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The Problematic of Integrating International Public Sector Accounting Standards (IPSAS) into the Algerian Public Accounting System: An Analytical Study of the Case of Mascara Municipality in Light of Governance and Transparency Challenges

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Abstract:

This research paper aims to examine the role of auditing standards within the public sector, with a particular emphasis on the implementation of the International Public Sector Accounting Standards (IPSAS) and their contribution to improving the quality of financial reporting, transparency, and accountability in public institutions. Mascara Municipality was chosen as a case study to explore the practical realities of IPSAS adoption in the Algerian context, through assessing the preparedness of the local public administration to shift from cash-based accounting to an accrual-based system.

The findings emphasize the importance of aligning with international accounting reforms, as IPSAS help detect financial errors and irregularities and improve operational efficiency. However, the results also reveal several organizational and technical challenges that hinder the effective implementation of these standards within Algerian municipalities.

Keywords: Auditing Standards; Public Sector; IPSAS; Public Accounting; Mascara Municipality.

1. INTRODUCTION

Recent decades have witnessed a radical transformation in public accounting systems at the international level, driven by the need to enhance transparency and accountability in public financial management. The International Public Sector Accounting Standards Board (IPSASB) has been at the forefront of this transformation by issuing the International Public Sector Accounting Standards (IPSAS), which aim to provide a unified framework to improve the quality and consistency of governmental financial reporting. These standards represent a paradigm shift from cash-based accounting to accrual-based accounting, allowing for a more comprehensive and accurate picture of the financial position and performance of government entities. Many countries have sought to adopt these standards to keep pace with international best practices, recognizing the pivotal role these standards play in improving economic governance and rational decision-making.

In the context of this global trend, Algeria has worked to modernize and develop its public accounting system as part of broader public finance reforms. This commitment was particularly embodied in Organic Law No. 18-15 on finance laws, issued in September 2018, which constituted a decisive turning point towards reforming the budget system and paving the way for a comprehensive reform of the public accounting system in line with IPSAS. This path was subsequently reinforced by Law No. 23-07, which established the new rules for public accounting and financial management, confirming Algeria's political will to adopt the foundations of accrual-based accounting. This ambitious reform aims to improve the quality of governmental financial reports, provide more useful financial statements for decision-makers, and enhance trust between the government, citizens, and international bodies, thereby contributing to supporting financial sustainability and economic development.

However, despite the clear legal framework and the efforts made, the transition process to implementing IPSAS in Algeria faces significant problems and challenges. Many studies show that the application of these standards is still in its early stages and suffers from multiple obstacles. The most prominent of these obstacles are resistance to change in public institutions, the lack of technically qualified human resources, and the difficulty of adapting to the requirements of the new standards and their complex technical mechanisms. Some research also indicates that the pace of accounting reform in Algeria suffers from a notable delay, and that actual changes in professional practices within institutions remain limited, partly due to the delay in issuing the necessary implementing texts. In this context, there is an urgent need for an in-depth study that sheds light on the gap between the theoretical objectives of the reform and the reality of actual application, focusing on the case study of local institutions such as municipalities, which are the main interface for public services and the first to be affected by these reforms.

Importance of the Study

The importance of this study stems from the fact that it fills a clear knowledge gap in the Algerian academic literature related to International Public Sector Accounting Standards (IPSAS). While there are theoretical studies on the requirements or challenges of adoption in general, the actual application of these standards at the local level, specifically in local authorities, has rarely been addressed. This study contributes to a deeper understanding of the practical and organizational obstacles hindering the integration of IPSAS into the Algerian public accounting system. Moreover, the study has an important applied dimension, as it provides field insights for decision-makers and relevant authorities such as the Ministry of Finance and Accounting Directorates, enabling them to design more effective strategies to overcome difficulties and successfully achieve reform objectives, particularly with regard to strengthening the principles of governance and transparency in public institutions.

Objectives of the Study

The study primarily aims to:

1. Analytical Assessment: Assess the reality of Algerian efforts in adopting International Public Sector Accounting Standards (IPSAS) and analyses the progress of the integration process into the public accounting system.
2. Identification of Problems: Identify and classify the main problems and obstacles (human, technical, organizational, legal) facing the process of integrating IPSAS into Algerian public institutions, focusing on the local level (municipalities).
3. Analysis of the Governance-Transparency Relationship: Study and analyses the impact of IPSAS implementation challenges on activating the principles of good governance and enhancing financial transparency and accountability in the municipality of Mascara as a model for local authorities.
4. Formulation of Recommendations: Formulate practical recommendations and proposals for applicable solutions that would contribute to accelerating the pace of reform and removing obstacles to the effective integration of IPSAS.

