THE ROLE OF PROFESSIONAL ACCOUNTANTS IN RESILIENCE BUILDING OF GOVERNMENTS: EVIDENCE FROM TANZANIA, UGANDA, AND ZAMBIA

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Executive summary, including a highlight of recommendations

Our key objective in this paper has been to investigate the role that the accounting profession and professional accountants can play in the long-term resilience building of governments. Studies conducted mainly in western countries increasingly demonstrate the role of public sector accounting in building governmental financial resilience (Barbera et al., 2023). The challenging budget positions of governments during the pandemic, mainly in Africa and other emerging economies, have also raised concerns over financial resilience (Dzigbede et al., 2022; Ejiogu et al.,2020). Recent studies undertaken in Africa have therefore called for governments to focus more on building long-term resilience, forging partnerships with key stakeholders, more importantly the accounting profession (Jayasinghe et al., 2021; Dzigbede et al., 2022).

The accounting profession and professional accountants have been reckoned to be central to the process of resilience building. Apart from engendering reliable financial information, they can facilitate training and capacity building for public administrators and other stakeholders in anticipating and coping with unanticipated shocks and crises. Limited studies have attempted to bring out the perceptions and views of accountants and members of professional accountancy organisations in terms of building governmental financial resilience in developing countries in general and Sub-Saharan Africa in particular. This knowledge gap has been addressed in this report. Three Sub-Saharan countries - Tanzania, Uganda, and Zambia – have provided us the research settings for this study. These three countries have been selected not only due to our access to data and informants in these countries, but also considering their long history of instigating public sector accounting reforms. Implicit within the public sector reforms undertaken by these three countries, an intention to build on and promote resilience which is clearly evident. Building resilience through engaging with the accounting profession and professional accountants, however, appears to be remote from the reform agenda in all three countries.

We facilitated document analysis and semi-structured interviews in these three countries to bring out the views of the accounting profession and professional accountants on governments' financial resilience and the role that they can play in the process. We developed a preliminary conceptual framework, largely influenced by the models earlier developed by Barbera et al. (2017, 675) and Hines (1988), identifying different factors/drivers interconnected with resilience:

resistance, adaptation, collaboration, and diversification. The findings of our study demonstrate that the majority of accountants interviewed were aware of the resilience drivers/factors even though their approaches to absorb, respond to and cope with the shocks and crises varied. At the same time, many of the interviewees (accountants) were encountering challenges in terms of establishing a connection between these drivers of resilience and accounting techniques applied by governments. This implicitly indicates the limited influence of accountants in terms of advising governments on building resilience and engaging in the policy formulation process. On the issue of financial resilience, our study delineates the fact that the pandemic, followed by other crises such as geo-political tensions, the cost of living and climate change, have caused significant shocks to countries and showed the importance of setting up systems that would allow them to respond appropriately and maintain financial stability. However, accounting training programmes and other professional development activities have yet to be developed, enabling accountants to connect accounting principles with economic policies as pursued by governments.

We also observed that governments have continued to perceive financial resilience from a risk perspective. As such, the support of the accounting profession and professional accountants has been sought in the adoption of accounting standards, but their contribution to building resilience is yet to be acknowledged. The rigidity of government rules, laws, and policies has made the involvement of professional accountants difficult in the resilience building process. We therefore emphasise that by utilising professional accounting knowledge and expertise, the government authorities can develop robust plans and facilitate reforms– not only in terms of building financial resilience but also in helping them reinvent and transform the way public services are delivered to better serve their communities. In doing so, the study clearly spells out a number of recommendations both to governments, professional accountants and the accounting profession:

- Governments should engage more closely with accountants and the profession and utilise accounting techniques to enhance capacity and build resilience in their economies.
- Beyond the enforcement of accounting reforms (accruals and IPSASs) and the offering of training, governments need to realise the important role that the accounting profession and accountants can play in resilience building and ensuring financial sustainability.

- Accountants and the accounting profession should streamline their current modes of offering training and engagement with policy makers and other stakeholders. The training programmes should not only focus on accounting and auditing standards but also go beyond further delineating the important role that accounting can play in policy formulation and ensuring governments' longer-term sustainability policies. In particular, the training programmes should help foster the capacities of governments and other stakeholders in anticipating and responding to the crises,
- Both the profession and governments should collectively work on revising the accounting education being offered at universities and professional institutions. What is important is to review accounting syllabus, elucidating the fact that accounting is more than a numerical representation, but also a tool through which to ensure transparency and accountability and gear public policies towards financial resilience,
- There is a need to establish a system that fosters a strong partnership between researchers and accounting professionals/practitioners and policy makers in the process of resilience building.

1.0. Introduction and background

Earlier, the notion of resilience has been applied by public sector accounting researchers in the context of financial crises and austerity to investigate the way how governments at different levels have anticipated, absorbed, and reacted to financial shocks and constraints (Barbera et al., 2016). Indeed, scholars have presented several definitions of financial resilience. While some scholars focus on 'anticipation and awareness of risks' (see, e.g. Barbera et al., 2017; p. 672), others highlight the capacity to cope with unanticipated shocks and the availability of adaptive measures (Barbera et al., 2017). Until recently, the term resilience has been used mainly in the context of European local governments, delineating their attempt to cope with financial stocks and austerity. For instance, more recently, Barbera et al. (2023) have proposed a framework reflecting on European municipalities, elucidating how different types of shocks, vulnerabilities, and anticipatory and coping capacities are interconnected in executing responses and shaping financial and non-financial performance.

The challenging budget positions of governments during the pandemic, mainly in Africa and other emerging economies, have raised concerns over financial resilience (Dzigbede et al., 2022; Ejiogu et al.,2020). The short-term fiscal and budgetary responses of these countries have adversely impacted their borrowings and the level of debts and deficits (Upadhaya et al., 2020). Recent studies undertaken in Africa have therefore called for governments to focus more on building long-term resilience, and forging partnerships with key stakeholders, most importantly the accounting profession (Jayasinghe et al., 2021; Dzigbede et al., 2022). Adhikari and Jayasinghe (2022) argue that the failure to build on long-term resilience will exacerbate governance and accountability mechanisms in the developing world, hindering the development of a fairer and just post-COVID economy and society. Such claims correspond to the theme, set out by the African Congress of Accountants' 2023 theme 'Structural Transformation and Growth of African Economies'. Resilience building requires collaboration of wider stakeholders as it goes beyond reforming the existing public financial management (PFM) systems (see, e.g. Adhikari et al., 2022). However, rarely have studies discussed the involvement of the accounting profession in the longer- term resilience building of governments in developing country contexts, not least in Africa. It is generally believed that the profession has a significant role to play in resilience building, given that they are at the intersection of public economic policy, governance, and accountability.

Given this, the aim of this project is to investigate what role the accounting profession and professional accountants can play in the long-term resilience building of governments through the facilitation of training and capacity building of public administrators and implementing public sector accounting reforms. Our research settings include Tanzania, Uganda, and Zambia. All these selected African countries have implemented large- scale public sector accounting reforms incorporating international public sector accounting standards and accrual accounting. The project intends to make an important contribution in the context of Africa and beyond delineating the ways in which professional accountants could be better integrated in facilitating public sector accounting reforms, promoting education, training, and capacity building among public administrators, and eventually helping governments build resilience to cope with the consequences of the pandemic as well as future crises and shocks. In doing so, the project will also contribute to the professionalisation of public sector accounting and auditing in Africa, which is an important agenda of the African Accounting and Finance Association and the African Professionalisation Initiative (API) (API White Paper, 2020).

Tanzania, Uganda, and Zambia have a long history of public sector accounting reforms, launched at the behest of international organisations and professional accountants. Government agencies in Tanzania started preparing their financial statements in 2008, complying with some of the requirements laid down in the Cash Basis IPSAS. The reforms culminated in Tanzania in 2013 with the enforcement of accrual accounting across central level agencies (Mbelwa et al., 2019).However, recent studies by Goddard and Mkasiwa (2016) and Goddard et al. (2016) have shown that the implementation of accrual accounting has been poor and raised doubts about the extent to which the expected benefits in terms of generating relevant information on assets, liabilities, and expenditures have been achieved. Of the factors constraining the implementation of reforms, limited attention to training and capacity development of government accountants has drawn wider attention (Mbelwa et al., 2019). Of the factors constraining the implementation of reforms, limited attention to training and capacity development of government accountants has drawn wider attention (Mbelwa et al., 2019). This has raised concerns about the need for forging collaboration with professional accountants and engaging them more actively in the reforms, which have wider social implications.

Similar to Tanzania, Zambia launched its public sector reforms in 1983, following the advice of the IMF and the World Bank, to improve the quality, efficiency and effectiveness of public expenditure management and service delivery. The adoption of the Cash Basis IPSAS in 2009 was perhaps the most advanced accounting reform that the country has undertaken in the last two decades (MoF,2010). Phase one of the public financial management reform programmes, which extended from 2014 until 2018, further reinforced the adoption of the Cash Basis IPSAS and set out a plan for a possible transition towards accrual accounting (World Bank,2019). The important role that professional accountants have played in public sector accounting reforms is clearly evident. For instance, professional accountants were involved in all key accounting reforms, developing technical guidance for administrators, and facilitating education, training and capacity building programmes (World Bank,2019). However, similar to Tanzania, voices have been echoed emphasising that the accounting profession and professional accountants should focus more on wider issues not necessarily limiting themselves in the adoption and implementation of accounting standards, but helping the government become more resilient and sustainable (Mssusa, Chalu, & Temu, 2021). They should be able to prove their expertise in policy making in wider social issues in which public sector accounting can have an important role; for instance, helping the government become more resilient and sustainable.

Uganda has three decades of experience in implementing PFM reforms. More recently, a new reform implementation strategy has been set out for 4 years (from 2019 – 2023) under the Resource Enhancement and Accountability Programme (REAP). Incorporated in this strategy is the roadmap for implementing the 1st 5-year phase of IPSAS accrual standards effective in 2021/2022 (CPA Uganda, 2020). The partnership with professional accountants and professional bodies such as the Institute of Certified Public Accountants has been particularly emphasised for the success of the proposed transition towards accrual accounting. Academic works have documented the ceremonial adoption and unintended consequences of many of the PFM reforms introduced to Uganda in the past, similar to Tanzania and Zambia (see, e.g., Uddin et al., 2011).

Overall, as outlined in extant work (see, e.g., Goddard et al., 2016; Jayasinghe et al., 2021), public sector reforms introduced in these three countries have failed to live up to expectations. The link between such reforms and resilience is evident, although not explicitly as the intention was driven by a desire to introduce accounting tools and techniques that could support the development of capacities for resilience and dwindle countries exposure to vulnerability. While the experience of three countries demonstrates some level of engagement with accounting practitioners/professionals in executing reforms, the important role that accounting can play in developing capacity to respond to crises and shocks has remained unnoticed. Building financial resilience through engaging with the accounting profession was therefore beyond the ambit of public sector accounting reforms emanated in these three countries studied. We designed and pursued this qualitative study in two stages.

At the outset, we conducted a document analysis examining public sector accounting reforms undertaken by the central governments of Tanzania, Uganda, and Zambia. The research team reviewed both the academic works and the reports issued by national governments, international organisations and donors and identified what reforms have been prioritised in each country, the implementation of these reforms, their propagated benefits, and actual results (if available). In doing so, we attempted to explore the role played by professional accountants in the adoption and dissemination of reforms, their communication with other stakeholders and policy makers and their involvement in the training and capacity development of public administrators. At the next stage, we facilitated semi-structured interviews with professional accountants, policy makers and administrators, government accountants and auditors and politicians. 26 interviews were conducted in total and our interviews were mainly focused on engendering novel insights into implementing public sector accounting reforms, training and capacity development of government accountants and administrations, the implication of public sector accounting in addressing wider social issues in the post COVID period and the operationalisation of public sector accounting in the long-term resilience building of the government. NVivo 10 qualitative data analysis software was applied for the purpose of coding and data analysis. Evidence collected through these multiple sources in Tanzania, Uganda and Zambia resulted in offering multifaceted insights into the role of professional accountants in executing reforms that have wider social implications and building on resilience with a view to addressing future shocks and crises. This also enabled us to provide evidence-based recommendations for building government resilience by collaborating with the accounting profession in Africa, as well as in the wider contexts of emerging economies.

1.1 Objective of the report

Given this, the aim of this project is to investigate what role the accounting profession and professional accountants can play in the long-term resilience building of governments through the facilitation of training and capacity building of public administrators and implementing public sector accounting reforms.

1. Conceptual background/literature review: Resilience: an accounting perspective

The term resilience, which comes from the Latin root resilire, meaning to leap back or to rebound (Simmie & Martin, 2010), has been widely discussed, across various disciplines ranging from social sciences to natural sciences. As a result, the term is often understood and used differently in different disciplines. The term was first introduced in ecology by C.S. Holling in 1973 in an article titled resilience and stability of ecological systems. In the explanation about resilience Holling (1973) makes a clear distinction between resilience and stability.[1]

> *Resilience determines the persistence of relationships within a system and is a measure of the ability of these systems to absorb changes of state variables, driving variables, and parameters, and still persist. In this definition resilience is the property of the system and persistence or probability of extinction is the result. Stability, on the other hand, is the ability of a system to return to an equilibrium state after a temporary disturbance. The more rapidly it returns, and with the least fluctuation, the more stable it is. In this definition stability is the property of the system and the degree of fluctuation around specific states the result (p.17).*
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> *The stability view emphasizes the equilibrium, the maintenance of a predictable world, and the harvesting of nature's excess production with as little fluctuation as possible. The resilience view emphasizes domains of attraction and the need for persistence. But extinction is not purely a random event; it results from the interaction of random events with those deterministic forces that define the shape, size, and characteristics of the domain of attraction. The very approach, therefore, that assures a stable maximum sustained yield of a renewable resource might so change these deterministic conditions that the resilience is lost or reduced so that a chance and rare event that previously could be absorbed can trigger a sudden dramatic change and loss of structural integrity of the system (p.21).*

While the definitions provided by Holling (1973) are based on a clear distinction between resilience and stability, the distinction has not been observed by a number of economic and related studies (Briguglio, Cordina, Farrugia, & Vella, 2006; Hill, Wial & Wolman,

[1] However, according to Resnick & Taliaferro (2011), resilience originally came from physics and then adopted in different fields including developmental sciences and social sciences. In human development the concept seems to emerge in 1960s and 1970s. In social sciences (here we use the term social science as used by many but, in our view we do not consider that social science can be separated from natural science because all of them are engaged to help in understanding and solving problems of the society being naturally or socially created consistent with hierarchy of science as promulgated by Auguste Comte in his hierarchy of science, for further discussion on this subject read Cole, 1983; Comte, 1855; Hutchinson & Sharrock, 2016; Lowe, Phillipson & Wilkinson, 2013 as well as Simonton, 2015), resilience has been widely studied in the field of economics and finance with less studies appearing in accounting which is highly surprising taking into account the historical connection between accounting and physics or natural science in general (Dobija & Renkas 2020; Demski, FitzGerald, Ijiri, Ijiri, & Lin, 2009; Sornette, 2014; Zhang,2021).

