Non-compliance and Challenges of Implementing IFRS in Saving and Credits Cooperative Societies (SACCOS) in Shinyanga Region – Tanzania

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Abstract. This study investigated the extent of IFRS compliance and challenges face SACCOS in compliance with IFRS in Tanzania particularly in Shinyanga region. The study was motivated by fact that, since 2004 when Tanzania adopted IFRS to date, cooperative stakeholders are complaining on inability of SACCOS to comply with IFRS. The study used a case study design whereby seven SACCOS were selected from Shinyanga Urban and three SACCOS were selected from Shinyanga Rural, making a total of ten SACCOS surveyed by the study. A total of 80 respondents were selected with each SACCOS being represented by eight respondents.

The findings show that there is a high rate of noncompliance of IFRS in SACCOS. Some of the challenges hindering SACCOS to comply with IFRS include; lack of professional accountants, lack of awareness on IFRS requirements, poor legal support, financial constraints and complexity of IFRS.

To overcome these challenges, the study recommends the following: the NBAA should establish an awareness programme on IFRS, empower COASCO to conduct monitoring activities on IFRS compliance in SACCOS and encourage SACCOS to employ professional accountants. On other hand, training institutions like MUCCoBS should prepare manuals on IFRS compliance in SACCOS to help SACCOS’ staff and members to be conversant with IFRS. Furthermore, the government should establish a legal framework which compels SACCOS to comply with IFRS.

Keywords: IFRS, SACCOS and Compliance
1.0 INTRODUCTION

Over the past few years, there has been a significant change in the outlook of International Accounting Standards (IAS). This move has occurred because of the fact that the world is more connected than before with free flow of capital across borders. In an effort to harmonize and merge International accounting practices, several accountancy bodies in the developed countries, came together at an International Congress of Accountants held in Australia in 1973 to form the International Accounting Standards Committee (IASC); with a role of formulating International Accounting standards (IAS). On 2000, the IASC was renamed as International Accounting Standards Board (IASB). The IASB has the role of formulating new International Accounting Standards known as International Financial Reporting Standards (IFRS) (Killagane, 2006)

More than 100 countries throughout the world, including the 27 European Union member states, require or permit the use of IFRS and the number of countries adopting IFRS was expected to increase to 150 by the end of 2011(Poria, 2009). Furthermore, the International Financial Reporting Standard Conference held in Tokyo in 2010 projected that, by the year 2013 the number of countries adopting IFRS will increase to more than 150.

In Tanzania, the National Board of Accountants and Auditors (NBAA), decided to adopt the IFRS wholesale with effect from 1 July 2004. In this regards, Business institutions including Savings and Credit Cooperative Societies (SACCOS) were required to prepare financial statements in compliance with the IFRS.

Studies conducted in Tanzania on IFRS have tried to analyze the reasons why Tanzania adopted IFRS and pointed out some of the challenges faced by listed companies in complying with IFRS (World Bank, 2005 and Muhimbi, 2008). No specific study has been carried to determine the challenges and extent of IFRS’ compliance of cooperative
entities particularly SACCOS. This paper therefore, specifically explored the extent of IFRS compliance and challenges that SACCOS faces in complying with the IFRS.

2.0 LITERATURE REVIEW

In this section, this study reviews some of the scholars’ prepositions on factors that support entities to comply with IFRS. For example, Wong (2006) argued that National professional accountancy bodies are required to create awareness and expand the knowledge of professional accountants and others on IFRS. He also added that educational institutions are encouraged to train trainers on IFRS requirements and offer programs of accounting and auditing that produce accounting graduates familiar with IFRS. For entities implementing IFRS, training programs should involve individuals at all levels of the entity and should continue after the initial transition to IFRS. He also insisted that there is need to train financial analysts, shareholders of entities and journalists to be aware of the effect that the transition to IFRS may have on entities’ financial statements. From this point we observe that, Wong insists on awareness creation and training to staff and other stakeholders before and after an entity has adopted IFRS. Awareness creation will enable different stakeholders to understand the reasons and effects of adopting IFRS. On other hand, trainings are essential to capacitate staff on basics skills on how to prepare financial statements based on IFRS requirements.