Problem Statement of the Study

In light of the above, the main problem statement of the study can be formulated as follows: "What is the nature and magnitude of the problems facing the process of integrating International Public Sector Accounting Standards (IPSAS) into the Algerian public accounting system? And how are the implementation challenges, at the local level in the municipality of Mascara, reflected in the enhancement of good governance and financial transparency principles?"

Hypotheses of the Study

To answer the research problem, the validity of the following hypotheses will be tested:

- **Main Hypothesis:**

There is a significant gap between the theoretical and desired objectives of reforming public accounting according to IPSAS in Algeria and the actual level of application of these standards in local public institutions, and this gap is embodied in a set of organizational, human, and technical challenges that hinder effective integration.

- **Sub-Hypotheses:**
    1. First Hypothesis: The process of integrating IPSAS into the Algerian public accounting system faces major organizational and legal challenges, represented by the slow pace of issuing the implementing texts and executive decrees necessary to actualize the new laws (such as Law 18-15 and Law 23-07) on the ground.
    2. Second Hypothesis: Human obstacles (resistance to change, lack of qualified competencies, and inadequacy of continuous training and development

programmes) are among the most prominent obstacles delaying the effective adoption of IPSAS and hindering the transition from cash-based accounting to accrual-based accounting.

3. Third Hypothesis: The weak level of application of IPSAS in local institutions (Municipality of Mascara) negatively affects the enhancement of good governance principles and financial transparency, limiting the ability of these institutions to present accurate and transparent financial reports reflecting their true financial position.

Methodology of the Study

To test the validity of the previous hypotheses and answer the research problem, the following methodology was adopted:

- Main Methodological Approach: The descriptive-analytical approach was adopted as the most appropriate for the nature of this study. The descriptive approach is used to describe and analyze the theoretical and legal framework of the Algerian public accounting system and IPSAS. The analytical approach is also used to understand the nature of relationships between variables, analyze the causes of the phenomena under study, and reach sound conclusions.
- Study Area and Sample: The study population is represented by the municipality of Mascara as a model for Algerian local authorities. This municipality was chosen because it represents a typical case reflecting the reality of local institutions in applying accounting reforms. The sample consists of two main categories: spending authorizers (responsible for budget execution) and public accountants (responsible for accounting records) in the municipality.
- Data Collection Tool: A questionnaire was adopted as the main tool for collecting quantitative and qualitative data, in addition to analyzing the municipality's documents and financial reports to confirm the results. The questionnaire was designed to measure respondents' perception of the current level of application, identify the nature of problems and obstacles (human, technical, organizational), and assess the impact on transparency and governance.
- Statistical Processing Methods: After collecting the data through the questionnaire, it was coded and processed using the Statistical Package for the Social Sciences (SPSS v.26). A set of descriptive statistical methods (such as frequencies, percentages, arithmetic means, standard deviations) was used to describe the sample characteristics and analyze the trends of respondents' answers, as well as inferential methods (such as correlation tests and T-tests) to test the validity of the formulated hypotheses.

2. Theoretical Framework of International Public Sector Accounting Standards (IPSAS):

1.1. Emergence and Development of International Public Sector Accounting Standards (IPSAS)

Recent decades have witnessed a growing interest in developing public accounting systems at the international level, within the context of a shift towards enhancing good governance, transparency, and accountability in public financial management. The establishment of the

International Public Sector Accounting Standards Board (IPSASB) in 1986 under the umbrella of the International Federation of Accountants (IFAC) was a response to these challenges (Ghouma, 2020; Naili & Labidi, 2018). This board has evolved into an independent body responsible for issuing the International Public Sector Accounting Standards (IPSAS), aiming to provide a unified framework to improve the quality and consistency of governmental financial reporting worldwide.

IPSAS represent a paradigm shift from cash-based accounting to accrual-based accounting, allowing for a more comprehensive and accurate picture of the financial position and performance of government entities (Ghouma, 2020). These standards seek to achieve several objectives, most notably: enhancing financial transparency by providing accurate and reliable information about governmental resources and obligations, enabling comparability between the financial reports of different countries thus facilitating economic decision-making, and increasing accountability and control over the management of public funds, thereby contributing to reducing financial corruption and improving the efficiency of public expenditure (Bouchareb, 2021; Boukherouaa, 2022).