2008; Navarro-Espigares, Martín-Segura & Hernández-Torres, 2012; Sanderson, Capon & Hertzler, 2017; Simmie& Martin, 2010). Most of these studies have also attempted to link resilience with the concept of sustainability (Rose, 2007). Navarro-Espigares, et al (2012) for example provide two contrasting views of resilience in which definitions of the term are based on the equilibrist perspective as well as ecologist perspective. In case of equilibrist perspective (sometimes called engineering perspective), resilience is defined in terms of stability of a system near an equilibrium or steady state taking into consideration the resistance to disturbance and the speed of return to the pre-existing equilibrium. From an ecological perspective, the definition of resilience focuses on whether disturbances and shocks cause a system to move into another regime of behaviour. According to Tallaki and Bracci (2021), the ecological perspective recognises the existence of multiple equilibria and the possibility of systems to flip into alternative stability domains. Comparing engineering (equilibria perspective) with the ecological perspective, it can be envisaged that the ecological perspective is much broader justifying the concept of resilience in a more holistic and complex context (Andersson, Cäker, Tengblad & Wickelgren, 2019; Tallaki & Bracci, 2021).

As such resilience is generally understooad as the magnitude of the shock or disturbance that can be absorbed before the system changes its structure and function and becomes shaped by a different set of processes (Navarro-Espigares, et al, 2012). The difference between economic regimes is considered by Sanderson, Capon and Hertzler (2017) as a decision threshold. Sanderson et al (2017; p.11) state that:

> *We have defined economic resilience as* ***the ability of an economic system to remain in a particular economic regime before reaching a decision threshold.*** *This results from the properties of the system that enable it to remain in a particular regime, including the biophysical or social properties of the system and the decision-maker's expectations about returns from an alternative regime. We are proposing this definition of economic resilience as a complement to related ideas about the importance of resilience to understanding social-ecological systems.*

The combining of such two perspectives in the definition also reflects the fact that the majority of studies, particularly in economics, have considered resilience as an issue connected to various economic/financial crises (Briguglio, Cordina, Farrugia & Vella,2006; Barbera, et al., 2017; Chakrabarty, 2012; Coyle, & Ferry, 2022; Nkundabanyanga, et al., 2020; Pretorius, Drewes & Van Aswegen, 2017; Sreenivasan, & Suresh, 2023; Xiang, 2023; Zahedi, Salehi, & Moradi, 2023). Those studies that have looked at resilience from an economic perspective have attempted to use equilibrium models (equilibrist) approaches and this was considered to be limited first to understanding the nature of financial crises and second to making a reliable forecast of financial crises identifying accounting models with better predictive capacity (Arnold, 2009; Bezemer, 2009, 2010; Boyer, 2007). In addition, limited literature has examined the influence of the accounting profession on the resilience issues (Branicki, et al.,2023; Stefan-Duicu Viorica & Stefan-Duicu, 2014). While the study by Branicki et al. (2023) was concerned with the role of accounting profession in resilience building, the key focus of the study appears to be on the extent to which professional service and accounting firms could be resilient. The study by Stefan-Duicu Viorica and Stefan-Duicu (2014) has focused on the role of accounting profession in terms of the professional judgement of the accountants as financial analysts as such these studies did not deal with accounting in general and its relation to resilience. Here, we see that limited studies on accounting have been focused on economic resilience, even though there are a good number of studies on climate and natural disasters (Matilal & Adhikari, 2020, 2013).

As such, the accounting perspective of resilience used in this research is much broader, incorporating both static and dynamic aspects. In the case of static resilience, a key concern is the efficient use of resources at a given time so as to maintain high-performance levels after a shock. In other words, static resilience is concerned with an efficient allocation of existing resources in the context of disasters. On the other hand, dynamic resilience is defined as the efficient use of resources over time to achieve system recovery after a shock. As such, dynamic resilience is concerned with the speed at which an entity or system recovers from a severe shock to achieve a desired state. This can usually appear through the repair and construction of capital stock (Carpio, et al., 2023; Rose, 2007). While these categories of resilience deal with shock or disruption to the system and efficient use of resources (Carpio, et al., 2023) they are closely connected to accounting techniques, both management and financial. These accounting techniques include, among others, cost analysis, budgeting techniques, accounting standards that guide accounting treatments and financial reporting, as well as an auditing and taxation framework. For example, accounting principles have been developed cognizant of the resilience perspective. The conservatism or prudence concept as put by Goldberg (1965) could serve as an example. In these concepts conservatism has been considered to be necessary counteract of the natural optimism of businessmen and hence connected with reserve issues. Similiarly, Ramanna (2020) argues that (quoted)

> *Prudent accounting — the common-sense accounting concept that there should be a higher threshold to recognizing anticipated gains relative to recognizing anticipated losses — had for generations helped businesses balance these two pulls. In turn, businesses were better prepared for an unpredictable blow. Then, at about the turn of the 21st century, accounting rule makers did away with prudence. We are living the consequence today: The economy is teeming with crappy balance-sheets that necessitate gargantuan bailouts when crises hit.*

Hence conservatism, which is basically concerned with dealing with uncertainty in accounting treatments, implicitly reflects the underlying focus of accounting principles on ensuring resilience. Few studies exist that have investigated the connection between accounting principles and resilience, (see e.g., Kim and Shawn, 2022; Pereira and Cerqueira, 2023; Lara et al., 2016). For example, Kim and Shawn show that firms are more conservative during financial crises and firms with a higher degree of conservatism that the financial crisis outperform in the post-crisis periods. Lara, et al. (2016) found a negative association between conservatism and over and under-investment as well as a positive association between conservatism and future profitability. The study suggests that firms that report more conservative numbers invest more efficiently and engage in more profitable projects. On the other hand, Pereira and Cerqueira (2023) provide evidence of a decrease in conservatism in accounting in the earlier stage of a financial crisis and an increase in it during the later stage of a financial crisis. The conservatism principle here is provided as an example of how historically accounting has considered resilience as an issue providing guidelines on accounting treatments. This is consistent with the argument provided by Ramanna (2020) that accounting standards that are meant to achieve economic resilience need to incorporate conservatism or the prudence principle, which is a historical principle. Another example of an accounting issue that deals with resilience is depreciation. The depreciation approach, while connected with cost allocation, particularly to follow the matching principle, has been used to ensure entities in terms of developing capacity for continuing production even at times of shock or disruption. The use of the sinking fund or replacement technique is one of the approaches suggested by accounting to maintain business operations in any economic condition. This can apply to fixed assets as well as to currency valuation. Hence, as provided in Figure 1, we expect that accounting standards, in particular, will play a role in helping organisations or economic systems build resilience capacity.

Figure 1 has also demonstrated what we call drivers or facilitators of resilience, which include resistance, adaptation, collaboration, and diversification. According to Pan, Hu, You, and Chang (2023), resistance represents the vulnerability and sensitivity of an economic system in response to shocks. Bočkarjova (2007) considers resistance as the ability of the system to bear a shock and withhold damage, or, in short, resistance can be explained as persistence. While in other studies they have considered resistance to be an alternative meaning of resilience, it can be argued that resistance could be a precursor to resilience. This view is consistent with Bočkarjova's (2007), in which resilience is envisaged as a system characteristic, whereas resistance is shock dependent. This implies that for the system to be resilient, it needs to have resistance capacity. Another precursor, according to Figure 1, is adaptation, which, according to Bočkarjova (2007), is a set of pre-disaster adjustment activities directed at creating conditions that enhance a system's resistance to an outside shock as well as its capacity to cushion the negative impact. It is considered that having high adaptive capacity will improve resilience.

In the case of collaboration, resilience is connected with good governance, which is essential for an economic system to function and be resilient (see Briguglio, et.,2006). Good governance relates to issues connected with accountability transparency, the rule of law, and participation. As such, good governance can create a conducive environment for various actors to participate in the economy and ensure growth. Haraldseid-Driftland et al. (2022) provide three purposes for forging collaboration when it comes to resilienceThese purposes include responding to and adapting to change, maintaining processes and functions, and improving the quality of services and safety. Following similar views, Brooks, Vorley and Williams (2016) show that having flexible and smart collaboration can help make the economy more resilient because challenges in the economy may be avoided. In this aspect, the participation or engagement of various stakeholders in the economic system is considered vital to help the system become stable, robust, efficient, and effective. Collaboration will not only help to avoid short-term political thinking but will also ensure that long-term objectives are also considered (Brooks, Vorley & Williams, 2016). The last category of driver or precursor for resilience is diversification, which implies a move to a more diverse production and trade structure whereby the economy does not concentrate on a particular sector. According to the World Bank, economic diversification is linked with the structural transformation of developing countries, which is expected to lead to higher levels of productivity through the facilitation of movement of economic resources within and between economic sectors. FCCC/CP/2005/5/Add.1 paragraph 3(b)(v) provides the following explanation about diversification:

> *Economic diversification is the process of shifting an economy away from a single income source toward multiple sources from a growing range of sectors and markets. Traditionally, it has been applied as a strategy to encourage positive economic growth and development. In the context of climate change adaptation, it takes on a new relevance as a strategy to diversify away from vulnerable products, markets, and jobs toward income sources that are low-emission and more climate resilient.*

As a precursor for resilience, it is considered that a lack of economic diversification is associated with increased vulnerability,and external shocks hence impairing economic stability (Briguglio, et.,2006; He, Miao & Qureshi, 2022; Mishrif, 2018).

Based on the above explanation and figure 1, it could be established that while resilience is a derived variable which is influenced from other factors such as resistance of the system, adaptation, collaboration, and diversification, it is also influenced by various reforms which are undertaken to transform the economy. At this juncture we can argue that accounting plays an important role on both sides of the framework. First accounting plays a role as a precursor helping achieve resilience. Second accounting facilitate the measurement of resilience both in a static and dynamic manner. This perspective is consistent with number of studies which have identified a broader role of accounting in natural disaster and climate change (see e.g., Bočkarjova, 2007; Matilal and Adhikari, 2020; Fahlevi et al., 2019; Indriani and Mulyan, 2019; Cole et al., 1993). The following quote derived from the study by Fahlevi et al. (2019: p. 4) just serves as an example:

> *Accounting is not a merely a technique and a system of calculating, reporting, and controlling the usage of financial resources, but also a social activity that mirrors and constructs the social organizations that shape the response of a society to a situation. In fact, researchers and experts have acknowledged since 1980s that accounting practice is shaped by the situation and the context of setting where it is operated.*

Hence, our framework of analysis is consistent with the views echoed by Hines (1988) and the aforementioned accounting scholars, in which accounting is envisaged as more than a calculative and inactive recording of events but as a social and institutional practice. Accounting facilitates dialogue, creates mutual understanding between various actors, and provides direction for resilience building. However, resilience building requires a wider collaboration between accounting stakeholders, and in this regard, professional accountants and their associations or firms have a greater role to play. Drawing on the framework (see below), we intend to explore the role of professional accountants and their associations in the process of resilience building.

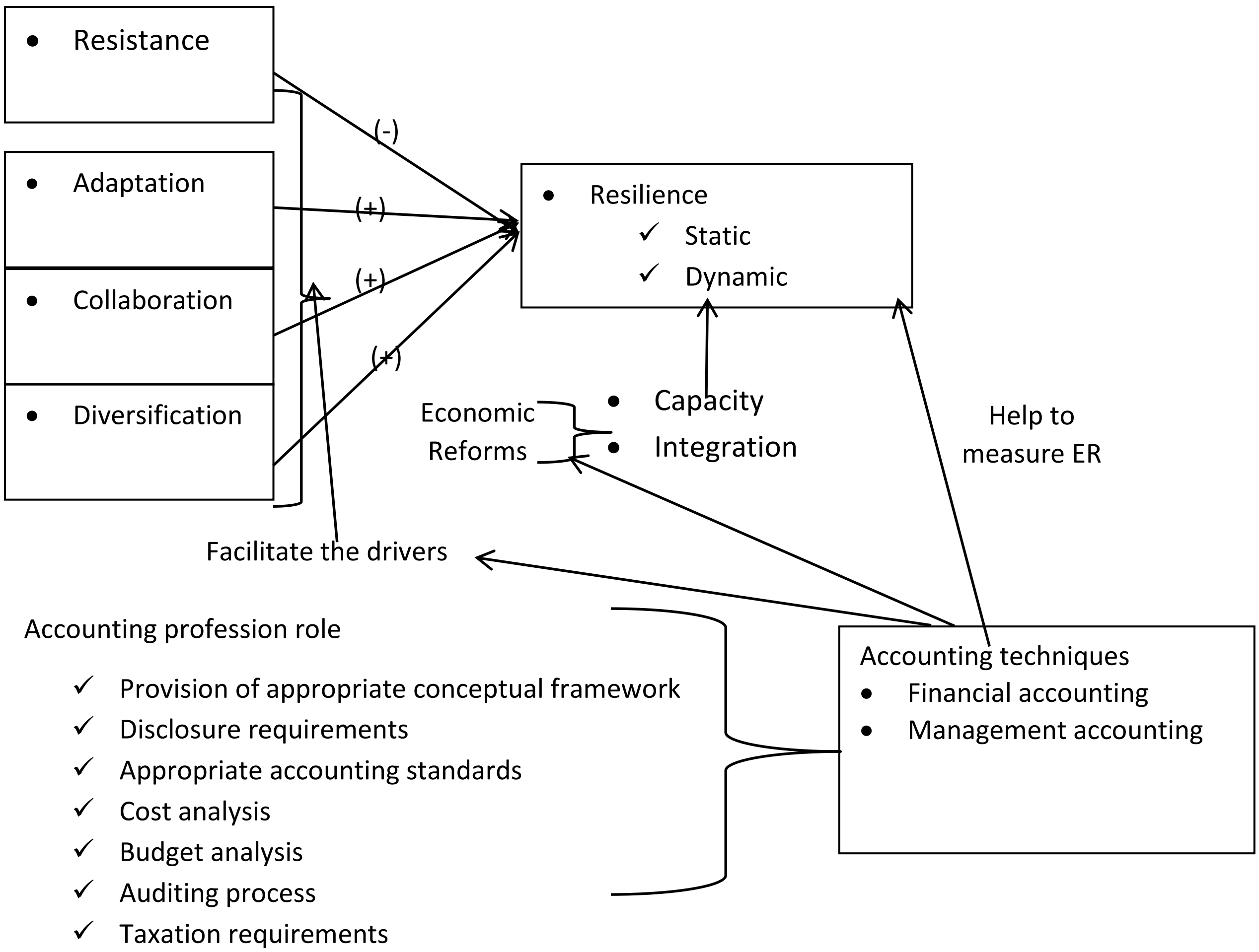

Figure 1: Role of accounting profession in economic resilience: a preliminary conceptual framework

2. Methodology and data considerations

This study has adopted a qualitative approach to address research questions as well as shed light on the factors identified in the preliminary conceptual framework, largely influenced by the model earlier developed by Barbera et al. (2017, 675). The approach has enabled us to generate an in-depth understanding of the role of the accounting profession on government financial resilience in Tanzania, Uganda and Zambia. The use of a country as a case study is justified on the ground that financial resilience is linked with economic and governance policies adopted by each country. From this view, using multiple case studies covering three countries will bring a wider understanding of resilience and different approaches to building resilience. This is also consistent with Eisenhardt and Graebner (2007), who argue that multiple cases have the advantages of enabling comparisons, creating robust theory, delineating precise constructs and relationships, allowing for an appropriate level of abstraction, as well as enabling a broader exploration of research questions and theoretical elaboration. As such, in this study it has been considered that using a single case may therefore undermine the understanding of the impact of economic policies on financial resilience. The economic policies pursued across countries are influenced by their macro-economic approaches. A wider and more contextual understanding of financial resilience therefore requires cross- country comparative analysis. Despite offering an in-depth understanding of the phenomenon, we are aware of the fact that certain limitations are associated with qualitative approaches. For instance, taking a large sample size and achieving statistical generalization may not be possible. However, by combining different methods, mainly document analysis and semi-structured interviews, we have been able to offer an analytical generalization on financial resilience. Analytical generalization is crucial for exploratory studies like this one and can be achieved through the triangulation of methods and the application of a preliminary conceptual framework, which form the basis for analysis (Barbera, et al., 2017; Mathison, 1988; Maxwell, 2005; Miles & Huberman, 1994; Patton, 2002; Yin, 2003). This section therefore covers the cases as well as the procedures used to conduct the study.