Basing on Wong argument, Msuya (2013) draw up five factors that support entities to comply with IFRS.
Msuya pointed that, the source of IFRS adoption in SACCOS is originated from International pressure on standards harmonization which formulated IFRS and then adopted wholesale by National Professional Accountancy bodies. National Professional Accountancy bodies will impose pressure and regulations to SACCOS to comply fully with IFRS. But SACCOS can only comply with IFRS when there are suitable policies and legal environment which will facilitate members and Staff to be aware of IFRS requirements, getting regular training and updates on IFRS and having working facilities and professional staff. Once comply with IFRS, SACCOS are expected to
increase their Financial Credibility which results into expansion of its markets and services to its members and public at large

3.0 RESEARCH METHODOLOGY

This section focuses on the description of research design, the choice of the study area, sampling techniques, sampling units, sample size, sample methods, data collection and analysis techniques. This study adopted a cross-sectional research design. Some scholars have argued that cross-sectional research design allows data to be collected at one point in time, unlike retrospective and longitudinal research design (Babies, 1990; Bailey, 1998). The cross-sectional research design was preferred because it is time and resource efficient and enabling descriptive analysis.

In cross-sectional design, Case study has been chosen because it seeks to describe a unit in detail, in context and holistically. The study used ten SACCOS whereby each SACCOS formed a single case and sum of them resulted into multiple cases. Seven SACCOS were chosen from urban areas and three SACCOS were chosen from rural area, making at total of ten SACCOS from Shinyanga region.

Shinyanga region was selected as it is the only region with almost even distribution of SACCOS in rural and urban areas, compared to other regions. Shinyanga Rural district and Shinyanga Urban districts were chosen for a comparative dimension. Shinyanga Rural district was chosen for having the lowest number (36) of SACCOS in the region, while Shinyanga Urban district had the highest number (49) of SACCOS in the region (URT, 2007).

In Shinyanga Rural district the following SACCOS were selected; Nindo, Kano and Samuye SACCOS. In Urban district; Shinyanga District Council (SDC), Mwiganwa, Town Council, Kurugenzi, Walimu, Kizumbi and Biashara SACCOS were selected. The selection was based on activeness of SACCOS’ concern. Cooperative officers from both Shinyanga Rural and Urban were consulted to identify activeness of SACCOS based on
accumulation of capital, current number of members and day to day performance of SACCOS including reports of respective SACCOS received by Cooperative officers.

The sample size of this study was obtained through logic and facts that, the study needed respondents who in most cases involved either in preparation and/or inspecting financial statements of the SACCOS. In the management structure of SACCOS in Tanzania, people who are either preparing or inspecting financial statements are the Supervisory Committee (3 people), Credit Committee (3 people), Accountant and Chairperson of the Board. Therefore the study interviewed a total of eight (8) people from each SACCOS which comprised of; Supervisory committee (3 people), Credit committee (3 people), Accountant (1 person) and Board chairperson (1 person). Thus from total of ten SACCOS, the study interviewed a total of 80 respondents.

In the process of conducting this study, both primary and secondary data were collected. Primary data were collected from field and secondary data were collected from SACCOS’ documentaries. The data collected were in both qualitative and quantitative forms.

In order to capture Primary data the following data collection techniques were used:

The study held three group discussions separately in each SACCOS, one with Supervisory Committee, second with Credit Committee and another with Manager and Board Chairperson. The maximum number of participants in each group discussion was three respondents and minimum number of participants in each group discussion was two respondents. The objective of the discussions was to capture opinions of the mentioned groups about SACCOS’ awareness on IFRS requirements and SACCOS’ capacity in terms of employing working facilities and professional staff. Focus group discussion was used because it facilitates the presence of interaction between respondents and researcher’s questions.

About 100 questionnaires were distributed to 100 respondents but only 80 were collected. The questionnaires aimed to capture qualitative and quantitative data that
would not have been captured by focus group discussion. Atanasi (2007) has pointed out that a questionnaire should be kept short and simple, and organized in a logical sequence moving from relatively easy to more difficult questions. Observation also was used to validate and assess the state of records and recording keeping found in SACCOS. The researcher visited accounting office in each selected SACCOS and directly observed accounting transactions effected by accountants. The main advantage of this method is that subjective biasness of information gathered through interview can be eliminated if observation is done accurately; secondly, the information obtained using this method can be related to what currently taking place in organization, thus helps the study to draw the real picture (Atanasi, 2007)

Secondary data were obtained by reviewing various secondary sources that is publications and reports obtained from surveyed SACCOS, Shinyanga rural and urban local authorities and COASCO regional office.