IPSAS have witnessed continuous developments to keep pace with economic and financial changes. In 2025, the Board issued a package of important updates, including the tenth volume of Improvements to IPSAS Accounting Standards, which contained editorial clarifications in IPSAS 2 (Statement of Cash Flows) and IPSAS 35 (Consolidated Financial Statements) (IPSASB, 2025a). Furthermore, in December 2025, the Climate-Related Disclosures standard (IPSASB SRS 1) was approved, expected to be published in early 2026 (IPSASB, 2025b). These developments represent a strategic shift towards expanding governmental accounting to include sustainability and climate change issues, posing new challenges for countries seeking to adopt these standards, especially given that recent studies document notable knowledge gaps in the application of IPSAS at the local level, particularly in developing countries (Al-Hamadeen & Haddad, 2025; Gatawa Kandage, 2025).

1.2. Global Experiences and Lessons Learned in Implementing IPSAS

The experiences of countries in adopting IPSAS serve as an important reference for understanding the challenges and success factors of this process. Studies show that developed countries such as Spain, Portugal, and Italy have made varying progress in this field. A study by Maali and Morshed (2025) found that full adoption of IPSAS, as in Spain, significantly enhances governance and reduces corruption, provided a strong institutional framework exists. In contrast, Portugal, which has partially adopted these standards, showed moderate improvements, while Italy, still in the preparatory phase, demonstrated the least positive outcomes.

In developing countries and emerging economies, the process of adopting these standards faces more complex challenges. These include: weak technological infrastructure and limited digital capacities, a lack of qualified human competencies in accrual-based accounting, weak institutional frameworks and inconsistent policy application, and a lack of sustained political will (Nzama & Ogundele, 2025; Muacassange et al., 2025). Interestingly, some developing countries have shown resilience and the ability to overcome these challenges, benefiting from support from international financial institutions and radical reforms in their accounting systems (Gatawa Kandage, 2025).

In the Arab context, the Jordanian experience stands out as an important case study. Jordan committed to adopting IPSAS in 2015, yet full implementation remains delayed as of 2025. A study by Al-Hamadeen and Haddad (2025) indicates that the most prominent obstacles include legal gaps, limited training, and institutional resistance to change. Another study found that human factors, such as techno-stress and weak transformational leadership, significantly affect the commitment of government accountants to implementing these standards (Al-Nsour, 2025). These findings show clear similarities with the challenges facing Algeria on its path towards IPSAS adoption.

1.3. The Reality of IPSAS Implementation in Algeria: Legal Framework and Reforms

Algeria, like other countries, has sought to keep pace with international developments in public accounting by implementing structural and legal reforms aimed at modernizing its accounting system. This direction was particularly embodied in Organic Law No. 18-15 on finance laws, issued in September 2018, which constituted a decisive turning point towards reforming the budget system and paving the way for a comprehensive reform of the public accounting system. This path was later reinforced by Law No. 23-07, which established the new rules for public accounting and financial management (Kaci, 2021; Bendekhis & Bendoukha, 2025a).

This ambitious reform aims to improve the quality of governmental financial reports, provide more useful financial statements for decision-makers, and enhance trust between the government, citizens, and international bodies (Bendekhis & Bendoukha, 2025a). Algeria has prepared a national plan for adopting IPSAS aimed at improving the quality of financial information and enhancing transparency and credibility in public sector financial reports, in line with international guidelines and sustainable development goals (Bendekhis & Bendoukha, 2025b).

Many recent studies confirm that Organic Law 18-15 primarily aims to enhance the management and effectiveness of public finance, while Law 23-07 has significantly contributed to driving public accounting system reforms in Algeria (Mebarki, 2025). A study by Ghouma (2020) also indicates that the gradual adoption of IPSAS in Algeria represents a strategic step towards improving governance, efficiency, and financial sustainability in the Algerian public sector. A study conducted by Laadj (2025) revealed a partial alignment between the Algerian public accounting system and IPSAS, alongside structural, legislative, and technical challenges that prevent full implementation.

1.4. Challenges of Implementing IPSAS in Algeria (Human, Technical, Organizational)

Despite the clear legal framework and efforts made, the transition process to implementing IPSAS in Algeria faces several major problems, which can be classified as follows:

First: Human and Organizational Challenges:

These include resistance to change in public institutions, the absence of qualified human competencies in accrual-based accounting (Bouchareb, 2021; Kaci, 2021), and weak continuous training and development programmes. A field study at the level of Tlemcen Province showed that the lack of human qualification is one of the most prominent obstacles delaying the effective adoption of IPSAS (Bin Hajjar & Bu Madyan, 2025). Algeria also faces institutional challenges related to weak coordination between the various actors involved in the reform process (spending authorizers, public accountants, financial controllers).