3.1 Research cases and sample

As already explained, this study used three countries as case studies. These three African countries were considered appropriate for this study for a number of reasons and some of them are summarized in Table 1. The reasons are based on four criteria: financial data, economic and business data, accounting data and political data. In this aspect we see that these countries have some similarities and differences. For example, the context shows that all countries are developing countries with poor economies and have professional bodies that plays dual role (i.e. both professional and regulatory function) as well as that all countries have a unicameral parliamentary system and follow a presidential system of government. However, despite these similarities, there are differences, particularly in financial figures, economic sectors, and political landscape, which in our view may have significant influence on how the accounting profession play a dual role in the economy. These contrasting features were considered to reduce selection bias (see Collier & Mahoney, 1996; Eisenhardt, 1989; Eisenhardt and Graebner, 2007; Charmaz, 2015; Glaser and Strauss, 1967).

3.2 Procedures

In this study, based on the theoretical sampling aspect which allows for multiple data collections (Eisenhardt, 1989), the data were collected using a semi-structured in-depth interview and documentary review. The interviews were conducted with various accounting practitioners, both from the government and private sector. These interviews conducted between March and April 2023, lasting between one and a half hours included open-ended questions, covering country profiles, financial and economic resilience measures, drivers of financial resilience, public sector accounting techniques, economic and accounting reforms, the role of professional accountants, laws, and regulations, as well as capacity building. The areas covered followed the preliminary framework which was drawn from the literature dealing with government financial resilience (Barbera, et al., 2017 and Coyle & Ferry, 2022) as well as those dealing with economic resilience from a broad perspective (Briguglio, et al., 2009; Masik, 2014; Rose, 2007; as well as Sanderson, Capon & Hertzler, 2017). In the case of documentary review, materials from the public domain were collected and reviewed for triangulation purposes. The documents included consolidated financial statements of the government, budget speeches, economic and business profile reports, as well as various laws, regulations, and policies.

The interviews were recorded on notebooks and then transcribed. The transcriptions were analysed and coded in accordance with the main themes of the theoretical framework of the study. While the use of themes that were predetermined in the preliminary framework helped to generate the perspective of the study, it did not limit the use of emerging terms and themes. As such, during the analysis, more terms and themes emerged. During this stage, major themes that emerged were discussed among the researchers and compared against documentary evidence and the extant literature. This helped to generate broad dimensions of construct and further refine them. Finally, the analysis generated the final coding of categories comprising new constructs and examined the relationships among these constructs to identify and generate a final conceptualization of the relationship between the accounting profession and government financial resilience. Here, the study produced a final conceptual model, which is a modified one and Tables of the main variables emerged from the analysis.

3. Findings and discussion

The findings of this study are analysed through the framework provided in Figure 1, which captures drivers in terms of resistance, adaptation, collaboration, and diversification. In addition, the framework covers economic reforms and accounting techniques, which are considered to be facilitating factors. Finally, the framework has resilience, which can be grouped into static and dynamic ones.

Financial resilience

The resilience was considered in terms of static and dynamic categories whereby static resilience was concerned with efficient allocation of existing resources, and this is worsened in the context of disasters. On the other hand, dynamic resilience is defined as the efficient use of resources over time to achieve system recovery after the shock. The respondents made no clear differences between static and dynamic resilience in their responses. But most of them agree that resilience is a novel phenomenon in the countries as far as accounting is concerned. However, some provided other dimensions of resilience such as anticipatory capacities (concerned with potential financial pressure), coping capacities (concerned with lowering the impact or shock of an event), sense making (navigating through events) and vulnerability (perceived financial fragility). In other words, the respondents expanded on the dimensions or measurements of financial resilience.

In addition, the respondents argued not only about bouncing back, which indicates actions to bring the economic systems back to where they were previously before the shock or the crisis, but also about bouncing forward, which implies changing the way the economic system works. The respondents considered that countries have not built adequate strategies for both bouncing back and bouncing forward, which could help build financial resilience:

RT: *In terms of bouncing back and bouncing forward, the government took initiatives to find and curb the pandemics hence enable citizens to work and ensure continuity of businesses. In addition, the government shifted to concessional external financing as well as monetary easing policies such as allowing banks to restructure their loans. After Global Financial Crisis (GFC), Tanzania provided support to the business which were affected by the crisis whereby banks were required to provide evidence for their clients whose businesses were severely hit by the crisis to get financial support and soft loans. Furthermore, the Central Bank (that is Bank of Tanzania) responded by strengthening the supervision of banks and raised their capital levels to increase the buffer for the capital to be able to absorb unforeseen shocks.*

RZ: *Government Financial Resilience was understood as the ability by government to not just bounce back to an original state, but to bounce forward, developing new capabilities and opportunities. Zambia public sector has no strong GFR policies or laws that backs its good intentions, and this is so because, there is no clear article(s) or subsection of the article(s) in the constitution or other subsidiary laws that speaks to GRF. Top leadership in my department receives the information first, and it takes weeks for a mere accountant like me to receive it, and they also decide when and how to release the information. So, learning about financial resilience is alien to me.*

Resistance

As per the framework of analysis, this is considered as the ability of the system to bear a shock and withhold damage. In short, resistance can be explained as persistence, which was understood by majority of the respondents as;

RT: *Resistance refers to the capacity of financial systems, institutions, and countries to endure and recover from adverse events, shocks, or disruptions. This involves implementing measures like stress testing, contingency planning, risk management, and financial reforms to ensure the ability to absorb and overcome challenges such as financial crises, market crashes, pandemics, or economic downturns. It entails establishing a solid financial foundation, managing debt levels, diversifying strategies, and maintaining production or services even with reduced inputs or productivity*.

RU: *...government has come with technological innovations e.g., BUBU (Buy Uganda, Build Uganda) and skilling the youth. This acts as an assurance for the stable economic base of a country.*

RZ: *changes in government are not easily attained because of the prescribed rules and regulations which are not easily adjustable. The budget is prescribed, and you may be aware that we are using commitment expenditure systems. Moreover, anything that is not committed requires the approval of the parliament. Otherwise, this will only be attainable if it is externally sponsored.*

Adaptation

Likewise, in the case of adaptation, it is explained in this study as a set of pre-disaster adjustment activities directed at creating conditions that enhance system's resistance to an outside shock as well as its capacity to cushion a negative impact. This was found to be well understood by most of respondents despite having different perspective on the implementation approach.

> RT: *Adaptation involves the ability of financial systems and institutions to adjust to the changing circumstances and market conditions. This involves measures such as innovation and technology adoption to increase efficiency, as well as adjustments to business models to respond to changing customer needs and preferences. It also includes the ability of a country to sustain and being able to operate their normal activities in the prevailing situation, such as during outbreak of COVID pandemic.*

> RU: *The government adapts to new systems such as using virtual meetings that minimizes on wastage of resources. Since COVID-19, the government has tried to adapt to new methods because these come along with a lot of control of public funds and in a way minimizes wasteful spending. When the government adapts to different rules, a lot of funds is saved for instance; of recent we have adapted to using Zoom Apps for meetings. This is cheaper than the physical meetings.*

> RZ: *Disruptions cannot be an afterthought; instead, government requires integrating it into policy thereby thinking upfront but the readiness of the government is not here nor there. They added that, no wonder you see governments and not only in Zambia rushing for international help.*

Collaboration

In case of collaboration as seen in the framework, is concerned with engaging various stakeholders in management of the economy. In trying to understand the views of the respondents, first we wanted to know if they really understood this concept and how they connected with resilience issues. Unlike the preceding two items, this one seemed to be not clearly understood for example, while in some country it seemed to be limited, in another country seemed to be present and the examples of such provided by the respondents included trainings and workshops. However, to what extent the feedback from training and workshop informed policy formulation to justify collaboration is not clear.

RT: *This entails financial institutions coming together to share information, resources, and expertise to collectively address challenges and opportunities. It involves partnerships, alliances, and cooperation with regulators and other stakeholders to ensure a stable, efficient, and responsive financial system that meets economic needs. Collaborative efforts also extend to sharing resources, facilities, knowledge, and solutions to enhance financial resilience during difficult times. Additionally, collaboration includes a country's capacity to form partnerships with other nations to effectively manage financial shocks and disruptions.*

RU: *Collaboration has helped in training of accountants for instance, of recent, we had our first training on PFMA (Public Finance and Management Act) public sector reform. The focus of this workshop was to devise ways of how accountants can strengthen and sustain economic development through different reforms such as e-procurement, external audit as part of parliament, government expenditures, IFMS (Information Management System) among others. The professional accountants also make resolutions and pass them to government. As a government, we usually have budget consultative and breakfast meetings with the accountants' professional body where we usually share so many ideas. These ideas culminate into important guides on expenditure management which consequently helps to navigate through the difficulties especially where the government is facing financial shortages. Collaborations are important to any country and these collaborations with either international or professional accountants who play a key role in guiding the government on how its expenditures are handled. Through collaborations, the government shares ideas that would facilitate revenue generation. Also, the professional accountants sit down, analyse the situations in the economy and advise government for implementation. This has helped in their training for instance, of recent, accountants in Uganda had their first training on PFMA public sector reform. The focus of this workshop was to devise ways of how accountants can strengthen and sustain economic development through different reforms such as e-procurement, external audit as part of parliament, government expenditures, IFMS among others. The professional accountants also make resolutions and pass them to government.*

Views were expressed that during disruptions and in a quest to build governmental financial resilience, the government cannot afford to work in isolation as it typically does not possess all the capabilities required in-house. Having mixed skill teams such as accountants and economists are recommended for the government if governmental financial resilience is to be built on firm ground. Committed and bold leadership and employee centric is also required. A participant stated:

RZ: *In this country, the government's collaboration with professional accountants is not as visible as it appears from the outside. This is because I have never seen professional accountants and the government work together on national issues which demand for professional accountant input. Professional accountants are rarely invited to the round table (INDABA), as in South Africa, Botswana, and Rwanda. The government only knows that professional accountants are number crunchers, not advisors to the government. When it comes to government collaborations, professional accountants have a really sad story. It is difficult for collaborators to join hands with the government if the issue at hand –for example COVID-19 pandemic is not well explained. Not surprisingly, however, the magnitude of financial and economic disruption from the pandemic such as COVID-19 has exposed the government.*

However, the fact that professional accountants have remained outside the ambit of government whenever decisions are to be made on issues of national significance has often reiterated during our interviews.

Diversification

Diversification implies diverse production and trade structure whereby the economy does not concentrate to a particular sector. This may include export concentration whereby the country depends much on one product for export. The respondents provided responses which to greater extent reflected their high level of understanding the concept of diversification. The responses indicated that countries have not made adequate diversification hence reducing the capacity of diversification to enhance resilience. For example, in Zambia like other countries, the source of income seems to be legally prescribed while in Uganda it the depends on bilateral relationships and in Tanzania the diversification in terms of wide range of strategies and risk minimization for future investment are yet to be achieved.

RT: *Diversification involves the spreading of risk across different sectors, markets, and products. This involves measures such as portfolio diversification, investment in new and emerging markets, and expansion into new business lines to reduce dependence on any one area and increase resilience to external shocks. It also involves means of spreading sources of income across different sectors, industries, or assets. This has the effect of spreading risks and reduce the possibility of system failure should shocks arrive. An efficient diversification at individual and government levels has the effect of building a strong economic resilience. The diversification of the economy in various sectors such as* *agriculture, mining, tourism, and manufacturing will help to reduce country's dependence on a single sector and make it more resilient to economic shocks.*

RU: *Our government has bilateral relationships that enhance bilateral funding because this is a cheap source of financing. In terms of diversification, financial accounting techniques help the government give incentives to investors like tax waivers which attracts them to come and invest in the Country. In effect, the government collects PAYE (Pay As You Earn), from their employees hence increasing the tax base. Our government mobilises revenues locally (through exports), and this helps the country in resisting external pressures since it comes with a lot of conditionalities. Through adaptation, the government over time tries as much as possible to build and stick to its systems that are already in place. I have witnessed the Governments collaborate with international bodies like World Bank, International Monetary Fund and at the same time attract investors who may focus on industrialisation. In a way, the government is assured that its citizenry are assured of jobs hence improved livelihoods. Other collaborations come with building of infrastructures like roads, refineries which ultimately lead to the economic development of a country. In terms of diversification, government can fund like agriculture, and do appropriate training of the citizens.*

RZ: *The government sources of income are prescribed as taxes and non-tax which help it to undertake public expenditure. If sources of income for the government are prescribed; how the government could diversify? Government must consider financial and economic diversification even though its sources of income are prescribed. Internal and external debt, including aid are some alternatives and this could be a matter of policy. The policy should have the lenses of structural transformation and control of public expenditure and financial accountability among many other frameworks. Diversification is a mechanism for distributing portfolio resources by government or capital to a variety of diverse investments. Diversification's ultimate purpose is to lessen portfolio volatility by offsetting losses in one asset class with gains in another asset class that may come with disruptions.*

Accounting profession role

Professional accountants

Professional accountants in the public sector undoubtedly play an important role in assisting their organizations through various crises and shocks such as pandemics. Building and maintaining government resilience puts to the test every talent available to public sector professional accountants, including technical competence, strategic thinking, political judgement, communications, and leadership. On the one hand, the disruptions demand government leadership to instil confidence in those who understand their own limitations and seek assistance when necessary. This makes the role of professional accountants to be of paramount importance in driving reforms and building resilience across various sectors. The key stakeholders involved in these efforts include the Government, Parliament, the Banking industry, and accounting bodies. Accountants hold a crucial responsibility in aiding the Government in making informed financial decisions and crafting accurate future budget projections. Their expertise is also instrumental in ensuring that financial matters are in strict compliance with relevant financial laws and regulations. However, respondents cast doubt on whether these professionals have been utilized effectively in building the capacity for resilience. This has been echoed by various respondents from the three countries.

