

Issues, Challenges and Recommendations in Complying to the International Accounting Standard (IPSAS) 17 on Property, Plant and Equipment¹

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<https://doi.org/10.58458/ipnj.v03.01.01.0026>

Abstract

The objectives of this study are two-fold. Firstly, it aims to highlight key issues and challenges in complying to IPSAS 17 on Property, Plant and Equipment (PPE). Secondly, the paper offers possible recommendations for resolving the identified issues and challenges in ensuring better compliance to IPSAS 17. In achieving the objectives, focus group discussions have been conducted involving panels from various organizations. The major issues discovered are related to the recognition/derecognition, measurement at/after recognition and disclosure of PPE assets. In resolving the identified issues, improvement of policies, guidelines, standards, asset management system and human capital are recommended. The findings of the present study are useful to relevant authorities such as National Accountant Department, National Audit Department and government servants' incharge of PPE in dealing with issues on recognizing, measuring and reporting of PPE items in accordance to IPSAS 17, to ensure smooth transition to accrual accounting by the year 2015.

Keywords: IPSAS 17, issues and challenges, accrual accounting, property, plant and equipment.