Second: Technical and Digital Challenges:

The successful implementation of IPSAS is largely dependent on the availability of advanced accounting information systems capable of handling the requirements of accrual-based accounting. A study by Bin Hajjar and Bu Madyan (2025) indicates that applying these standards requires improving the infrastructure of accounting information and electronic reporting systems to ensure data quality and accuracy. Other obstacles include weak digitization in public administrations, and the incompatibility of current accounting systems with the requirements of the new standards (Ghouma, 2020; Boukherouaa, 2022).

Third: Legislative and Legal Challenges:

Despite legislative efforts, there remain legal gaps that prevent the full implementation of IPSAS. The most prominent of these is the slow pace of issuing the implementing texts and decrees necessary to actualize the new laws on the ground (Naili & Labidi, 2018; Mebarki, 2025). A study by Bouchareb (2021) also points to the difficulty of adapting to the requirements of the new standards and their complex technical mechanisms in the absence of clear regulatory frameworks for the transition process.

1.5. Governance and Transparency in the Public Sector: IPSAS as a Tool for Enhancement

IPSAS represent a central tool for enhancing the principles of good governance and financial transparency in the public sector (Nzama & Ogundele, 2025). By providing accurate and comprehensive information on the financial position and performance of government entities, these standards contribute to improving the quality of economic decision-making, and enhancing accountability and control over the management of public funds (Boukherouaa, 2022; Bouchareb, 2021).

Recent literature confirms a positive relationship between the adoption of IPSAS and the quality of governance in the public sector. A study by Maali and Morshed (2025) demonstrated that full adoption of the standards enhances governance and reduces corruption, especially in the presence of a strong institutional framework. A study by Muacassange et al. (2025) also indicates that the process of economic globalization increases the importance of harmonizing accounting practices and principles, thereby reinforcing the role of IPSAS in improving transparency, comparability, and relevance of financial information.

In the Algerian context, the transition from cash basis to accrual basis according to IPSAS is an essential step towards achieving transparency and accountability (Kaci, 2021). A study by Bendekhis and Bendoukha (2025b) concluded that adopting these standards contributes to establishing a more sustainable and transparent financial system, and enhances trust between the government, citizens, and international bodies, thereby supporting economic stability and sustainable development in Algeria. However, achieving these goals remains contingent on overcoming existing challenges, especially at the local level, which represents the frontline of public services and the first to be affected by these reforms.

1. The practical framework of the study

1.3. Study Population

The study population comprised employees working in the municipalities of Ma'askar Governorate, considered to be public administrative institutions, numbering 41 employees.

2.3. Study Sample

The study sample comprised 41 employees spread across various municipalities in the state of Mascara. Fifty questionnaires were distributed to the employees; nine were returned but were not used in the study, whilst 41 were utilised.

3.3. Statistical analysis tools used in the study

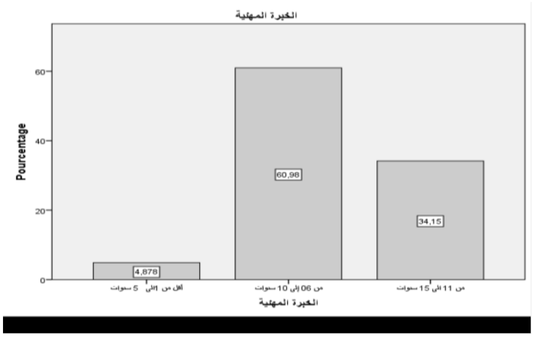
A range of statistical analysis tools were used in this study, with results obtained immediately after the questionnaire data had been entered into SPSS.

4.3. Descriptive analysis of the study sample variables

Section 1: Results of personal information

Section 1: Years of experience

Figure 1: Graph showing the results of personal information by years of experience

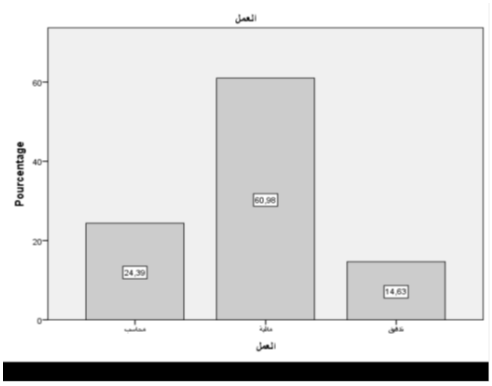


Source : SPSS statistical analysis software

- **Comment:** We can see from the table and figure above that there were 2 individuals in the 1 to 5 years category, representing a total proportion of 4.9 per cent, which is the lowest proportion. Next, the category comprising 11 to 15 years of experience had 14 individuals, with a total proportion of 34.1 per cent. The group with experience ranging from 06 years to 25 years also numbered 25, representing 61.0 per cent – the highest proportion.