> RT: *A major facet of the accountant's role is to ensure meticulous accounting within the government, where all funds are diligently accounted for while adhering to appropriate accounting standards. They need to adhere to accounting standards, laws and various regulations while ensuring that they produce realistic reports to the stakeholders as well as being part of the team to establish public sector policy and process. This encompasses several key functions which include* ***Advisory Roles:*** *Accountants serve as advisors to the government, providing insights and expertise that guide financial decisions, policy formulation, and effective implementation of reforms.* ***Audit and Assurance Role:*** *Accountants are responsible for conducting audits to ensure accuracy, transparency, and compliance with financial regulations, thus fostering accountability and trust.* ***Financial Management:*** *They play a critical role in managing financial resources efficiently, optimizing revenue generation, and minimizing financial risks.* ***Risk Management:*** *Accountants contribute to identifying potential financial risks and developing strategies to mitigate them, enhancing the government's ability to withstand uncertainties.* ***Capacity Building:*** *They actively participate in raising financial literacy levels through capacity-building initiatives and training, equipping individuals with the skills to understand and manage financial matters effectively.* ***Business Development:*** *Accountants support the growth and development of public sector entities by offering financial insights that aid in strategic decision-making and resource allocation.* ***Strategic Setting and Implications:*** *Their involvement in setting strategic financial goals and assessing the implications of various financial decisions is vital for achieving long-term resilience.*

We identified that professional accountants in Tanzania have played a multifaceted role in driving reforms and building resilience. Their collaboration with key stakeholders, adherence to accounting standards and expertise in financial management collectively has contributed to effective policy formulation, transparent financial reporting, and the successful implementation of reforms across diverse sectors. Through their contributions, accountants play a vital role in promoting the overall resilience and stability of the Tanzanian government and economy. The following statements perhaps serves as one example:

> RU: *As professional accountants, we have continuously undergone through continuous trainings that involve advising government in financial matters, support government in budget execution, report government cash inflows and cash outflows, and ensuring that the expenditures are done in line with attaining the objective of value for money. The professional accountants participate in all decision-making processes inclusive of the budget implementation. Thus, as a result, they guide on budget expenditure. Similarly, accountants report on all the challenges faced in implementation of such reforms. I am aware professional accountants facilitate towards economic resilience by implementing robust internal controls but also at the same time, provide guidance to government and their respective MDAs (Ministries, Departments, Agencies). Professional accountants implement the reforms that are seen as a vehicle responsible for prudent spending and allocation of resources. Professional accountants offer advice and help in auditing the private sector but also pay (professional accountants) taxes which improves on the economic base of the country. Accountants are financial advisers to government in all aspects, prepare reports that the government uses for making decision, and are at all responsible for planning for the country in terms of procurement, disposal and maintain of assets. They also advise government in financial matters especially in ensuring that they improve on their business processes and at the same time support government in budget execution.*

Mentions were made during our interviews that professional accountants have helped the government to measure, understand and interpret for them financial statements, the following statements serving as an example.

> RZ: *Their (professional accountants) technical knowledge, commitment to ethical standards of integrity and trust, as well as their broader perspective will enable the public sector to respond effectively to the ways in which society is changing. Professional accountants' play important roles in improving financial resilience through extension of the knowledge of accounting, accountability, and management in times of emergency, improve the preparedness of organizations and society and prevent future crises. Professional accountants are well-equipped with specialised skills and if well utilised they can provide bold leadership that public sector organisations need as they learn the lessons of the disruptions and look ahead to the challenges of the future.*

Informants mentioned that professional accountants in Zambia and throughout Africa have received similar training, perhaps with the exception of taxation and law. Even though differences may prevail in certain aspects, the learning process has been largely similar. As such there was a general consensus that they are capable of supporting governments in areas in which the assistance is sought.

Accounting techniques and standards (accounting approaches)

In this aspect we looked at accounting as facilitator for drivers and provides platform for resilience by focusing on accounting techniques which can be generated from accounting standards, auditing, costing, budgeting as well as other accounting requirements. Major observations include limited application of management accounting techniques which basically may limit the capacity to forecast hence rendering budgets which are widely used when they are unrealistic.

> RT: *Adoption of Accrual Accounting was one of the major reforms from cash accounting to accrual accounting. Accrual accounting provides a more comprehensive and accurate picture of an entity's financial position by recognizing revenues when earned and expenses when incurred. This shift enables better financial planning, monitoring, and reporting in the public sector. Tanzania has made efforts to align its public sector accounting standards with international best practices. The adoption of IPSAS ensures consistency and comparability of financial information across public sector entities, enhancing transparency and accountability. Also, the Government has introduced result-based budgeting, which focuses on linking budget allocations to specific outcomes and performance targets. This approach emphasizes the achievement of results and enhances the effectiveness and efficiency of resource allocation.*

We were informed during our interviews that the Tanzanian government has established internal audit units in various public sector entities and the Office of Internal Auditor General to ensure effective internal controls, risk management, and compliance with financial regulations. Internal audit plays a crucial role in identifying weaknesses in financial management and recommending improvements to enhance accountability and resilience. The focus of reforms introduced to Tanzania has been on strengthening public expenditure management, including the establishment of the Integrated Financial Management Systems (IFMS). IFMS aims to enhance efficiency, transparency, and accountability in the management of public funds by integrating financial processes and systems. The first IFMS procured and installed by the Government of Tanzania from external vendor was EPICOR system but later the new system known as MUSE system was developed internally in Tanzania. The interview participant remarked:

> RU: *Accounting profession is based on trust, ethical code of the profession that upholds issues of accountability, stewardship, and public interest, through managing public funds. Accounting techniques and standards help in better allocation of resources to the extent that accountants can know what amounts of funds are available in the system, and how it is being spent. I am sure accounting techniques are developed to address economic challenges, but this is better done through the public sector reforms. This implies that public sector reforms guide in the allocation of resources, spending of the resources, and mobilizing of the resources in terms of budgeting, expenditure, and planning. Something you should note is that public sector accounting techniques are controls, that help the government minimize on public expenditure. Focusing on accounting techniques, accountants can pay for invoices that are only a priority. This further minimizes a lot on reducing expenses such as bank charges because of the use of a single account. Moreover, the accounting systems provide information that is more understandable to the users of accounting reports. The system now makes stakeholders appreciate how government is running business. As a result, it acts as a mechanism to support the private sector because this has suffered most especially after global economic crisis.*

In regards, an underlying was that the application of management accounting techniques would help engender internal information that is useful for decision making. The rationale would be to set up a momentum for enhancing financial resilience. Management accounting in the public sector mainly appears to be more of budgetary control and implementation, but such information is of paramount importance in terms of setting governments financial plans and strategies; issues which are central to building both anticipatory and coping capacities. However, the role of professional accountants has continued to be undermined. The following statement serving as an example.

> RZ: *I don't recall INDABA being called for reforms or crisis planning. Professional accountants are perceived in our country as individuals who only know how to deal with numbers. On multiple occasions, economists and development officers referred to this act as and I am always troubled by it.*

4. Concluding discussion and Recommendations

The role of accounting in absorption uncertainty and anticipating shorts in periods of uncertainty, cutbacks and crisis has been outlined in prior work (see e.g. Barbera et al., 2020; Coyle and Ferry, 2022). For instance, Barbera et al. (2020) stated that accounting systems may enhance '*organizational abilities to buffer the impact of crisis and to cope effectively with them'* (p. 531). In this regard, professional accountants can help governments improve their financial planning and control mechanisms and better prepare to respond to unexpected events. This study looked at the role of accounting profession on building financial resilience in three African countries using the framework of analysis developed from various literature. In order to address the main objective of the study, the framework of analysis included the drivers of financial resilience and accounting techniques. The inclusion of drivers was put to gauge the accountants understanding on these issues and also explain how they relate with resilience. The drivers included resistance, adaptation, collaboration, and diversification. The accountants show good knowledge of almost all the drivers even though the suggested approaches or perspectives differ particularly on resistance and adaptation. Likewise, we observe that accountants make it difficult to connect these drivers of resilience with accounting techniques and provide more general responses. This basically indicates limited capacity of accountants on these areas which eventually limit their capacity to advise the government and engage in policy formulation process.

On the issue of financial resilience, we observe limited knowledge on part of accountant even though as we have seen in section 2, historically accounting has recognized uncertainties because there are some accounting principles or postulates such as conservatism and even depreciation (using replacing method or sinking fund) were developed to ensure that entities will cope with uncertainties and remain stable. The pandemic followed by other crises such as geo-political tensions, the cost-of-living and climate change have caused significant shock to countries and showed the importance of setting up systems that would allow them to respond appropriately and maintain stability. As such the importance of building resilience has been further elevated to cope with and respond to future crises and shocks. Our assumption is that accounting training has not elevated the discussion of these accounting principles at high level by connecting them with economic policies and the formulation of public policies that could help address resilience at large. It is not surprising that our observation indicates that accountants are less engaged in economic policy formulation despite the fact that economists are using accounting numbers to formulate the economic policies. Government seems to perceive financial resilience from risk perspectives, as such the results show how the government views disruptions as risk. Risk perception is perceived as a trigger, while professional accountants are considered as enforcers in the process of building resilience. Professional accountants are implicated in the management of austerity programs and supporting the creation of building government resilience. The important role that they can play has been widely acknowledged in executing public sector accounting reforms, in particular the adoption of international standards. But the rigidity of government rules, laws and policies makes the work of professional accountants difficult. For example, in the face of budget cuts during Covid-19 pandemic, government management is encouraged to refocus its mission from infrastructure maintenance to providing services with a market-based logic. Resistance to change also emerges from rule-based budget which was confirmed by the research participants. In building resilience, the results show that there have been wider changes in governments, including accounting and budgetary systems and accountability mechanisms as part of building on resilience (see, for example, Barbera et al., 2017; Ahrens and Ferry, 2020). But since the engagement of accountants is limited, little is known on how governments could develop financial resilience through facilitating effective public sector accounting and accountability. Another issue of concern is that resilience has been looked from the aspect of the financial crisis and the pandemic (such as COVID-19) and this has led to the rethinking of the continuity of many public welfare provisions and enunciated the idea of building financial resilience in these countries. On the issues of techniques, we observe that financial accounting is a more dominant perspective followed by auditing. Management accounting techniques and other techniques seem to be less used as far as resilience is concerned. While financial accounting numbers are robust based on the assumptions put forward by the accounting standards, but the numbers are more of historical in nature and basically in the observed countries, it is more of financial reporting and not financial accounting. This makes forecast to be difficult. On the issue of auditing, it is more focused on compliance which introduces more rigid and resistance to change hence reducing the contribution of other drivers such as collaboration and diversification.

Professional accountants are aware of the fact that public sector reforms should have a longer-term focus and that the professional accountants should be involved collectively in the process of resilience building. However, the role of professional accountants in resilience building is yet to be recognised and they are largely marginalised in the discussion. This as we have argued, does not solely limit the policy process to include the accounting perspective in resilience building but also may have an effect of incorrect interpretation of accounting numbers which are the foundation for economic policy. By utilising professional accounting knowledge and expertise, the government authorities can develop robust plans and facilitate reforms– not only in terms of financial resilience but also in helping them reinvent and transform the way public services are delivered to better serve their communities.

Accounting has been an important tool for intervening during the anticipation and coping of external shocks and crises (Barbera et al., 2020). A key recommendation which is clearly coming out from the above discussion is that the governments therefore need to engage with accountants and utilise accounting techniques to enhance capacity to build resilience in their economies. The accounting profession through the intended application of accounting practices and technologies, for instance accrual accounting and IPSASs, as well as through monitoring, control and collaboration can contribute to resilience building process (see, e.g. Barbera et al., 2023). They could help foster the capacities of governments and other stakeholders in anticipating and responding to the crises. For accountants and accounting bodies, more trainings and engagement are recommended. These trainings should not only focus on accounting and auditing standards, but need to go beyond further delineating the important role that accounting can play in policy formulation and ensuring governments' longer-term sustainability policies. For instance, accounting technologies such as participatory budgeting could be a means at the local level through which to promote citizen engagement and allocate resources for community level activities. Accountants can play a role not only in the discharging of functional accountability, but also in facilitating social accountability. This also requires the revising of accounting education being offered at universities and professional institutions. What is important, is to review accounting syllabus elucidating the fact that accounting is more than a numerical representation, but a tool through which to ensure transparency and accountability and gear public policies towards financial resilience. Overall, this study calls for the need of establishing a system that fosters a strong partnership between researchers and accounting professionals/practitioners and policy makers in the process of financial resilience building.

The limitation of the study concerns the coverage of only three countries and the use of few selected accountants as interviewees. Future studies should look at more countries as well using different types of respondents to cover both perspectives of producers and consumers of accounting information. Also, to cover the aspects of developers and users of accounting systems particularly in computerised environment which is connected with the adaptation driver. Also, the study used qualitative approach, there could be an opportunity to use quantitative analysis for the future studies.