Data were sorted and grouped to facilitate analysis. Both quantitative and qualitative analysis was carried out to respond to the research questions. Quantitative data from the respondents were verified, compiled, coded and summarized before analysis using Statistical Package for Social Sciences (SPSS). Descriptive statistics such as frequency and percentage distribution of responses, graphs and tables were used for data presentation. Some scholars have argued that when quantitative data analysis and qualitative analysis are integrated, they can complement each other, and provide a more picture than if each were used separately (Babies, 1990; Kessy, 2001). Qualitative data analysis was done based on the theme of the discussion extracted from notes taken.

4.0 FINDINGS AND DISCUSSION

In this section, the data collected are presented and discussed in four areas. First is on SACCOS’ awareness on IFRS’ requirements, second on SACCOS’ capacity to comply with IFRS; third on the IFRS training status by SACCOS’ accountants; the extent of
which SACCOS comply with IFRS and last on challenges hindering SACCOS to comply with IFRS.

4.1 SACCOS’ Awareness on IFRS Requirements

The surveyed data on SACCOS’ awareness of IFRS shows that 60% of SACCOS’ members and staff are not aware on IFRS requirements in preparation and presentation of financial statements while only 40% of SACCOS are aware on IFRS requirements (see the table 1. below).

Table 1: The awareness of IFRS requirements in SACCOS

<table>
<thead>
<tr>
<th>Status</th>
<th>Aware of IFRS requirements</th>
<th>Not aware of IFRS requirements</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of SACCOS</td>
<td>4</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>No. of respondents</td>
<td>32</td>
<td>48</td>
<td>80</td>
</tr>
<tr>
<td>Percentage (%)</td>
<td>40</td>
<td>60</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field data

The results from table 1 were drawn from interviews carried in ten SACCOS. Out of ten SACCOS eight (8) respondents were interviewed from each SACCOS. The results indicate that only four SACCOS out of ten surveyed are aware of applicability of IFRS requirements for preparation and presentation of financial statements, and out of 80 respondents interviewed only 32 knew that their SACCOS must prepare and presents financial statements in compliance with IFRS requirements. Generally the above results show that there is low percentage (40%) of SACCOS’ members and staff who are aware of the existence of IFRS requirements in preparation and presentations of financial statements. This implies that, since 2004 when Tanzania adopted the IFRS to 2014, the awareness of IFRS has not yet spread to most SACCOS’ members and staff.
4.2 The extent to which SACCOS comply with IFRS

In order to measure the degree of IFRS compliance in SACCOS, this study considered IAS 1 (Presentation of financial statements) and IAS 32 (financial instruments presentation and disclosure) as bases of measuring degree IFRS compliance in SACCOS.

4.2.1 Preparation of complete set of financial statement

The study specifically investigated the extent to which SACCOS manage to prepare a complete set of financial statements according to IAS 1 (Presentation of financial statements). Based on the investigation among 10 SACCOS of Shinyanga region on above matter, the research found the following results as presented in table 2 below:

Table 2: SACCOS’ status in compliance with IAS-1 requirement

<table>
<thead>
<tr>
<th>SN</th>
<th>SACCOS Name</th>
<th>Location</th>
<th>Statement of Financial Position</th>
<th>Income Statement</th>
<th>Statement of Changes in Equity</th>
<th>Statement of Cash Flows</th>
<th>Note to the Accounts</th>
<th>The Level of Compliance in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Biashara</td>
<td>Urban</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>×</td>
<td>80</td>
</tr>
<tr>
<td>2</td>
<td>Kano</td>
<td>Rural</td>
<td>×</td>
<td>✓</td>
<td>×</td>
<td>×</td>
<td>×</td>
<td>20</td>
</tr>
<tr>
<td>3</td>
<td>Kizumbi</td>
<td>Urban</td>
<td>✓</td>
<td>✓</td>
<td>×</td>
<td>×</td>
<td>×</td>
<td>40</td>
</tr>
<tr>
<td>4</td>
<td>Kurugenzi</td>
<td>Urban</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>×</td>
<td>80</td>
</tr>
<tr>
<td>5</td>
<td>Mwiganwa</td>
<td>Urban</td>
<td>✓</td>
<td>✓</td>
<td>×</td>
<td>×</td>
<td>×</td>
<td>40</td>
</tr>
<tr>
<td>6</td>
<td>Nindo</td>
<td>Rural</td>
<td>×</td>
<td>✓</td>
<td>×</td>
<td>×</td>
<td>×</td>
<td>20</td>
</tr>
<tr>
<td>7</td>
<td>Samuye</td>
<td>Rural</td>
<td>×</td>
<td>✓</td>
<td>×</td>
<td>×</td>
<td>×</td>
<td>20</td>
</tr>
<tr>
<td>8</td>
<td>SDC</td>
<td>Urban</td>
<td>✓</td>
<td>✓</td>
<td>×</td>
<td>✓</td>
<td>×</td>
<td>60</td>
</tr>
<tr>
<td>9</td>
<td>Town Council</td>
<td>Urban</td>
<td>×</td>
<td>✓</td>
<td>×</td>
<td>×</td>
<td>×</td>
<td>20</td>
</tr>
<tr>
<td>10</td>
<td>Walimu</td>
<td>Urban</td>
<td>✓</td>
<td>✓</td>
<td>×</td>
<td>×</td>
<td>×</td>
<td>40</td>
</tr>
</tbody>
</table>

The Level of Compliance in %

<table>
<thead>
<tr>
<th>SN</th>
<th>SACCOS Name</th>
<th>Location</th>
<th>The Level of Compliance in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Biashara</td>
<td>Urban</td>
<td>60</td>
</tr>
<tr>
<td>2</td>
<td>Kano</td>
<td>Rural</td>
<td>100</td>
</tr>
<tr>
<td>3</td>
<td>Kizumbi</td>
<td>Urban</td>
<td>20</td>
</tr>
<tr>
<td>4</td>
<td>Kurugenzi</td>
<td>Urban</td>
<td>30</td>
</tr>
<tr>
<td>5</td>
<td>Mwiganwa</td>
<td>Urban</td>
<td>0</td>
</tr>
<tr>
<td>6</td>
<td>Nindo</td>
<td>Rural</td>
<td>60</td>
</tr>
<tr>
<td>7</td>
<td>Samuye</td>
<td>Rural</td>
<td>100</td>
</tr>
<tr>
<td>8</td>
<td>SDC</td>
<td>Urban</td>
<td>20</td>
</tr>
<tr>
<td>9</td>
<td>Town Council</td>
<td>Urban</td>
<td>30</td>
</tr>
<tr>
<td>10</td>
<td>Walimu</td>
<td>Urban</td>
<td>30</td>
</tr>
</tbody>
</table>

Source: Field data
Key:

✓ = Compliance
x = Non compliance
% = Percentage level

Table 2 above indicates financial statements prepared by ten SACCOS in Shinyanga region. The findings show that none of the SACCOS prepare a complete set of financial statements as described by ISA – 1 (Presentation of financial statements). Out of five (5) statements required only two (2) SACCOS prepared four (4) statements, one SACCOS prepared three (3) statements, three (3) SACCOS prepared only two (2) statements. In addition, four (4) SACCOS prepared only one (1) statement. Findings also indicate that out of ten (10) SACCOS surveyed, all ten (10) SACCOS managed to prepare income statements, six (6) SACCOS prepared statement of financial position, three (3) SACCOS prepared statement of cash flows, two (2) SACCOS prepared statement of change in equity and none of the SACCOS prepared notes to the accounts. This implies that most SACCOS in Shinyanga region pay no attention to preparation of notes to the accounts, and pay just little attention to preparation of statement of change in equity and statement of cash flows respectively.

In examining the degree of IFRS compliance by considering ISA – 1 between Urban SACCOS and Rural SACCOS of Shinyanga region, the study found that Urban SACCOS have high degree of IFRS compliance compared to Rural SACCOS. This is due to the fact that, out of five (5) statements required by ISA -1 two (2) SACCOS located in Shinyanga Urban prepared four (4) statements. On the other hand, all three (3) SACCOS located in Shinyanga Rural prepare only one (1) statement. The major reason for such differences is that SACCOS located in Shinyanga have employed more professional accountants compared to SACCOS found in Shinyanga Rural.
4.2.2 Evaluating accounting treatments of members’ shares in SACCOS using IAS 32

The study evaluated accounting treatment of members’ shares in the statement of financial positions of SACCOS. The analysis shows that SACCOS have three options namely; treating members’ shares as liabilities, equities or undecided status as shown by Fig. 2 below.