Section Two: Specialisation

Figure 2: Bar chart showing personal information results by specialisation

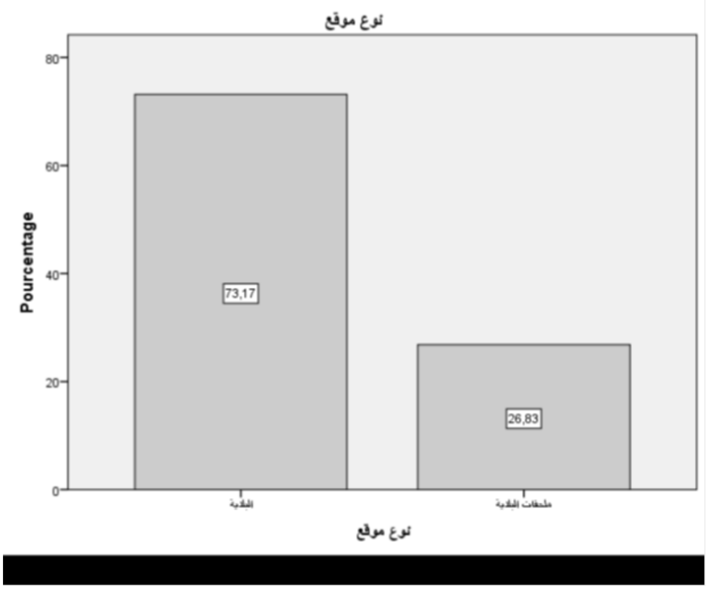


Source: SPSS statistical analysis software

Comment: We can see from the table and figure above that there were 10 individuals in the 'Accountant' category, representing a total percentage of 24.4 per cent, whilst there were 25 individuals in the 'Finance' category, representing a total percentage of61.0 per cent, which is the highest proportion; and finally, there were 6 individuals in the auditing category, representing a total proportion of 14.6 per cent, which is the lowest proportion. This indicates that the organisation under study employs more staff in the finance specialisation.

Section Three: Location

Figure 3: Bar chart of personal information results by location



Source: SPSS statistical analysis software

Comment: We can see from the table and figure above that the location is divided into the municipality, which accounted for the majority of the sample (30 individuals), representing 73.2 per cent of the total, whilst the municipal annexes accounted for 11 individuals, representing 26.8 per cent of the total.

2. Results and analysis of the sample's responses

1.4. Calculation of the arithmetic means and standard deviations of the study sample's responses to the audit criteria

Table (01): Calculation of arithmetic means and standard deviations for the study sample's responses regarding auditing standards:

No.	Questions asked	Arithmetic mean	Standard deviation	Level	Rank
01	The standardisation of auditing internationally increases its effectiveness.	3.87	0.74	**High**	**09**
02	International audit firms provide high-quality services compared to other firms.	3.82	0.73	**High**	**10**

03	Consistency in auditing practice must be accompanied by consistency in the educational and experience requirements for practitioners.	4.02	0.93	**High**	**05**
04	Algeria is seeking to keep pace with international developments by adopting international auditing standards.	4.17	0.83	**High**	**03**
05	The need to organise training courses for auditors and accountants in line with international standards.	4.41	0.59	**High**	**01**
06	International auditing standards help to reduce disparities in auditors' practices between countries.	3.92	0.90	**High**	**08**
07	The primary aim of issuing International Standards on Auditing was to create an international environment for auditing, not to improve it.	3.58	1.11	**Average**	**19**
08	Improving audit quality leads to greater confidence in financial statements.	4.24	0.79	**High**	**02**
09	The adoption of financial statement standards enhances the auditing profession for public sector entities.	3.95	0.80	**High**	**07**
10	The adoption of accounting policies, changes in accounting estimates and the correction of errors contribute to the effectiveness of public sector auditing standards.	3.95	0.73	**High**	**06**
11	The recognition of borrowing costs leads to the formalisation of costs if they relate to the acquisition, construction or production of an asset.	3.39	0.99	**Average**	**22**
12	Reliance on financial reports in high-inflation economies illustrates how financial information should be presented to be meaningful and relevant.	3.73	0.94	**High**	**17**
13	Reliance on construction contracts determines the types of such contracts and how financial statements are presented in the public sector.	3.85	1.01	**High**	**11**