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6. Appendices

Table 1: Contextual data for three countries (this is going to be revised)

Item	**Case 1- Tanzania**	**Case 2- Uganda**	**Case 3- Zambia**
1 *Financial data (average for the past 5 years based on budget and consolidated financial statements)*	*Period (2017-2022)*	*Period (2017-2022)*	*Period (2017-2022)*
Tax revenue (US$)	18.7 million TZS	16982.75 billion UGS	4.3 billion (US$)
Nontax revenue (US$)	2.5 million TZS	896.66 billion UGS	5.41 billion (US$)
Grants (US$)	7.68 million TZS	923.48 billion UGS	19.6 billion (US$)
Capital expenditure (US$)			291.3 million
Investments held by government (US$)			2.7 billion
External debt (US$)	25.15 billion	15.68 billion	26.9 billion
Domestic debt (US$)	15331.33 billion TZS		16.2 billion
2 Economic and business data			
No of economic reforms			
GDP (US$)	63.3 billion	37.8 billion	18.4 billion
GDP per capita (US$)	1088	971.4	957
Average Economic growth rate (%)	7.48	9.42	3.6
Average Inflation rate (%)	3.86	4.06	23.7
Sectorial contribution to the economy (in %)			
• Agriculture	4.63	4.3	19.3
• Extractive	8.68	14.6	68.2
• Tourism	11.47	15.58	4.3
• Manufacturing	5.97	3.87	8.2
No of businesses			9,238 businesses
No of business registered per year			154 businesses
No of business collapsed per year during COVID-19			370 businesses
No of business collapsed per year before COVID-19			At least 4 businesses

3 Accounting data			
No of professional accountants			7,863
No of accounting professional associations			3
Presence of accounting body separately from accounting professions			No
No of accounting firms			90
No of big accounting firms			4
Year of IPSAS adoption	2004	2006	2009
Year of IFRS adoption	2004	1998	2004
Year of ISA adoption	2004	1999	2004
GDP/Accountant (US$)			2.3 million
Population/Accountant			2493
Consolidation of government financial statements Year (Opinion)	2016/2017(Adverse) 2017/2018 (Qualified) 2018/2019 (Qualified) 2019/2020 (Qualified) 2020/2021 (Qualified) 2021/2022 (Qualified)	2016/2017( ) 2017/2018 (Qualified) 2018/2019 ( ) 2019/2020 (Qualified) 2020/2021 ( ) 2021/2022 ( )	2016/2017( ) 2017/2018 ( ) 2018/2019 ( ) 2019/2020 ( ) 2020/2021 ( ) 2021/2022 ( )
Systems of national accounts	2008 systems of national accounts methodology	2008 systems of national accounts methodology	2008 systems of national accounts methodology
4 Political data			
No of political parties	19	26	16
Unicameral or Bicameral	Unicameral	Unicameral	Unicameral
No of years for election	5	5	5
Population (in Million)	59.9	43.6	19.6

QUALITATIVE DATA

RESULTS OF UGANDA FOR AAFA -PAFA PROJECT

Uganda's GDP for the last five years:
2018- $US32.93billion
2019- US$35.35billion
2020-US$37.60billion
2021-US$40.53billion
2022-US$42.68billion.
List current financial reform programmes and the years in which they were implemented.

No.	Name of financial Programme	Year of introduction
1.	Treasury single account	October 2013
2.	Integrated Financial Management System (IFMS)	2002
3	Human capital Management (replacing Integrated Personnel and Payroll System (IPPS)	7th November 2021
4.	Electronic Government Procurement	2019/2020

Major financial activities and major exports of your country? -
Financial activities- trade in money and capital market instruments.
Major exports are; coffee, Gold, cocoa Beans, Raw Sugar, dried and salted fish, Maize.
Professional accounting associations in Uganda and it's functions? (International and local):
ICPAU. Its functions are:

- to regulate and maintain the standard of accountancy in Uganda
- To prescribe and regulate the conduct of accountants in Uganda

Strategies adopted by government especially after the financial crisis of 2008, the Ebola pandemic

1. URA facilitates awareness to the public on the importance of taxes. This has even been extended to small business owners.
2. Training in health-related issues, including the importance of insurance by a national committee put in place by the president. This capacity has helped us to handle the recent Ebola.

3. Third, government has ensured that special fund is established to deal with uncertainties

Table 1: Showing representative sample quotes from key informants

Theme	**Representative sample quote**
RESISTANCE	"…government has come with technological innovations e.g BUBU, skilling the youth that act as assurance for a stable economic base of a country…#INT. 07
ADAPTATION	"...The government adapts to new systems such as using virtual meetings that minimizes on wastage of resources...#INT.01
	"...Since COVID-19, the government has tried to adapt to new methods because these come along with a lot of control of public funds and in a way minimizes wasteful spending…#INT.02
	"…When the government adapts to different rules, a lot of funds is saved for instance of recent we have adapted to using Zoom app for meetings. This is cheaper than the physical meetings…#INT.04
	"…Our government uses already established global trends and these have proved to reduce time, increase efficiency and minimizes wastage. Take an example of holding meetings via the ZOOM App…#INT.05
	"..The government adapts to new systems that minimize on wastage of resources. In Uganda, we have now adapted to using virtual meetings, reducing on buying new vehicles for government officials and this helps us to save a lot…#INT. 06
Collaboration	"…This has helped in training of accountants for instance, of recent, we had our first training on PFMA public sector reform. The focus of this work shop was to devise ways of how accountants can strengthen and sustain economic development through different reforms such as e-procurement, external audit as part of parliament, government expenditures, IFMIS among others. The professional accountants also make resolutions and pass them to government…#INT.01
	"…As a government, we usually have budget consultative meetings with the accountants' professional body. We share so many ideas even during breakfast meetings. These ideas culminate

	into important guides on expenditure management which consequently helps to navigate through the difficulties especially where the government is facing financial shortages. #INT.02. "…Collaborations are important to any country and these collaborations with either international bodies or professional accounts plays a key role in guiding the government on how its expenditures are handled...#INT.03. ".... Through collaborations, the government shares ideas that would facilitate revenue generation**…**#INT.04 "…. The professional accountants sit down, analyze the situations in the economy and advise government for implementation…#INT.05 "..Collaborations are mainly with professional accountants. This has helped in their training for instance, of of recent, accountants in Uganda had their first training on PFMA public sector reform. The focus of this work shop was to devise ways of how accountants can strengthen and sustain economic development through different reforms such as e-procurement, external audit as part of parliament, government expenditures, IFMIS among others. The professional accountants also make resolutions and pass them to government…#INT.06

Diversification	"...Our government has bilateral relationships of bilateral funding because this is a cheap source of financing...#INT.01 "...Helps in better allocation of resources to the extent that accountants can know what amounts of funds are available in the system, and how it is being spent...#INT. 01 "…I am sure accounting techniques are developed to address economic challenges although this is better done through the public sector reforms. This implies that public sector reforms guide in the allocation of resources, spending of the resources, and mobilizing of the resources in terms of budgeting, expenditure and planning…#INT.02. # INT.04 noted that; a) "…Financial accounting techniques through the accounting standards help the government to resist pressures during economic hard times. To note, financial techniques are a corner stone on which to carry out financial management. So, as accountants, we are able to do equitable distribution of resources. b) "…In relation to collaboration, financial accounting techniques enable accountants understand when they are supposed to pay back borrowed monies to international bodies. **c)** In terms of diversification, financial accounting techniques help the government give incentives to investors like tax waivers, attracting them to come and invest in the Country. In effect, the government collects PAYE, from their employees hence increasing the tax base.
Significance of public sector accounting techniques in enabling financial resilience.	"...Helps in better allocation of resources to the extent that accountants can know what amounts of funds are available in the system, and how it is being spent...#INT. 01 "…I am sure accounting techniques are developed to address economic challenges although this is better done through the public sector reforms. This implies that public sector reforms guide in the allocation of resources, spending of the resources, and mobilizing of the resources in terms of budgeting, expenditure and planning…#INT.02. "…you should note that public sector accounting techniques are controls, that help the government

	minimize on public expenditure…# INT.03 ‘…Focusing on accounting techniques, accountants are able to pay for invoices that are only a priority. This further minimizes a lot on reducing expenses such as bank changes because of the use of a single account…#INT.04 Professional Accountants help the government to measure, understand and interpret for them financial statement…#INT.05 Provide information that is more understandable to the users of accounting reports. The system now makes stakeholders appreciate how government is running business. Also, it acts as a mechanism to support the private sector because this has suffered most especially after global economic crisis…#INT.06
Management accounting techniques facilitate resistance, adaptation, collaboration, and diversification as financial resilience?	**“…**In regards to management accounting techniques, internal information that is generated is useful for decision making, and this sets pace to enhancing financial resilience…#INT.01, #INT.03. #INT.02 indicated that; a) “…Our government mobilises revenues locally (through exports), and this helps us in resisting external pressures because it comes with a lot of conditionalities. b) “…Through adaptation, the government over time tries as much as possible to build and stick to its systems that are already in place. c) “.. I have witnessed the Governments collaborate with international bodies like WB, IMF and at the same time attract investors who may focus on industrialisation. In a way, the government is assured that its citizenry is assured of jobs hence improved livelihoods. Other collaborations come with building of infrastructures like roads, refineries which ultimately lead to the economic development of a country. d) “...in terms of diversification, government can fund like agriculture, and do appropriate training of the citizens. “…Management accounting is mainly in the public sector; however, management accounting

	techniques provide internally generated information that we may use to advise government. This increases financial resilience…#INT 04
Public sector accounting reforms as a facilitator of financial resilience	"…Oh yes, we have noted that public sector reforms minimize wastage improve service delivery and business processes. This is a signal that the government can utilize some of the funds for other projects…#INT.01. "…it is important to note that public sector reforms attempt to address the bottle necks in the economy for example such as the intensified fraud, embezzlement and extravagant expenditures usually done by the "Bi Wigs" in government. This has tended to spoil the "soup" even when the government considers stringent spending. As a result of the reforms, we then experience shortened business processes replacing stringent bureaucracy...#INT.02. "…Public sector accounting techniques are controls that help the government minimize on public expenditure# INT.03. "…It has helped to reduce wastage of refunds…# INT.04. "…The presence of public sector reforms has encouraged compliance by accounting officers especially in financial reporting and at the same time it reduces wastage and improve efficiency. This in turn helps the government to save resources…#INT.05. "…There is now minimal physical interactions especially with the use of for example e-procurement and this has minimised on corruption and wastage. Thus we now have proper accountability and transparent business processes….#INT.06 "…..Improved transparency , accountability and also offers systems for oversight…#INT.07
Role of accounting profession and professional accountants in ensuring successful economic reforms	"… As professional accountants, we have continuously undergone through continuous trainings that involve advising government in financial matters, support government in budget execution and report government cash inflows and cash outflows, and ensuring that the expenditures are done in line with attaining the objective of value for money…#INT.01. "…The professional accountants participate in all decision-making processes even inclusive of the

	budget implementation. Thus, as a result, they guide on budget expenditure. Similarly, accountants are expected to report on all the challenges faced in implementation of such reforms. #INT.02. "…I am aware professional accountants facilitate towards economic resilience by implementing robust internal controls but also at the same time, provide guidance to government and their respective MDAs (Ministries, Departments, Agencies).…#INT.03. "…professional accountants implement the reforms that are seen as a vehicle responsible for prudent spending and allocation of resources…# INT.04 "…professional accountants advise and help in auditing the private sector but also as professional accountants they pay taxes which improves on the economic base of the country…#INT.05. "…Accountants are financial advisers to government in all aspects, prepare reports that the government uses for making decision, and are at all responsible for planning for the country in terms of procurement, disposal and maintain of assets…#INT.06 Advise government in financial matters especially in ensuring that they improve on their business processes and at the same time support government in budget execution…#INT.06 …profession is based on trust, ethical code of the profession that upholds issues of accountability, stewardship and public interest, through managing public funds…#INT.07

Source: Qualitative data

RESULTS PRESENTATION-ZAMBIA

The qualitative findings of the study are presented in this section. The results are organised based on the recurring themes that emerged from the interviews.

RESEARCH PARTICIPANTS PROFILE

Interview area	**No. of Participants**	**Time Taken (Minutes)**	**Response rate Per cent (%)**
Ministry of Finance	11	63	42.3
ZICA	10	61	38.5
UNZA	1	4	3.8
Copperbelt University	1	4	3.8
Mulungushi University	1	4	3.8
University of Lusaka	1	4	3.8
Northrise University	1	4	3.8
	26	**144**	**99.8**

Source: Field Survey (2023)

A total of 26 interviews were conducted in from Ministry of Finance and National planning, (42.3%),the Zambia Institute of Chartered Accountants(ZICA)(38.5 %) and five universities ,recognised by ZICA and namely, the University of Zambia(UNZA)(3.8),Copperbelt University(3.8 %),Mulungushi University(3.8 %), University of Lusaka(3.8 %) and Northrise University(3,8%).Interviews at UNZA and ZICA were in person and from the five universities , telephone was used.

ZAMBIA'S GDP FOR THE LAST FIVE YEARS

Year	**GDP Growth Rate**	**Trend Up/Down**
2023	6.8	Downward
2022	7.0	Upward
2021	4.6	Upward
2020	-3.5	Downward
2019	1.5	Downward

Source: Field Survey (2023)

Zambia's GDP has not been stable for the past five years. The year 2020 for Zambia show the negative GDP due economic disruptions such as COVID-19 pandemic, among many other key economic factors but grew to 4.6 in 2021. 2022 GDP grew to 7.0 but slightly declined by 0.2 in 2023.

RESISTANCE

LMO7, LMO5, LMO11, ZICAO4, and ZICAO11 informed the researcher that changes in government is not easily attained because due to prescribed rules and regulations which are not easily adjusted. They added that any innovations valued it might be must be approved cabinet or parliament.

LMO1 and LMO4 added that, budget is prescribed and you may be aware that we are using commitment expenditure systems and anything that is not committed require the approval of the parliament .Otherwise ,this will only be attainable if it is externally sponsored.

ZICAO2, ZICA10 and LMO9 informed the researcher that reforms (financial/Economic) have been conducted in Zambia and is earned from these reforms because of being foreign imitated. He added that, in most cases reforms which foreign in nature have no support from the locals and more importantly top leadership has more information and opposite to operative's member of staff.

ADAPTATION

LMO2, LMO8 and ZICAO1 informed the researcher that disruptions cannot be an afterthought; instead, government requires integrating it into policy thereby thinking upfront but the readiness of the government is not here nor there. They added that no wonder you see governments and not only in Zambia rushing for international help.

LMO10, ZICAO9, ZICAO3 and LMO3 informed the researcher that, the government hardly involve professional accountants and yet these individuals possess unique sets of skills and they continuously receive training which keeps them informed with the changing environment. They also added that in most cases, the government engages economist in planning for disruptions for the reasons that are known to it.

LMO8 added that disruptions require huge sums of financial resources and skilled human capital and this calls for a programmatic approach, but the rigidity of government plans puts it more vulnerable to financial resilience.

COLLABORATION

LMO6, ZICAO4 and ZICA07 explained to the researcher that, during disruptions and in a quest to build governmental financial resilience, the government cannot afford to work in isolation as it typically doesn't have all the capabilities required in-house.

ZICAO7 informed the researcher that having mixed skill teams such as accountants and economist is recommended for the government if governmental financial resilience is to be built on firm ground. She added that, committed and bold leadership and employee centric is also required.

