methods, which are developed and implemented to enhance the financial reporting objectives and inspired by the principles and standards of the public sector, must provide information that response receiver (people) can evaluate the respondent (government) performance; and on the other hand, the respondent ensure to have the necessary information to answer. In this paper, descriptive statistics about demographic information of respondents (sample individuals) as well as the status of research variables are presented using tables and charts. In order to answer the research questions and to conclude, statistical methods and different tests using SPSS software version 21 has been used and research hypotheses have been investigated. In this study, all the hypotheses were approved.

Keywords: Motivational acceptance, managerial acceptance, technical ability, human resource ability, accounting development.

INTRODUCTION

Accounting is a set of rules and procedures that by applying it the financial and economic information of an institution is collected, and also the set of rules is classified and summarized in the form of accounting reports and is made available to managers for decision making. Today, the method of collecting, classifying and interpreting the accounting information plays a major role in the financial prediction and planning of organizations and, in fact, its strategic management, because the mentioned information provides the essential basis for decision making and adopting future policy of the organization.

In modern thinking, there are two types of financial reporting systems for the public sector: (1) the dual-level system and (2) the quasi-commercial financial reporting system. The first system is provided by GASB and the latter is attributed to IFAC. The first system is based on the use of different approaches and fundamentals (cash, adjusted accrual, and full accrual) at different reporting levels (the independent accounts and the reporting unit) to provide information for the performance and assessment of the financial and operational accountability governing the consumption and utilization the public resources; and the second system emphasizes the necessity of using the accrual accounting system for financial reporting of public sector institutions. Many European countries including UK, Romania, Iceland, Sweden, Finland, Portugal, as well as countries such as Australia and New Zealand have accepted the accrual accounting system.

In Iran, state accounting due to the important role in government decision-making and its accountability has not had the required progress. Therefore, in the present study, we study the state accounting and its development barriers in Iran.

RESEARCH BACKGROUND

Internal Researches

Nikbakht and Mousavi Sangcheshmeh (2012) examined the barriers and problems of the Court of Auditors in the audit of government agencies from the perspective of financial managers and entrepreneurs. Four hypotheses have been used in this research. All four hypotheses of this research have been confirmed and by Friedman's test, it was found

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that the effect of the factors affecting the lack of access of the Court of Auditors to its goals varies from one another.

Pourzamani and Naderi (2014) in a study entitled "evaluating the barriers of operational budget deployment in Iran free trade-industrial areas' organizations", concluded that disability in performance evaluation, manpower disability, lack of legal authority and lack of procedural authority as well as lack of acceptance incentives were determined as barriers to operational budget deployment based on the SHAH model.

Sayel Ramdahan (2009) in a study entitled "budgeting and reporting measures in Bahrain's government agencies", which implies significant managerial changes and major reforms aimed at improving efficiency, transparency, performance, accountability, and proper management of the budget which all of these changes were made through the State Budget Law No. 39 in 2002, concluded that budgeting is the most important component of the accounting system in the government, which is based on adjusted cash accounting.

Lopez and Peters (2010) conducted a study on the difference between audit reports of state auditors and independent auditors working in private audit firms. The results of the research showed that private audit firms comply with the rules and standards more than state auditors. Also, the private institutions have more emphasis on recognizing and testing internal controls and incorporating this in their reports.

Cohen et al. (2012) in their study concluded that among the government sectors, municipalities are negotiating and assessing the use of accrual or cash basis more than other government entities, and also, they stated that accounting information as an accrual basis for the public sector can provide better cost management.

RESEARCH CONCEPTUAL MODEL

The schematic model of the present research is as follows:
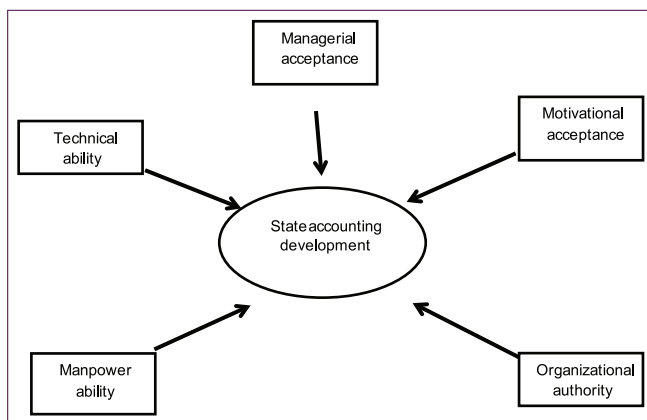
RESEARCH HYPOTHESES

Hypothesis 1
Motivational acceptance barriers in the state accounting environment lead to the lack of development of the state accounting system and the failure to realize the goals of public financial reporting.