14	Reliance on finance and operating leases by both lessors and lessees has a clear impact on the public sector.	3.65	0.93	**High**	**18**
15	Relying on the consolidation of government sector entities ensures that financial information is presented in financial statements that are transparent and reliable for the consolidated entities.	3.73	1.07	**High**	**16**
16	Reliance on separate financial statements constitutes disclosure of investments in controlled entities.	3.29	1.05	**Average**	**23**
17	The adoption of concession arrangements for the provision of services (grants) by the grantor describes the accounting for concession arrangements, which are typically public sector (government) entities.	3.53	0.89	**Average**	**21**
18	Reliance on Intangible Assets This section sets out the accounting treatment for intangible assets, which are recognised as assets provided that a set of conditions are met.	3.29	1.05	**Average**	**24**
19	The adoption of financial instruments (recognition and measurement) sets out the conditions for the recognition and measurement of financial instruments, as well as the conditions for derecognition and how to recognise gains and losses arising from the measurement of financial assets and liabilities.	3.58	0.97	**Average**	**20**
20	Reliance on revenue from non-exchange transactions reflects the requirements for the measurement and recognition of non-exchange revenue, which typically consists of tax revenue or cash transfers.	3.78	0.88	**High**	**14**
21	Requirement to present budget information in the financial statements the financial statements should include comparisons of estimated and actual amounts resulting from budget implementation in order to enhance the transparency of the financial data.	4.02	0.96	**High**	**04**

22	The disclosure of financial information relating to the public sector enhances the transparency of financial reporting by governments wishing to present their consolidated financial statements.	3.85	0.88	**High**	**12**
23	Social benefits assurance is the process of enhancing the credibility, transparency and comparability of the information provided in financial reports relating to social benefits.	3.75	0.91	**High**	**15**
24	Reliance on the consolidation of government sector entities explains how financial information is presented in financial statements that are transparent and reliable in relation to the consolidated entities and their impact on their financial position and performance.	3.85	0.82	**High**	**13**
	Overall average	**3.92**	**Standard deviation 0.70 High**		

Source: SPSS statistical analysis software

Comment: The results shown in Table 15 indicate that the overall mean for the audit standards items was high, with an arithmetic mean of 3.92 and a standard deviation of 0.70, This indicates that the application of auditing standards within the organisation under study was at a high level, with items in this dimension scoring at both high and medium levels, as the arithmetic means ranged from 4.41 to 3.29. This demonstrates the successful application and implementation of auditing standards in the municipality of Maskar State.

Statement 05, which states that ‘training courses must be provided for auditors and accountants in accordance with international standards’, ranked first with an arithmetic mean of 4.41 and a standard deviation of 0.59, indicating that the organisation’s provision of training courses for auditors and accountants enables them to carry out the audit process effectively in line with international standards, thereby helping to achieve its objectives and operations.

Next came statement 08 in second place, which states that ‘improving audit quality leads to increased confidence in the financial statements’, with an arithmetic mean of 4.24 and a standard deviation of 0.97. This indicates that an organisation gains confidence in its financial statements through the application of high audit quality.

In last place was Statement 18, which states that ‘reliance on intangible assets reflects the accounting treatment of intangible assets that are recognised as assets provided a set of conditions are met’, with an arithmetic mean of 3.29 and a standard deviation of 1.05.

In light of the results obtained, it appears that these practices—the auditing standards in force within the local authority under study—confirm that auditing standards are being applied to a high standard, as reflected by the study sample’s responses to the questionnaire items to varying degrees. This indicates that the application of auditing standards in the organisation under study is geared towards providing a high-quality service and helping to reduce disparities in auditors' practices across countries. The organisation seeks to implement the audit process with the aim of creating an international audit environment, not merely to improve it, and to gain trust in auditors by producing accounts and financial statements based on accounting policies, borrowing costs, reports, financial instruments, intangible assets, as well as alland budget information.

2.4. Calculation of arithmetic means and standard deviations for the responses of the study sample regarding International Public Sector Accounting Standards

Table (02): Calculation of arithmetic means and standard deviations for the responses of the study sample regarding International Public Sector Accounting Standards:

No.	Questions asked	Arithmetic mean	Standard Deviation	Level	Rank
01	The adoption of International Public Sector Accounting Standards helps to reduce financial and administrative corruption.	4.04	0.97	**High**	01
02	The adoption of International Public Sector Accounting Standards ensures that the information required to meet all users' needs is provided.	3.97	0.90	**High**	05
03	The adoption of International Public Sector Accounting Standards enhances transparency and disclosure in the presentation of financial statements.	3.92	1.00	**High**	09
04	The adoption of International Public Sector Accounting Standards promotes the rationalisation of public expenditure through the allocation of resources.	4.04	0.89	**High**	02
05	The adoption of International Public Sector Accounting Standards leads to improved governance.	4.00	0.92	**High**	04
06	The adoption of international public sector accounting standards helps to foster trust in governments amongst the public.	3.97	0.87	**High**	06
07	The adoption of International Public Sector Accounting Standards ensures the legitimacy of financial operations through the use of effective control mechanisms.	3.95	0.83	**Average**	08