LMO5 explained that to the researcher that: In Zambia, the government's collaboration with professional accountants is not as visible as it appears from the outside. This is because I have never seen professional accountants and the government work together on national issues which demand for professional accountant input. Professional accountants are rarely invited to the round table (INDABA), as in South Africa, Botswana, and Rwanda. The Zambian government only knows that professional accountants are number crunchers, not advisors to the government. When it comes to government collaborations, professional accountants have a really sad story.

LMO1and ZICAO6 explained that availability of information leads to good collaboration. They added that it is difficult for collaborators to join hands with the government if the issue at hand – for example COVID-19 pandemic is not well explained. Not surprisingly, however, the magnitude of financial and economic disruption from the pandemic such as COVID-19 has exposed the government.

DIVERSIFICATION

LMO9, LMO11, ZICAO4 and ZICAO7 explained that the government sources of income are prescribed as taxes and non-tax which help it to undertake public expenditure. They added that that if sources of income for the government are prescribed; they wondered how the government could diversify.

LMO10 explained that government must consider financial and economic diversification even though its sources of income is prescribed. He added that, internal and external debt, including aid are some alternatives and this could be a matter of policy. The policy should have the lenses of structural transformation and control of public expenditure and financial accountability among many other frameworks.

LMO4 explained to the researcher that: diversification is a mechanism for distributing portfolio resources by government or capital to a variety of diverse investments. Diversification's ultimate purpose is to lessen portfolio volatility by offsetting losses in one asset class with gains in another asset class that may come with disruptions.

GOVERNMENT FINANCIAL RESILIENCE

ZICAO8, ZICAO3, and LMO7 informed the researcher that, Government Financial Resilience (GFR) is a novel phenomenon in the Zambian public sector, particularly among non-accounting officers. They said that they believe this because they have not noticed a provision in the highest law of the land (the constitution) or other subsidiary laws. They characterised government financial resilience in four dimensions: anticipatory capacities (perceived or potential financial pressure), coping capacities (lowering the impact or shock of an event), sense making (navigating through events), and vulnerability (perceived financial fragility).

ZICAO9 defined Government Financial Resilience as ability by government to not just bounce back to an original state, but to bounce forward, developing new capabilities and opportunities.

FINANCIAL AND ECONOMIC REFORMS

LMO7, LMO2, LMO11 and ZICAO2 informed the researcher that Zambia as nation has conducted several financial and economic reforms. The identified reforms as follows.

Financial reform programmes

No.	Name of financial Programme	Year of introduction	Targeted Reforms
1	Public Financial Management Reform Program Phase I project (PFMRP)	2014-2018	• improvements to revenue administration, • internal audit functions • public procurement, • IFMIS
2	Public Expenditure Management and Financial Accountability (PEMFA)	2005-2012	• planning and budgeting • Revision of the PFM legal framework, • Strengthening IFMIS and cash management • Strengthening Zambia Public Procurement Authority (ZPPA) oversight • Training auditors and strengthening internal audit and control system • Increasing the effectiveness of the Zambia Revenue Authority (ZRA), • Tax policy formulation in the Budget Office and
3	IFMIS	2015	• Budget Comprehended • financial control, accountability and transparency • consolidation of Government cash balances and savings on interest costs • government procurement system and 'end-to-end' automation of procurement processes
4	Cash Basis IPSAS	2009	• Planning and budgeting • Decentralisation(Resource Allocation) • quality, comparability and reporting • Transparent Financial reporting(cash receipts, cash payments, & cash balances)

Economic reform programmes -Structural adjustment programme-1991-2001

Institution reforms

- Privatisation and parastatal reforms
- Public Sector Financial Management
- Financial Sector Reforms

Sector Policies

- Agriculture
- Mining
- Tourism
- Transport
- Water
- Energy

Poverty Reduction, Human Capital Development and environment

- Health
- Education
- Environment

External Financing programs and requirement

- Debt sustainability

PROFESSIONAL ACCOUNTANT'S ROLE IN BUILDING GOVERNMENTAL FINANCIAL RESILIENCE

LMO10, LMO1, LMO4& LMO3 informed the researcher that for the time he has been working for the government-accounting and budgeting, he has never seen a locally initiated innovation or reform. Initiators who are also financiers of any innovation or reform in Zambia automatically become the most important stakeholders. Past financial reforms, for example, were sponsored by the IMF and World Bank (exogenous stakeholders), while internal stakeholders included the Finance Minister, Attorney General, Auditor General, Accountant General, Secretary to the Treasury, and Secretary to the Cabinet. Even if I had not heard of a financial resilience advisory group or committee, I have a strong suspicion that similar stakeholders were involved.

ZICAO1, ZICAO7, ZICAO9 and LMO8 informed the researcher that professional accountants' plays important roles in improving financial resilience through extension of the knowledge of accounting, accountability, and management in times of emergency and improve the preparedness of organizations and society and prevent future crises. They also added that professional accountants are well-equipped to provide bold leadership that public sector organisations need as they learn the lessons of the disruptions and look ahead to the challenges of the future.

LMO5 informed the researcher defined Capacity as the development of a workforce's knowledge, attitude, and skills to improve the ability to achieve short- and long-term organisational and personal goals. Based on this definition, the extent to which the capacity building plays a part in building resilience numerous. He further added that capacity building plays a part in building resilience imparts unique skills, knowledge, and attitude towards revenue collection and distribution, risk identification and mitigation, good leadership and staffing, flexibility, collaborative and adaptive.

LMO8 informed the researcher that: Accounting professionals who possess the necessary knowledge, attitude, and skills can deal with a wide range of pressures and difficulties, including disruptions because they possess unique capabilities. He added that professional accountants can make a variety of contributions to the process of financial resilience, and their efforts are not in vain. They can make sure that risks related to financial resilience, such as disruptions, are fully addressed as well as that reporting is accurate, consistent, and transparent. In their capacities as accounting professionals, they can act as leaders. The only thing I have to say against the Zambian government is that they have never employed or included professional accountants in any innovation or reform processes. The Zambian government prefers economists to certified public accountants for reasons best known to it. Professional accountants, in my opinion, are a key profession that plays a crucial role in helping economies develop their financial resilience.

ZICAO9 informed the researcher that the Zambia Institute of Chartered Accountants (ZICA) was established by an Act of Parliament in 1982 and repealed in 2008. He added that, ZICA is the only membership body regulating the Accountancy profession in Zambia. CIMA and ACCA are two foreign professional bodies found in Zambia. CIMA promotes management accounting education, training, and development, as well as the dissemination of management accounting practises. ACCA is a membership body which accredits and supports ACCA professional accountants in Zambia.

	Local	**International**
Professional accounting associations in Zambia	ZICA	CIMA
		ACCA

Source: Field Survey (2023)

ZICAO9 informed the researcher that; institute (ZICA) has 7,863 registered professional accountants (Chartered), broken down as follows; Fellows=1,510, Associates= 957, Graduates= 759, Licentiates= 2, 120, Technicians=2,517. He further added that ZICA cannot recognises all the universities in Zambia. ZICA recognises University of Zambia, Copperbelt University, Mulungushi University, Northrise University and University of Lusaka

Via a phone interviews, COU2; MUU3; NOU4 and; UOL5 UZU1 provided the statistics as follows;

No.	University Name	Public/Private	Total	2018	2019	2020	2021	2022
1	University of Zambia-GSB	Public	679	140	117	143	140	139
2	Copperbelt University	Public	609	112	115	126	119	137
3	Mulungushi University	Public	514	98	73	113	119	111
4	Northrise University	Private	415	68	79	93	78	97
5	University of Lusaka	Private	558	114	109	104	123	108
			2,775					

Source: Field Survey (2023)

PUBLIC SECTOR ACCOUNTING TECHNIQUES-ZAMBIAN CONTEXT

LMO11; LMO9 and LMO 4 explained to the researcher that: Zambia's government makes use of a combination of vote and commitment accounting techniques. They further explained that vote accounting is a type of accounting system that bases financial records on budgetary estimates approved by Parliament and Commitment accounting is the practise of recording obligations to make future payments when they are anticipated, rather than when services are rendered, and billings are received. They also added that these approaches clearly highlight uncommitted budget funds, allowing budget managers or vote/commitment controllers to plan other votes/commitments and disbursements more effectively, and thus, all other factors being equal, these techniques can be enablers of financial resilience.

Discussion of the findings

The project investigated the role of professional accountants in government resilience building. This section of the study interprets the meaning of the results, puts them in context, and explains why they matter to provide answers to the problem of the statement of the study.

Resistance and adaptation

Change to every organisation-it be private, or public is unavoidable. The reactions of employees in organisations could be positive or negative. Change in government is a difficult phenomenon to overcome as government rides on prescribed rules and regulation. During the study the discussion above was in line with the study findings where the research participants confirmed.

> *LMO7, LMO5, LMO11, ZICAO4, and ZICAO1 all echoed change in government is a matter of urgency government due to prescribed rules, laws and regulations including the bureaucracies.*

The results show how the government views disruptions as risk. Risk perception is perceived as a trigger, while professional accountants are considered as enforcers in the process of building resilience. Professional accountants are implicated in the management of austerity programs and supporting the creation of building government resilient. But the rigidity of government rules, laws and policies makes the work of professional accountants difficult. For example, in the face of budget cuts during Covid-19, pandemic, government management are encouraged to refocus its mission from infrastructure maintenance to providing services with a market-based logic. Resistance change also emerges from rule-based budget which confirmed by the research participants.

LMO1 and LMO4 added that," budget is prescribed, and you may be aware that we are using commitment expenditure systems and anything that is not committed require the approval of the parliament."

Because a country's financial process cannot be adjusted or improved in the same way that software can, prioritisation, sequential planning, and monitoring systems are critical for reform implementation. However, resistance to change has been a stumbling hurdle to every reform in Zambia. Locally initiated reforms receive less resistance as employees own the reform. The discussion above is supported by the current study results.

ZICAO2, ZICA10 and LMO9 echoed that," several reforms(financial/Economic) have been conducted in Zambia and because they are foreign imitated, little attention is given to such reforms. Externally initiated reforms provide more information to the leadership as opposite to the operatives' member of staff".

Investing in adaptation and resilience is more than just building infrastructure such as roads, bridges, and power plants as the case has been for Zambia. It is about investing in people and communities affected by disruptions such as Covid-19. It is about intelligent development that can provide health, education, and employment. For example at the time when the Covid-19 broke, the government of Zambia had already invested a huge colossal sum of United States dollars, of which the consolidated amount is not known to this author, but suffice to mention here that the World Bank (2008) recommended an annual bill of USD 1 billion US dollars or 10% of GDP over the medium term in order to spur economic growth rates that would lift the masses out of poverty. But an overarching question "how did the government react to the Covid-19 pandemic)?" An immediate answer to this question by the researcher is Zambia rushed to the European world to ask for financial assistance because of not integrating with policies that looks beyond infrastructure and service provision to its citizens, The researcher thinking is not a standalone but supported research participants.

For example, LMO2, LMO8 and ZICAO1 informed the researcher that, "disruptions cannot be an afterthought; instead, government requires integrating it into policy thereby thinking upfront but the readiness of the government is not here nor there".

During disruption times, professional accountants have a bigger role to play. The professional accountants face significant opportunities and risks from disruptions Ultimately, disruption such as Covid-19, Ebola has had impact on the nature of demand and expectations on what professional accountants are and what they do. However, lack engaging them has been the greatest challenge. Research findings through senior officials at the Zambia institute of Chartered

Accountants (ZICA) and Ministry of Finance and National planning (LMO10, ZICAO9, ZICAO3 and LMO3) confirmed that.

> *"the government of Zambia hardly involve professional accountants on things of national and public interest and yet these individuals possess unique sets of skills and they continuously receive training which keeps them informed with the changing environment. Government more often engages economist for the reasons known to it."*

Coping with today's disruptions such as COVID-19 challenges and thriving in tomorrow's disruptive environment calls for enhanced capabilities by the government in foresight, agility, and resilience. However, the reactions by the government can only be achieved based on the preparedness in teams of having skilled human capital like professional accountants and financial resources. In addition, massive societal change and demographic shifts, likewise, demand adaptation by government and this calls for a programmatic approach but the rigidity of government plans makes it more vulnerable to financial resilience.

COLLABORATION

The years 2019 and 2020 had put enormous strain on the government as it quickly adjusted to crucial worker health and safety adjustments, significant transformations in consumer behaviour, new service delivery models, remote working, and supply chain disruption. Collaboration is critical for optimal decision making, aligned implementation of organisation strategy and efficiencies. In confirming the discussion above, LMO6, ZICAO4 and ZICA07 confirmed that;

> *"Collaboration is important in decision-making and communication: When people work together, more perspectives can be surfaced in the decision-making process, and information can be disseminated more quickly…(and) collaboration can help an organization marshal resources from different areas to provide continuity in service delivery."*

The greatest barriers to collaboration in governments are lack of psychological safety, lack of skills, lack of trust, lack of vulnerability, leadership role modelling, concentration of power and poor/no technology solutions. ZICAO7 added *that*

> *"…….having mixed skill teams such as professional accountants is recommended for the government, if governmental financial resilience is to be built on firm ground. To have a complete and successful corroboration, governments require, committed and bold leadership and employee centric is also required".*

Other results show that the professional accountants are hardly involved in matters of national interest. Several of these antecedents of collaboration (vulnerability, trust, psychological safety) are inherent in face-to-face moments and can be more easily built and sustained when the government and professional accountants are physically together. Another antecedent of collaboration is the presence of information asymmetry, and this was confirmed by the study participants LMO1and ZICAO6.They explained that:

> *"…availability of information leads to good collaboration. In government institutions today, it is difficult for collaborators to join hands with the government, as top leadership have more and hold onto information. For example, we only knew that COVID-19 was declared a world pandemic after people had died from stores and maintenance department. Communication in government is poor too."*

Contractual control and coordination is cardinal in government if information asymmetry is to address. Contract conditions in the job descriptions should be explicit and incentive programmes should work well in terms of information requirements. The most effective method for addressing information asymmetry is relationship governance. Service delivery transformation activities can also help to reduce information asymmetry as it identifies information requirements and reduce information uncertainty.