Hypothesis 2
Managerial acceptance barriers in the state accounting environment lead to the lack of the development of the state accounting system and the failure to realize the goals of public financial reporting.

Hypothesis 3
The technical ability barriers in the state accounting environment lead to the lack of development of the state accounting system and the failure to realize the goals of public financial reporting.

Hypothesis 4
Barriers of the human resources capability in the state accounting environment lead to the lack of development of the state accounting system and the failure to realize the goals of public financial reporting.

Hypothesis 5
Organizational authority barriers in the state accounting environment lead to the lack of the development of the state accounting system and the failure to realize the goals of public financial reporting.

RESEARCH METHODOLOGY

A survey research method has been used in this research, which is one of the descriptive researches. The research strategy is a case study and data collection tool is questionnaire. The data and information are collected and summarized using the field method.

STATISTICAL POPULATION

The statistical population of the study, according to the subject and objectives of the research, consists of financial managers and senior managers of organizations working in governmental organizations of Kharg city.

Since the Kharg city is not very big and does not have a huge population and the central offices are located in the center of the province, access to a large number of financial managers and senior executives was not possible. For this reason, the convenience sampling method (non-random) has been selected for the above research. According to

this method, sampling of 80 financial managers and senior managers has been selected as the statistical sample of this research.

STATISTICAL ANALYSIS OF RESEARCH HYPOTHESES

The first hypothesis

H1: Motivational acceptance barriers in the state accounting environment lead to the lack of development of the state accounting system and the failure to realize the goals of public financial reporting.

H0: Motivational acceptance barriers in the state accounting environment do not lead to the lack of development of the state accounting system and the failure to realize the goals of public financial reporting.

Table 4-11: The test results of the first hypothesis

Variable	Size	Mean	t*	df	Significant level
Motivational acceptance barriers	80	2.973	32.95	79	0.000

According to Table 4-11, the significant level, i.e., Sig = 0.000 is below the level of Sig> 0.05, which means that the first hypothesis is confirmed, that is, the null hypothesis is rejected. In other words, the motivational acceptance barriers though the government accounting environment lead to the non-development of the state accounting system and cause the failure to realize the goals of state financial reporting.

The second hypothesis

H1: Managerial acceptance barriers in the state accounting environment lead to the lack of the development of the state accounting system and the failure to realize the goals of public financial reporting.

H0: Managerial acceptance barriers in the state accounting environment do not lead to the lack of the development of the state accounting system and the failure to realize the goals of public financial reporting.

Table 4-12: The test results of the second hypothesis

Variable	Size	Mean	t*	df	Significant level
Managerial acceptance barriers	80	2.718	34.534	79	0.000

According to Table 4-12, the value of the significant level, namely Sig = 0.000 is below the level of Sig> 0.05, so there is sufficient reason to confirm the second hypothesis, that is, the null hypothesis is rejected. In other words, we assume

that the barriers of managerial acceptance in the state accounting environment result in the lack of development of the state accounting system and the failure to realize the goals of public financial reporting.

The third hypothesis

H1: The technical ability barriers in the state accounting environment lead to the lack of development of the state accounting system and the failure to realize the goals of public financial reporting.

H0: The technical ability barriers in the state accounting environment do not lead to the lack of development of the state accounting system and the failure to realize the goals of public financial reporting.