08	The adoption of International Public Sector Accounting Standards promotes good governance in public sector entities.	3.97	0.68	**High**	07
09	The adoption of International Public Sector Accounting Standards is consistent with international practices in the presentation of financial statements.	3.78	0.90	**High**	14
10	The adoption of International Public Sector Accounting Standards contributes to the management of financial resources and facilitates their use by the relevant bodies.	3.85	0.98	**High**	10
11	The adoption of International Public Sector Accounting Standards leads to the detection of fraud within public sector entities.	3.85	0.93	**Average**	11
12	The adoption of International Public Sector Accounting Standards makes it easier for auditors to carry out their work comfortably and efficiently.	4.00	0.77	**High**	03
13	The adoption of International Public Sector Accounting Standards enables auditors to identify the considerations necessary to utilise the work of other auditors	3.85	0.88	**High**	12
14	The adoption of International Public Sector Accounting Standards helps the auditor form an appropriate opinion on the financial statements.	3.82	0.89	**High**	13
15	The adoption of International Public Sector Accounting Standards enables auditors to identify specific considerations when auditing financial statements, thereby ensuring that the needs of the intended users are met	3.77	1.02	**High**	15
	Overall average	**3.92**	**Standard deviation 0.70 High**		

Source: SPSS statistical analysis software

Comment: The results shown in Table (16) indicate that the overall mean for the public sector statements was 3.92, with a standard deviation of 0.70, which is a high level. This reflects the organisation under study's efforts to achieve a high standard of compliance with International Public Sector Accounting Standards, with arithmetic means ranging from 4.04 to 3.77. These results indicate the success of the policies adopted by public sector managers in the municipalities of Masqat Governorate.

Statement No. (1), which states that *the adoption of International Public Sector Accounting Standards contributes to reducing financial and administrative corruption*, ranked first with an arithmetic mean of (4.04) and a standard deviation of (0.97).

In last place was the statement that 'the adoption of International Public Sector Accounting Standards (IPSAS) defines the specific considerations for the auditor when auditing financial statements in order to meet the needs of specific users', with an arithmetic mean of 3.77 and a standard deviation of 1.02.

In view of the results obtained, it is clear that the municipality under study is highly committed to applying International Public Sector Accounting Standards, as reflected in the study sample's responses to the questionnaire statements to varying degrees. This was evident in the organisation's ability to adopt these standards and provide the necessary accounting information to meet the needs of various users, including enabling the auditor to form a sound professional opinion on the financial statements. This helps to strengthen public confidence in their government and supports the rationalisation of public spending through improved resource allocation.

Based on these results, the validity of the main alternative hypothesis—which states that there is a statistically significant effect of auditing and International Public Sector Accounting Standards—can be confirmed.

Table 3: Results of the simple regression analysis Coefficient

	Coefficient B	**Fisher's test F**	**Sig F Probability**	**Correlation coefficient R**	**Coefficient of Determination R^2**
Stability	0.183–	58.856	0.000	0.579	0.768
Accuracy X	1.030				

Source: SPSS statistical analysis software

The coefficient of determination, which indicates the extent to which strategic management influences employee empowerment, was 0.579, which is a moderate value. This suggests that strategic management explains approximately 57.9 per cent of the variation in employee empowerment, whilst the remainder is attributed to other factors not included in the study model. Furthermore, the analysis of variance (ANOVA) showed that the calculated F-value was 58.85, and that the associated p-value (0.000) was below the accepted level of statistical significance (0.05).

Discussion of the results :

- The presence of a strong positive correlation (R = 0.768) implies that improving audit practices inevitably leads to better implementation of International Public Sector Accounting Standards (IPSAS).
- The R^2 value of 0.579 indicates that approximately 58 per cent of the success in implementing IPSAS is attributable to the quality of audit practices, whilst the

remainder (42 per cent) is due to other factors (organisational culture, management support, legislation, training, etc.).

- The regression coefficient B = 1.030 means that a one-unit increase in the degree of application of auditing standards leads to a 1.03-unit increase in the application of IPSAS, which is a significant effect.
- The high F-value and p-value of 0.000 confirm that the model is statistically valid and can be generalised to the study population.

5. Assessment of hypotheses in light of the results

Main (alternative) hypothesis:

"There is a statistically significant relationship between the application of auditing standards and the adoption of IPSAS in the Municipality of Ma'askar."