DIVERSIFICATION

Governments are urged to navigate what lies ahead; nevertheless, it is critical to recognise that building resilience does not imply attempting to revert to the former status quo. Building resilience is a much more transformative process that necessitates new competencies as well as the ability to foresee conditions and consequences and respond with more flexible and accurate policy interventions (Deloitte,2021). This suggestion raises more questions than answers and the immediate question is "To what extent can the government diversify?" The answer is obvious, but this study answer is to the contrary. Governments have defined sources of income are taxes, exports and debt which are all backed by the constitution, and this is how far the country can diversify economically. Mechanisms to rapidly mobilize finance for disaster response are often not integrated into budget processes and development plans, are deterred by restrictive legislation, demand for insurance is also low due to a lack of awareness and/or trust in insurance schemes, there are also issues related to the affordability of premiums. For decades, economic diversification has been a policy priority for low- and middle-income economies. In confirming the discussion above, LMO9, LMO11, ZICAO4 and ZICAO7 echoed that:

> *"In Zambia, sources of income are prescribed as taxes and non-tax which help the country to undertake public expenditure".*

LMO4 added that the

> *"Diversification's ultimate purpose is to lessen portfolio volatility by offsetting losses in one asset class with gains in another asset class that may come with disruptions".*

In this regard diversification to the government is viewed as a matter of policy and not urgency. Therefore, the Zambian policies have the lenses of structural transformation and control of public expenditure and financial accountability among many other frameworks which the country has been using for the time immemorial to resolve issues of disruptions and this cannot be viewed as a new phenomenon. It is also critical that policymakers effectively measure the extent to which the diversification objective is being achieved. The expansion of existing economic sectors is critical for Zambia' economy.

GOVERNMENTAL FINANCIAL RESILIENCE

Zambian public sector organisations must deal with numerous complicated and linked issues. We have seen the impact of GRZ funding cuts, rising, and altering patterns of service demand, and external shocks such as the COVID-19 epidemic in recent years. Forward-looking, proactive financial planning can assist firms in building government long-term resilience. A clear view of risk, as well as a mature grasp of likelihood and impact, enables financial donors and managers to focus on what is most important and assist good decision-making.

Governmental Financial Resilience (GFR) is a novel phenomenon in the Zambian public sector, to both non-accounting officers and accounting officers. During the interviews, research participants (ZICAO8, ZICAO3, and LMO7) characterised GFR in four dimensions: anticipatory capacities (perceived or potential financial pressure), coping capacities (lowering the impact or shock of an event), sense making (navigating through events), and vulnerability (perceived financial fragility). GRF is not about bounce back to an original state, but to bounce forward, developing new capabilities and opportunities. However, GFR in Zambia lack critical consideration by law makers. Several research participants (ZICAO9, ZICAO8, ZICAO3, and LMO7) argued that;

> *"Zambia public sector has no strong GFR policies or laws that backs its good intentions, and this is so because, there is no clear article(s) or subsection of the article(s) in the constitution or other subsidiary laws that speaks to GRF".*

As earlier discussed, sources of government income and expenditure are prescribed in the constitution and subsidiary laws such Public Financial Management Act of 2018, and planning and budgeting Act which are directly linked to the overall credibility of the government budget. This said, income sources and funding for public sector bodies in the year 2019-2020 have been severely challenged by the disruption -Covid-19. This makes strategic planning even more complex when planning how services need to be delivered and this can only be achieved if there is clear law that backs GRF just like any other law(s) that guides government income and expenditure.

ZAMBIA'S PUBLIC SECTOR FINANCIAL MANAGEMENT AND ECONOMIC REFORMS

Public sector financial management (PSFM) and economic reforms are inseparable. One of the recommendations made by the IMF for the purposes of building GFR is reforms (Shekhar et, al,2019). Contrary to the IMF recommendations, Zambia has had several PSFM and economic reforms such as structural Adjustment Programme (SAP) which saw the PSFM reforms which include IFMIS,2015 and application of Cash basis IPSAS,2009 but little to nothing has been yielded out of these reforms. However, the country does not lack in specialised training such as professional accountants who can help in building strong GFR. In case of Zambia, the Public Sector Financial Management is often not informed by an understanding of risk, and therefore does not factor in the need for financial risk management. Engagement with the private sector, national, regional or international, is often undermined by a lack of understanding of issues, challenges and opportunities. Together, these issues result in massive financial vulnerability, leaving the most at-risk communities and nations exposed to risks, and lives, livelihoods and critical assets largely unprotected. As if this not enough, economists are more preferred in Zambia, when it comes to planning of activities of national interest by the government, for the reasons known to itself. These views were confirmed by research participants during interviews.

> *"Whenever, there are issues of national interest professional accountants are never engaged and I do not when the government engaged these individuals."*

Perhaps, the Government easily forgets that financial numbers used by economists to make policies are generated from Statement of Financial Position, Government income and expenditure government statement of equity by professional accountants who well vested in this arena.

PROFESSIONAL ACCOUNTANT'S ROLE IN BUILDING GOVERNMENTAL FINANCIAL RESILIENCE

Professional accountants in the public sector undoubtedly play an important role in assisting their organisations through the pandemic, and several (LMO10, LMO1, LMO4& LMO3) research participants added that:

> *"their technical knowledge, commitment to ethical standards of integrity and trust, as well as their broader perspective...will enable the public sector to respond effectively to the ways in which society is changing."*

Building and maintaining government resilience puts to the test every talent available to public sector professional accountants, including technical competence, strategic thinking, political judgement, communications, and leadership. On the one hand, the disruptions demand government leadership to instil confidence in those who understand their own limitations and seek assistance when necessary. The Zambia Institute of Chartered Accountants is a membership body regulating the Accountancy profession in Zambia but has no "teeth to bit ". This is so because knowledge and awareness on the role of professional accountants in building GFR is hardly preached to the governments. Indaba is one of the many fora where the role of professional accountants can be presented. Building financial resilience in government is an important part of financial planning. Professional accountants may help governments improve financial resilience by advising them on how to manage their money during difficult times. Building resilience and value during difficult times, according to the International Federation of Accountants (IFAC), is critical for professional accounting organisations (PAOs) to recover from disaster. The case for cultivating and improving resilience in government in Zambia is unclear and this evidenced from non-recognition of professional accountants' role by the government. Several research participants (ZICAO1, ZICAO7, ZICAO9 and LMO8) they too recognised the significant role that's played by professional accountants during and after the pandemics. They echoed that;

"Professional accountants' plays important roles in improving financial resilience through extension of the knowledge of accounting, accountability, and management in times of emergency and improve the preparedness of organizations and society and prevent future crises. Professional accountants are well-equipped specialised skills and if well utilised they can provide bold leadership that public sector organisations need as they learn the lessons of the disruptions and look ahead to the challenges of the future".

CIMA and ACCA are the only two international professional accountancy bodies found in Zambia, but they have different focuses and scopes. CIMA is for management accountants who work in the industry and deal with strategic and operational decisions. ACCA is for chartered accountants who work in various sectors and deal with financial reporting and auditing. Despite their differences in their focus, the two organisations have done more knowledge and awareness on building resilience at individual and organisation level, including studies on the same topic of resilience and little has come out of ZICA. Perhaps, this could be one of the main factors that has led to non-engagement of professional accountants in matters of national interest.

PUBLIC SECTOR ACCOUNTING TECHNIQUES-ZAMBIAN CONTEXT

In Zambia, the rise of government accounting is fundamentally due to the greater demand for accountability in a democracy and market economy. Democratic governance and market transactions require and foster the norm of reciprocity the expectation of exchange of benefits of comparable value upon which accountability is based Government accounting can help a community's socioeconomic growth by giving public managers and policymakers with the knowledge they need to make decisions and hold them accountable to citizens.

Historically, Zambia is colony of the United Kingdom and because of this, the country has been using government accounting left by the colonial masters. Research findings reveal that, Zambia's government makes use of a combination of vote and commitment accounting techniques. Vote accounting is a type of accounting system that bases financial records on budgetary estimates approved by Parliament. While commitment accounting is the practise of recording obligations to make future payments when they are anticipated, rather than when services are rendered, and billings are received. The approaches currently being practised in Zambia, clearly highlight uncommitted budget funds, allowing budget managers or vote/commitment controllers to plan other votes/commitments and disbursements more effectively, and thus, all other factors being equal, these techniques can be enablers of financial resilience.

In Zambia, the disruption occurred during an ongoing public financial management reform and attempts to embed Cash Basis IPSAS-oriented accrual-accounting practises in a dominating cash-based budgeting culture. Despite the availability of good accounting practises, the country has not been able to develop a strong governmental financial resilience. Having public sector accounting techniques is one thing, but developing GFR is quite another.

RESULTS OF TANZANIA FOR AAFA -PAFA PROJECT

Year	2017	2018	2019	2020	2021	2022
GDP 1		$57.0 billion	$61.14 billion	$64.4 billion	$67.84 billion	$75.5 billion

FINANCIAL PROGRAMME

Name	**Year**
Introduction of indirect instruments of monetary management	1980s
Introduction of open market operations (government securities)	1993
Introduction of repurchase agreement	2007
Introduction of foreign exchange auctions	1993
Auction replaced by Interbank Foreign Exchange Market	1994
Establishment of the clearing house at the Bank of Tanzania	1993
Establishment of the National Payment System Unit	1997
Government Electronic Payment (GePg)	2017
Tanzania Instant Payment System	Ongoing
Regulating credit only companies to control interest rate on credits	2018
Meaning of 4 public pension funds namely PPF, PSPF, GEPF to one fund namely PSSSF	2018
Formation of NSSF, for the private sector, informal sector and foreigners employed in Tanzania	2018
The First generational financial sector reforms	1991-2002
The second generational financial sector	2003-2012

Name	**Year**
reforms	
Public financial management reform programs (PFRMP)	1998-2021
FSRP Phase I	1991-1996
FSRP Phase II	1996-2001
FSDP	2002-2006
FSDP II	2007-2011
Financial Sector Blue Print (FSB)	2016-2021
Public Financial Management Reform Program	1998
Financial Sector reforms, innovation and their implications on monetary policy transmission in Tanzania	2018
National financial inclusion framework	2018
Public finance management reform program (PFMRP) phase VI	2022/23
Blueprint for regulatory reforms to improve the business environment	2018
Banking and financial institution	1991
Banking and financial institution 2nd generation	2003

<u>Tanzania's Financial Activities and Major Exports</u>

Major Financial Activities	Major Exports
Banking	Agricultural Produce (cash crops, food crops, meat)
Insurance and reassurance	Minerals (gold, tanzanite, diamond)
Mobile money transfer	Manufactured goods (iron & steel products, glass & glass products; ceramics and plastic products)
Sports betting	Tourism
FOREX Trading	
Capital Markets	
Stocks trading	
Loans	
Commodity trading	
Pension funds	
Government bonds	
Credit only institutions	
Borrowing	

- **RESISTANCE**

Resistance refers to the capacity of financial systems, institutions, and countries to endure and recover from adverse events, shocks, or disruptions. This involves implementing measures like stress testing, contingency planning, risk management, and financial reforms to ensure the ability to absorb and overcome challenges such as financial crises, market crashes, pandemics, or economic downturns. It entails establishing a solid financial foundation, managing debt levels, diversifying strategies, and maintaining production or services even with reduced inputs or productivity.

Quotes:

> *These are key drivers to respond to financial/economic/other crisis thus important in building resilience.*

It is the process of mitigating the financial catastrophes the country must endure by identifying the financial stress and adapting to the mitigation factors while collaborating with private sectors, including individuals.
Resistance means the capability of overcoming financial crisis through established financial reforms and strategies.

Resistance is when there is no positive response to the enablers.

Resistance refers to the ability of financial systems and institutions to withstand shocks and stresses without collapsing. This can involve measures such as stress testing, contingency planning, and risk management to ensure that financial institutions are able to absorb and recover from adverse events.
Is the ability to withstand shocks including pandemics, recessions, market crashes through building strong financial foundation such as affordable debt levels, diversifications etc.
Resistance refers to the ability of financial systems and institutions to withstand shocks and stresses without collapsing. This can involve measures such as stress testing, contingency planning, and risk management to ensure that financial institutions are able to absorb and recover from adverse events.
Resistance – ability of a country can sustain economic shock or disruption during low level of economic inputs or productivity, like maintaining production or service levels using lower amounts of an inputs.

- ADAPTATIONS

Adaptation refers to the capacity of individuals, financial systems, institutions, and countries to strategically navigate changing circumstances and market conditions. It involves employing strategies to mitigate financial risks, maintain stability, and secure a favourable financial position. This encompasses adjusting business approaches, embracing innovation and technology, and responding to shifts in customer preferences. Additionally, it entails swiftly pivoting and seizing emerging opportunities during financial crises or changing environments, exemplified by the ability to transition to new technologies and consumer trends. Ultimately, adaptation reflects the capability to sustain normal operations and thrive despite prevailing challenges, as demonstrated during events like the COVID pandemic.

Quotes:

- *Adaptation is the ability to have strategies that may reduce the risk of financial instabilities and retain financial position as per the respective conditions.*
- *Adaptation involves the ability of financial systems and institutions to adjust to changing circumstances and market conditions. This can involve measures such as innovation and technology adoption to increase efficiency, as well as adjustments to business models to respond to changing customer needs and preferences.*
- *Refers to ability to adopt with a changing environment, pivot and quickly adjust to changes in the marketplaces while seizing new emerging opportunities from any financial*

crisis. This may involve on shifting to new technological requirements, consumer preferences etc.

- *Adaptation involves the ability of financial systems and institutions to adjust to changing circumstances and market conditions. This can involve measures such as innovation and technology adoption to increase efficiency, as well as adjustments to business models to respond to changing customer needs and preferences.*
- *Ability of a country to sustain and being able to operate their normal activities in the prevailing situation, such as during outbreak of COVID pandemic.*

- COLLABORATION

Collaboration refers to the close working relationship between governmental or professional entities to establish reforms and strategies aimed at achieving financial stability within a country. It involves the acceptance of resilience as a facilitator. This entails financial institutions coming together to share information, resources, and expertise to collectively address challenges and opportunities. This can involve partnerships, alliances, and cooperation with regulators and other stakeholders to ensure a stable, efficient, and responsive financial system that meets economic needs. Collaborative efforts also extend to sharing resources, facilities, knowledge, and solutions to enhance financial resilience during difficult times. Additionally, collaboration includes a country's capacity to form partnerships with other nations to effectively manage financial shocks and disruptions.

Quotes:

- *Collaboration is also acceptance of the resilience enabler.*
- *Collaboration means working closely with another Government or professional bodies in establishing reforms and strategies to attain financial resilience with the respective country.*
- *Collaboration refers to the ability of financial institutions to work together to share information, resources, and expertise to address common challenges and opportunities. This can involve partnerships and alliances between institutions, as well as collaboration with regulators and other stakeholders to ensure that the financial system is stable, efficient, and responsive to the needs of the economy.*
- *Collaboration – means collaborating to share resources, facilities, knowledge, and expertise to help each other navigate difficult financial times. Problems and solutions sharing can easily bring financial resilience to the parties in question.*
- *Collaboration refers to the ability of financial institutions to work together to share information, resources, and expertise to address common challenges and opportunities. This can involve partnerships and alliances between institutions, as well as collaboration with regulators and other stakeholders to ensure that the financial system is stable, efficient, and responsive to the needs of the economy.*
- *Collaboration – Ability of a country to create partnerships with other countries in management of financial shocks and disruptions.*

- DIVERSIFICATION

Diversification refers to the practice of employing a variety of strategies to minimize risks in future investments, ensuring financial resilience. It involves utilizing different factors to maximize positive expected outcomes and surpass anticipated resilience. This includes spreading risk across diverse sectors, markets, and products. Measures encompass portfolio diversification, entering new markets, and expanding business lines to lessen reliance on a single area, enhancing the ability to withstand external shocks. At both individual and governmental levels, efficient diversification across sectors, industries, or assets builds robust economic resilience by reducing the potential impact of shocks and preventing system failure.