![Figure 2: SACCOS’ status based on accounting treatment of members’ shares](image)

Source: Field data

The Fig. 2 above indicates that 50% of SACCOS surveyed treat members’ shares as liabilities, 10% of them treat members’ shares as equities while 40% of them do know the right option. IAS 32 (Financial Instruments Presentation and Disclosure) require SACCOS to treat members’ shares as liabilities in the statement of financial position. Based on IAS 32 requirements, 50% of SACCOS surveyed by the study do not treat members’ shares as liabilities in the statement of financial position, thus noncompliance with IFRS requirements.

4.3 SACCOS capacity to employ professional staff

Table 3 below shows the relationship between academic level of SACCOS’ accountants and degree of IFRS compliance.
Table 3: Academic qualifications of accountants in SACCOS

<table>
<thead>
<tr>
<th>SN</th>
<th>SACCOS Name</th>
<th>Academic Highest Level Reached</th>
<th>Level of IFRS Compliance in Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Biashara</td>
<td>University Degree</td>
<td>80</td>
</tr>
<tr>
<td>2</td>
<td>Kano</td>
<td>Primary Education</td>
<td>20</td>
</tr>
<tr>
<td>3</td>
<td>Kizumbi</td>
<td>Ordinary Diploma</td>
<td>40</td>
</tr>
<tr>
<td>4</td>
<td>Kurugenzi</td>
<td>Ordinary Diploma</td>
<td>80</td>
</tr>
<tr>
<td>5</td>
<td>Mwiganwa</td>
<td>Secondary Education</td>
<td>40</td>
</tr>
<tr>
<td>6</td>
<td>Nindo</td>
<td>Secondary Education</td>
<td>20</td>
</tr>
<tr>
<td>7</td>
<td>Samuye</td>
<td>Primary Education</td>
<td>20</td>
</tr>
<tr>
<td>8</td>
<td>SDC</td>
<td>Advance Diploma</td>
<td>60</td>
</tr>
<tr>
<td>9</td>
<td>Town Council</td>
<td>Ordinary Diploma</td>
<td>20</td>
</tr>
<tr>
<td>10</td>
<td>Walimu</td>
<td>Ordinary Diploma</td>
<td>40</td>
</tr>
</tbody>
</table>

*Source: Field data*

Table 3 shows that SACCOS have accountants with various academic qualifications, ranging from University education to Primary education. This study found that only two (2) SACCOS which is equivalent to 20% of SACCOS surveyed have professional accountants. The table 3 also links the academic qualifications with degree of IFRS compliance in SACCOS presented by table 2 above. It was found that, most SACCOS which have accountants with Advanced diploma and First Degree have highest degree of IFRS compliance compared to SACCOS which have accountants with Secondary and Primary educations. This shows that accountants’ education levels matter a lot in connection with ability to prepare and present financial statements that comply with IFRS. Thus, SACCOS which have accountants with University Degree/Advanced Diploma are in a better position to comply with IFRS compared to SACCOS which have accountants with Secondary or Primary education.
4.4 IFRS Training and Updates Status by SACCOS’ Staff

The study also examined whether SACCOS’ accountants have chances to attend IFRS training so as to acquire basics skills and knowledge needed to prepare and present financial statements in accordance with IFRS requirements. The Fig.3 below present data obtained from the field:

![Pie chart showing attendance of IFRS training](image)

Figure 3: The frequency of attending IFRS training by SACCOS Accountants

Source: Field Data

Fig.3 above shows that only 30% of total accountants surveyed have attended IFRS training on one occasion and 70% of them did not attend any kind of IFRS training. This implies that most accountants (70%) do not get regular knowledge, skills and updates on IFRS requirements while they are required to prepare financial statements which comply with IFRS requirements.