Verdict : Accepted, because :

- The significance level of the regression = 0.000 < 0.05.
- The correlation coefficient is strong (0.768).
- The arithmetic means for both variables are high (3.92).

Sub-hypotheses (implicit) :

Hypothesis	Result
There are regulatory and legal challenges hindering integration	Accepted – Weaknesses in the application of standards for intangible assets and financial instruments
There are human barriers (resistance to change, lack of training)	Accepted – lower proportion specialising in auditing, and a higher proportion calling for training
Weak implementation of IPSAS has a negative impact on governance and transparency	Partially rejected – because the overall standard is high, but there are discrepancies in some areas

6. Overall conclusion and practical summary:

1. The Municipality of Maskar has made remarkable progress in implementing auditing standards and IPSAS standards relative to the available resources, but this progress is uneven.
2. Human resources and training represent the greatest challenge; the sample strongly calls for training courses and suffers from a shortage of audit specialists.
3. There is a strong causal link between auditing and IPSAS, meaning that any reform in the field of auditing will have a positive impact on the implementation of international accounting standards.

4. **Key recommendation :**
    - Launch an intensive training programme for municipal staff on international standards, particularly IPSAS 31 on intangible assets and IPSAS 41 on financial instruments.
    - Restructure municipal teams to include audit specialists.
    - Strengthen oversight of municipal branches and avoid concentrating staff at head office.

CONCLUSION

International Public Sector Accounting Standards (IPSAS) constitute a key framework for reforming public sector accounting systems and enhancing governance, transparency and accountability, at both central and local levels. In line with this approach, this study aimed to analyse the challenges of integrating these standards into the Algerian public accounting system, focusing on a case study of the municipality of Mascara, in the context of governance and transparency challenges.

Key findings drawn from the statistical analysis:

1. **Level of implementation of auditing standards and IPSAS:** The results showed that the overall arithmetic mean of the study sample's attitudes towards auditing standards was **3.92 out of** 5, and similarly for IPSAS standards (**3.92**), which is a **high** level, indicating that the Municipality of Maskar has made significant progress in this area, albeit unevenly.
2. **Strongest influencing factors:** The statement 'the need to conduct training courses for auditors and accountants' ranked first with the highest mean score (4.41), reflecting **an urgent need for continuous training programmes** to keep pace with international requirements. This confirms the human resource challenge highlighted by previous studies (Bouchareb, 2021; Bin Hajjar & Bu Madyan, 2025).
3. **Weakest areas of application:** Statements relating to complex technical aspects, such as 'intangible assets', 'financial instruments' and 'concession contracts', recorded the lowest scores (averages ranging from 3.29 to 3.58), indicating a **technical gap** in the application of certain detailed standards.
4. **The relationship between auditing and IPSAS:** Regression analysis revealed a **strong correlation** between the application of auditing standards and the adoption of IPSAS ($R = 0.768$), and the coefficient of determination ($R^2 = 0.579$) indicated that **57.9 per cent** of the variation in IPSAS implementation is attributable to the quality of audit practices, with a strong positive effect ($B = 1.030$) at a significance level of 0.000. This confirms the validity of the study's main hypothesis.
5. **Structural and human resource challenges:** The characteristics of the sample revealed **a severe shortage of audit specialists** (only 14.6 per cent compared with 61.0 per cent in the finance specialism), **and a concentration of expertise at** the municipality's **head office** (73.2 per cent) at the expense of the branches, which hinders the balanced implementation of the standards.

General conclusions :

- Despite the progress made in the municipality of Mascara compared with many other Algerian local authorities, the process of fully integrating IPSAS standards remains incomplete and is characterised by disparities between straightforward areas (such as training requirements) and complex technical areas.
- The lack of ongoing training and specialised audit staff represents **the greatest obstacle** to an effective transition from cash-based to accrual-based accounting.
- The strong causal link between audit quality and the implementation of IPSAS confirms that any successful public sector accounting reform must **begin with robust internal and external auditing**, and not the other way round.

This study has demonstrated that the adoption of International Public Sector Accounting Standards (IPSAS) in Algeria, despite legal, human and technical challenges, is not impossible; rather, it is **an inevitable strategic choice** to enhance transparency, combat corruption and improve the financial performance of local authorities. The positive results recorded in the municipality of Mascara, particularly the strong link between auditing and IPSAS, confirm that political will alone is not enough; rather, an **integrated** approach is required that combines human resource development, technical modernisation and the restructuring of internal controls, whilst adopting continuous evaluation as a mechanism for correction and learning.

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