Diversification is having a variety or wide range of strategies for risk minimization in future investments as part of financial resilience.

Diversification: Diversification involves the spreading of risk across different sectors, markets, and products. This can involve measures such as portfolio diversification, investment in new and emerging markets, and expansion into new business lines to reduce dependence on any one area and increase resilience to external shocks.

Diversification – Means spreading sources of income across different sectors, industries, or assets. This has the effect of spreading risks and reduce the possibility of system failure should shocks arrive. An efficient diversification at individual and government levels has the effect of building a strong economic resilience.

- *Diversification: Diversification involves the spreading of risk across different sectors, markets, and products. This can involve measures such as portfolio diversification, investment in new and emerging markets, and expansion into new business lines to reduce dependence on any one area and increase resilience to external shocks.*

- *Diversification is when the various enablers are used to ensure to maximize the positive expected results to reach or to exceed the expected resilience.*

- *Diversification is having a variety or wide range of strategies for risk minimization in future investments as part of financial resilience.*

- *Diversification: Diversification involves the spreading of risk across different sectors, markets, and products. This can involve measures such as portfolio diversification, investment in new and emerging markets, and expansion into new business lines to reduce dependence on any one area and increase resilience to external shocks.*

- *Diversification – Means spreading sources of income across different sectors, industries, or assets. This has the effect of spreading risks and reduce the possibility of system failure should shocks arrive. An efficient diversification at individual and government levels has the effect of building a strong economic resilience.*

- *Diversification: Diversification involves the spreading of risk across different sectors, markets, and products. This can involve measures such as portfolio diversification,* *investment in new and emerging markets, and expansion into new business lines to reduce dependence on any one area and increase resilience to external shocks.*

- ECONOMIC REFORMS (IN THE PUBLIC SECTOR)

The concept of economic reforms within the public sector revolves around implementing radical changes to enhance the economic well-being of a nation, while also bolstering its resilience against economic shocks. The overarching goal is to bring about permanent and long-term improvements by restructuring the economic system and its fundamental rules. This process entails comprehensive modifications to how the economy functions, aiming to solve existing economic issues through mechanisms such as deregulation. One specific area where economic reforms manifest is in the realm of public sector accounting, which seeks to address prevalent economic challenges.

- *Tanzania's Local Government Reform Programme (LGRP), initiated in 1998, exemplifies the application of economic reforms. The central objective of this program is to shift resources from the central government to local authorities, decentralizing power and enhancing the autonomy of Local Government Authorities (LGAs). The dual aims of this reform include improving local governance and service delivery. By implementing this reform, Tanzania's government seeks to fulfill its commitments, coordinate sector reforms, and execute the local government reform in line with its vision.*

Underpinning these economic reforms are public sector accounting reforms that contribute to the country's financial resilience and broader economic development. This entails aligning the government's actions with the objectives of civil service and local government reforms. The reforms encompass adopting international accounting standards like the International Financial Reporting Standards (IFRS) to improve financial reporting accuracy and transparency. Such reforms also involve implementing modern technologies, like Information Technology (IT) systems for revenue collection and the Government Electronic Payment Gateway, which aid in accounting and financial statement preparation.

Economic reforms, in a broader sense, encompass the liberalization, globalization, and privatization of economies to address prevailing economic issues. Tanzania's transition from a socialist to a free-market economy stands as a significant example of economic reform. These changes often involve measures to reduce the debt burden of heavily indebted poor countries, subsequently attracting additional donor support for public services.

The implementation of public sector accounting reforms is a crucial facet of broader economic reforms. These reforms address challenges in financial reporting quality and consistency that can stem from inadequate accounting systems capturing economic activities comprehensively. By adopting international standards like the International Public Sector Accounting Standards (IPSAS), governments can enhance the reliability of financial information. These reforms facilitate a range of advantages, including assessing the government's financial position and performance, promoting consistency and comparability with peers, strengthening public investment planning, and achieving greater fiscal transparency and accountability.

The benefits of these reforms extend beyond immediate financial improvements. They can indirectly lead to enhanced public service quality, fiscal stability, economic growth, and government credibility. By focusing on accrual accounting, aligning with international standards, result-based budgeting, internal controls, and capacity building, Tanzania is striving to enhance its financial resilience and bolster the effectiveness of public sector financial management.

Economic reforms within the public sector involve radical changes aimed at improving economic well-being, increasing resilience against shocks, and providing lasting solutions. Public sector accounting reforms play a pivotal role in these efforts by enhancing financial management practices, transparency, and accountability. Tanzania's Local Government Reform Programme and broader economic transformation exemplify the application of these concepts, emphasizing the adoption of international standards, technological advancements, and improvements in financial reporting and management. These reforms collectively contribute to the country's economic development, stability, and credibility on both national and international fronts.

Quotes:

- *These are reforms aimed at promoting economic growth, improving the delivery of public services etc. In terms of public sector accounting these reforms are geared towards and enable the improvement of the quality and reliability of public sector financial information for decision making. E.g., information on assets management, public sector investment, financial position, and performance; comparability and consistency of financial reporting etc.*
- *- Public Finance Management Reform Programmes which include adoption of accrual based financial reporting e.g., IPSAS and IFRS, budget planning and preparation, management of public resources, public procurement, external audit etc.*
- *They enable efficiency and equity of service delivery – E.g., facilitate how resources are allocated and spent by public sector entities.*
- *Economic reform is a process of tackling obstacles to the fundamental drivers of growth by liberalising labour, product, and service markets, encouraging job creation and investment while improving productivity to boost economic competitiveness growth. The reform can extend to the globalisation and privatization of state-owned companies.*
- *Tanzania's Local Government Reform Programme (LGRP), the reform began in 1998 with the aim of transferring resources from central to local government and devolving and decentralising power to create more autonomous LGAs. The programme has two broad objectives: to improve local governance and to improve service delivery. The reform would enable the Government to: (a) proceed with the implementation of the local government.*
- *reform according to the government's visions and objectives for a strengthened local government system.*
- *(b) co-ordinate and give direction to the work on sector reforms so that they are consistent with the objectives for the civil service and local government reform; and*

- *(c) to fulfil government commitments.*
- *The Government of Tanzania moved from cash basis accounting, adopted accrual-based IPSAS Accounting, and started production of financial statements on 30th June 2008. and began introducing accrual IPSAS statements from 2012/13.*
- *With the exception of government business enterprises, all reporting entities in the public sector have to apply IPSAS-based accrual accounting.*
- *Public sector accounting reforms improve financial resilience and overall reforms in the country by:*
- *Public sector accounting reforms specifically a move to IPSAS provide a consistent and accurate basis of recognition of revenue and will facilitate the monitoring and reporting of associated cash balances, outstanding contributions from donors, and deferred revenue at period end.*
- *Public sector accounting reforms lead to an improvement in property and inventory management. IPSAS, given its recognition requirements of assets, lead to a significant increase in the comprehensiveness of the asset register for the Organization. IPSAS*
- *Public sector accounting reforms improved revenue management. Specifically, a move to IPSAS provides a consistent and accurate basis for the recognition of revenue and facilitates the monitoring and reporting of associated cash balances, outstanding contributions from donors, and deferred revenue at period end.*
- *Public sector accounting reforms, specifically the adoption of IPSAS reporting framework led to an improvement in the quality of financial data and enable alignment and comparability across Tanzania Government.*
- *Public sector accounting reforms improved transparency in the financial statement and accountability to local government employees. The reforms assisted in making it easier for the users to have a more comprehensive view of the financial position, performance and cash flows of the entity for any given period.*
- *Tanzania aims to enhance its financial resilience and promote effective public sector financial management.*
- *Adoption of Accrual Accounting: One of the major reforms was the transition from cash accounting to accrual accounting. Accrual accounting provides a more comprehensive and accurate picture of an entity's financial position by recognizing revenues when earned and expenses when incurred. This shift enables better financial planning, monitoring, and reporting in the public sector.*
- *Introduction of International Public Sector Accounting Standards (IPSAS): Tanzania has made efforts to align its public sector accounting standards with international best practices. The adoption of IPSAS ensures consistency and comparability of financial information across public sector entities, enhancing transparency and accountability.*
- *Result-Based Budgeting (RBB): Tanzania has introduced result-based budgeting, which focuses on linking budget allocations to specific outcomes and performance targets. This approach emphasizes the achievement of results and enhances the effectiveness and efficiency of resource allocation.*

- *Establishment of Internal Audit Units and the office of Internal Auditor General: The Tanzanian government has established internal audit units in various public sector entities to ensure effective internal controls, risk management, and compliance with financial regulations. Internal audit plays a crucial role in identifying weaknesses in financial management and recommending improvements to enhance accountability and resilience.*
- *Strengthening Public Expenditure Management: Tanzania has implemented reforms to strengthen public expenditure management, including the establishment of the Integrated Financial Management Systems (IFMS). IFMS aims to enhance efficiency, transparency, and accountability in the management of public funds by integrating financial processes and systems. The first IFMS procured and installed by the Government of Tanzania from external vendor was Epicor system but later the new system known as MUSE system was developed internally in Tanzania.*
- *Capacity Building and Training: Tanzania has focused on capacity building and training programs for public sector accountants and financial managers. These initiatives aim to enhance the skills and knowledge of professionals involved in financial management and promote adherence to accounting standards and best practices.*
- *Strengthening Oversight and Accountability Institutions: Tanzania has worked on strengthening oversight and accountability institutions, such as the National Audit Office, to ensure effective monitoring and evaluation of financial management practices in the public sector. These institutions play a critical role in ensuring transparency, accountability, and financial resilience.*
- *Tanzania has undergone several public sector accounting reforms over the years. Some of the major reforms are:*
- *Introduction of the Integrated Financial Management System (IFMS): The IFMS is a computerized system that was introduced in 2006 to improve financial management in the government. It integrates budgeting, accounting, and reporting functions into a single system.*
- *Adoption of International Public Sector Accounting Standards (IPSAS): Tanzania adopted IPSAS in 2013 as part of its efforts to improve transparency, accountability, and financial reporting in the public sector.*
- *Establishment of the National Board of Accountants and Auditors (NBAA): The NBAA was established in 1972 to regulate the accounting and auditing profession in Tanzania. It has been instrumental in promoting professionalism and quality in the profession.*
- *Introduction of the Government Accounting Manual (GAM): The GAM was introduced in 2001 to provide guidance on financial management and accounting procedures in the government.*
- *Establishment of the Controller and Auditor General (CAG): The CAG was established in 1983 to audit and report on the accounts of the government and its institutions. The CAG has been instrumental in promoting accountability and transparency in the public sector.*
- *These reforms have played a significant role in improving the financial management and accountability in Tanzania's public sector.*

- *The country (Tanzania) adopted the International Public Sector Accounting Standards (IPSAS) in 2004, however, its actual implementation among public sector entities (PSE) started in 2012.*

ROLE OF PROFESSIONAL ACCOUNTANTS

The role of professional accountants is of paramount importance in driving reforms and building resilience across various sectors. The key stakeholders involved in these efforts include the Government, Parliament, the Banking industry, and accounting bodies. Accountants hold a crucial responsibility in aiding the Government in making informed financial decisions and crafting accurate future budget projections. Their expertise is also instrumental in ensuring that financial matters are in strict compliance with relevant financial laws and regulations. Central to these efforts are accounting standards, which play a pivotal role in enhancing the reliability of financial statements. This accuracy is achieved through comprehensive financial reporting, requisite disclosure standards, and consistent valuation methods for various financial transactions. By adhering to these standards, the Government can effectively implement reforms in diverse areas to bolster resilience.

A major facet of the accountant's role is to ensure meticulous accounting within the government, where all funds are diligently accounted for while adhering to appropriate accounting standards. This encompasses several key functions:

- ***Advisory Roles:*** *Accountants serve as advisors to the government, providing insights and expertise that guide financial decisions, policy formulation, and effective implementation of reforms.*
- ***Audit and Assurance Role:*** *Accountants are responsible for conducting audits to ensure accuracy, transparency, and compliance with financial regulations, thus fostering accountability and trust.*
- ***Financial Management:*** *They play a critical role in managing financial resources efficiently, optimizing revenue generation, and minimizing financial risks.*
- ***Risk Management:*** *Accountants contribute to identifying potential financial risks and developing strategies to mitigate them, enhancing the government's ability to withstand uncertainties.*
- ***Capacity Building:*** *They actively participate in raising financial literacy levels through capacity-building initiatives and training, equipping individuals with the skills to understand and manage financial matters effectively.*
- ***Business Development:*** *Accountants support the growth and development of public sector entities by offering financial insights that aid in strategic decision-making and resource allocation.*
- ***Strategic Setting and Implications:*** *Their involvement in setting strategic financial goals and assessing the implications of various financial decisions is vital for achieving long-term resilience.*

Accounting standards significantly influence the formulation and implementation of reforms within public sector entities, contributing to the development of resilience strategies. Several ways in which accounting standards impact these processes include:

- ***Formation of Reforms**: Accounting standards, such as IPSAS, provide a framework for shaping reforms by offering guidance on financial reporting and management. This informs the development of reforms aimed at enhancing financial management practices in the public sector.*
- ***Implementation of Reforms**: These standards guide the implementation of reforms by ensuring that new practices align with international best practices, especially in terms of financial reporting.*
- ***Resistance Strategies**: Accounting standards can also be employed as tools for resistance against reforms. Stakeholders may invoke these standards to resist reforms that deviate from established accounting norms.*
- ***Monitoring and Evaluation**: Accounting standards serve as a foundation for transparent and accountable financial management practices. This facilitates the monitoring and evaluation of reform effectiveness, identifying areas for improvement and gauging the impact of reforms over time.*

- *Furthermore, accounting standards are essential in managing change effectively. They offer principles, techniques, and practices to recognize, measure, report, and disclose financial transactions and events. This guidance aids in formulating policies necessary for implementing various programs or reforms that enhance resilience strategies, particularly in the face of economic or financial disruptions.*

- *In summary, professional accountants in Tanzania play a multifaceted role in driving reforms and building resilience. Their collaboration with key stakeholders, adherence to accounting standards and expertise in financial management collectively contribute to effective policy formulation, transparent financial reporting, and the successful implementation of reforms across diverse sectors. Through their contributions, accountants play a vital role in promoting the overall resilience and stability of the Tanzanian government and economy.*