4.5 Other Challenges hindering SACCOS to comply with IFRS

So far, the study found that major challenges face SACCOS in Tanzania to comply with IFRS requirements are insufficient of professional staff in SACCOS, lack of awareness on IFRS requirements and lack of training on IFRS requirements to SACCOS staff. Other
challenges that in one way or another contribute for non-compliance of IFRS in SACCOS are as follows:

(a) Complexity of IFRS requirements
It was found that, SACCOS’ accountants who are aware of IFRS requirements are facing technical difficulties in understanding and interpreting IFRS requirements. IFRS are highly technical in terms of interpreting or understanding them. Various studies found that technical complexity of IFRS requirements leads to high degree of non-compliance of IFRS requirements in many organizations. For example, in appreciating the complexity of IFRS Sir David Tweedie, the Executive Chairman of IASB, made the following comment in reference to IFRS 39. Financial Instruments Recognition and Measurement: ‘If you have understood this standard, you haven’t read it!’ (Muhimbi, 2008:6). Complexity of IFRS requirements has been recognized in SACCOS when accountants failed to understand the requirement of specific standard. For example, 40% of SACCOS accountants failed to understand the requirements of IAS 32 (Financial Instruments) and therefore failed to treat members’ shares as liabilities or equity

(b) Financial constraints for training and purchase of IFRS materials
SACCOS faces financial constraints to meet necessary requirements such as funds for IFRS training expenses and purchase of IFRS books. Though only 10% of SACCOS confess to have limited fund to meet IFRS trainings and books expenses, but real situations reflect bigger problems in financial constrains because most SACCOS do not have funds to employ professional accountants.

(c) Lack of legal support to enforce IFRS compliance in SACCOS
Cooperative Societies Act, of 2003 subsection 48 (2) only mentions that registered cooperative societies such as SACCOS shall prepare in respect of every year a statement of accounting in a form which conforms to Best Accounting standards. The term “Best Accounting Standards” is a relative term because the “Best Accounting Standard” of one SACCOS can be different from the “Best Accounting standards” of
another SACCOS. There is no term ‘IFRS’ in both Cooperative Societies Act of 2003 and Cooperative Societies Rules of 2004 which results in lack of legal enforcement to comply with IFRS in SACCOS. Some SACCOS’ accountants feel compliance to IFRS is not mandatory because Cooperative Act of 2003 and Rules of 2004 have never mentioned them.

5.0 CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusion
Despite the global importance of IFRS, its implementations have imposed great challenges in both developing and emerging nations regardless of having IFRS interpretations. Although most countries are currently switching to IFRS but literatures shows that many entities do not comply fully with IFRS. This study found that, lack of professional staff, lack of awareness on IFRS requirements, lack of IFRS trainings to SACCOS’ staff, complexity of IFRS requirements and lack of legal support to enforce IFRS compliance are the main challenges hindering SACCOS in compliance with IFRS.

This study is special of its kind in Tanzania because it assessing challenges face SACCOS in compliance with IFRS and extent to which SACCOS comply with IFRS. The study found that there is high degree of non-compliance of IFRS in SACCOS especially in rural SACCOS of Shinyanga region. Nevertheless, the researcher is convinced that similar findings could be found in other regions of Tanzania.

5.2 Recommendations
The study suggests that SACCOS must be encouraged to employ permanent professional accountants who will manage to interpret the IFRS requirements. SACCOS should offer attractive numerations packages to these accountants so as to attract and retain them.

Also the government should introduce an awareness program for improving the degree of compliance with IFRS requirements in SACCOS. Government organizations like the National Board of Accountants and Auditors (NBAA), Cooperative Audit and
Supervision Corporate (COASCO), Moshi University of College of Cooperative and Business Studies (MUCCoBS) and Cooperative Department should work jointly to design an IFRS awareness program to SACCOS.

In addressing the complexity and structure of the IFRS, the IASB should write standards in simple English that is understandable, clear, and capable of translation in a consistent application. Also NBAA, COASCO, MUCCoBS and other academicians should write manuals and case studies in simple language to demonstrate the applications of IFRS in SACCOS.

Government is advised to set fund to enable COASCO, NBAA and Cooperative officers to visit and train SACCOS on IFRS compliance. The Registrar of cooperative on other hand should put a mechanism to ensure that cooperative officers visit and train all SACCOS even those located in rural areas.

NBAA should liaise with relative Authorities to ensure that there are statutory punitive provisions for the non-compliance of IFRS in SACCOS. On other hand, the Cooperative Act of 2003 and Cooperative Rules of 2004 should be revised so as to accommodate specifically the IFRS requirements.
References