Table 4-13: The test results of the third hypothesis

Variable	Size	Mean	t*	df	Significant level
Technical ability barriers	80	2.851	33.088	79	0.000

According to Table 4-13, the value of the significant level, namely Sig = 0.000, is below the level of Sig> 0.05, so there is sufficient reason to confirm the third hypothesis, that is, the null hypothesis is rejected. In other words, we suspect that the technical ability barriers in the state accounting environment result in the lack of development of the state accounting system and the failure to fulfill the goals of the state financial reporting, and this can be found from the t value of 33.088.

The fourth hypothesis

H1: Barriers of the human resources capability in the state accounting environment lead to the lack of development of the state accounting system and the failure to realize the goals of public financial reporting.

H0: Barriers of the human resources capability in the state accounting environment do not lead to the lack of development of the state accounting system and the failure to realize the goals of public financial reporting.

Table 4-14: The test results of the fourth hypothesis

Variable	Size	Mean	t*	df	Significant level
Barriers of the human resources capability	80	2.981	28.409	79	0.000

According to Table 4-14, the value of the significant level, which is Sig = 0.000, is below the level of Sig> 0.05, so there is sufficient reason to confirm the fourth hypothesis, that is, the null hypothesis is rejected. In other words, we suspect that the barriers to the human resources capability in the state accounting environment result in the lack of development of the state accounting system and the failure to realize the goals of state financial reporting.

The fifth hypothesis

H1: Organizational authority barriers in the state accounting environment lead to the lack of the development of the state accounting system and the failure to realize the goals of public financial reporting.

H0: Organizational authority barriers in the state accounting environment do not lead to the lack of the development of the state accounting system and the failure to realize the goals of public financial reporting.

Table 4-15: The test results of the fifth hypothesis

Variable	Size	Mean	t*	df	Significant level
Organizational authority barriers	80	2.851	33.088	79	0.000

According to Table 4-15, the value of the significant level, which is Sig = 0.000, is lower than the level of Sig> 0.05, so there is sufficient reason to confirm the fifth hypothesis, that is, the null hypothesis is rejected.

CONCLUSION

The present study assessed the barriers of public accounting development in Iran. At first, descriptive statistics concerning the demographic information of respondents (sample individuals) as well as the status of research variables were presented using tables and graphs and then, statistical methods and different tests were used to answer the research questions and conclusions and research hypotheses were investigated by using SPSS software version 21.

The First Hypothesis

Considering the observations of the significant level table, i.e. Sig = 0.000, it is less than the level of Sig> 0.05, which means that the first hypothesis is confirmed, i.e. the null hypothesis is rejected. In other words, the motivational acceptance obstacles through the state accounting environment lead to the non-development of the state accounting system and they cause the failure to realize the goals of state financial reporting.

The Second Hypothesis

According to the results of the table of the value of the significant level, which is Sig = 0.000, it is below the level of Sig> 0.05, so there is sufficient reason to confirm the second hypothesis, that is, the null hypothesis is rejected. In other words, we assume that the barriers to managerial acceptance in the state accounting environment lead to the lack of development of the state accounting system and the failure to realize the goals of state financial reporting.

The Third Hypothesis

According to the results of the table of the value of the significant level, which is Sig = 0.000, as it can been that it is below the level of Sig> 0.05, therefore, there is enough reason to confirm the third hypothesis, that means that the null hypothesis is rejected. In other words, we suspect that the technical ability barriers in the state accounting environment have led to the lack of development of the state accounting system and the failure to fulfill the goals of the state financial reporting, and this can be observed from the t value of 33.088.

The Fourth Hypothesis

Given the table observations, the value of the significant level, which is Sig = 0.000, is below the level of Sig> 0.05, so there is sufficient reason to confirm the fourth hypothesis, that is, the null hypothesis is rejected. In other words, we suppose that the barriers to the human resources capability in the state accounting environment have led to the lack of development of the state accounting system and the failure to realize the goals of state financial reporting.

The Fifth Hypothesis

According to the table observations, the value of the significant level is Sig = 0.000 which is less than the level of Sig> 0.05, therefore, the fifth hypothesis can be confirmed with sufficient reasons, so that the null hypothesis is rejected. In other words, we suspect that barriers to organizational ownership in the state accounting environment have led to the lack of development of a public accounting system and the failure to realize the goals of public financial reporting.

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