

ENVIRONMENTAL FACTORS AFFECTING ACCOUNTING PRACTICES IN DEVELOPING COUNTRIES: Evidence from the Sudan

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The purpose of this paper to investigate the factors that formed and generated the current state of accounting practices in the developing countries. The methodology adopted is descriptive and analytical. This paper tries to explain the reasons lying behind the unsatisfactory situation of the accounting practices in developing countries in general and in the Sudan in particular. Therefore, the paper depends on the secondary data to review those factors in developing countries including the Sudan. Also, the paper presents the impact of those factors in the Sudan as evidence through conducting an empirical study. The primary data have been gathered through administering two questionnaires. The population includes two distinct categories; Academics in the field of accounting and auditing at the Sudanese universities, and institutions and the accounting practitioners in the Sudanese industrial companies. The SPSS software program has been used as statistical techniques to analyze the data, and Mann Whitney test was also used to evaluate the differences in the perceptions of the two samples study. It has been found from the literature review and the data analysis that there are a lot of environmental factors affecting accounting practices in developing countries in general and in the Sudan particularly. The main factors are: Accounting profession and Accounting education in addition to other

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factors such as: The type of economic, Colonial powers, Political, Legal, and Cultural factor.

Key words: Accounting practices, Developing countries, The Sudan, Culture, Environmental factors, Accounting profession, Accounting education.

1. PREFACE

THIS PAPER USED THE TERM ACCOUNTING practices to include accountings: rules, principles, methods and accounting system in general. In this regards, the paper followed the justifications that made by Nobes (2011, 11) which said, in some jurisdictions, the rules of financial reporting may be identical or very similar to the practices, but sometimes a company depart from rules or may have to make choices in the absence of the rules, so it seems more pertinent to use practices rather than formal rules or system, because accounting system is a set of practices used in a published annual report.

Accounting practices in developing countries differs from accounting practices in developed countries because of the difference in the need for information in each one. For example, in developed countries more attention is placed on financial accounting and auditing to provide information about profitability of an entity. This serves the investors more than other users of accounting information. On the other hand, in developing countries, a significant emphasis is placed on economic planning at the macro level. Perera (1989,141) declares that an examination of the accounting development patterns of most developing countries reveals that they had little chance to involve the accounting systems which truly reflect the local needs and circumstances. Their existing systems are largely extensions of those developed in other countries, particularly western capitalist countries such as the UK and US. These systems were either imposed through colonial influence or by powerful investors like Multinational Corporations.

The academic literature offers a large number of possible reasons for international differences in the accounting practices. The environmental factors are

32 | the most factors that might be relevant as the causes of international differences.

2. FACTORS AFFECTING THE ACCOUNTING PRACTICES IN DEVELOPING COUNTRIES

It is argued by some researchers (e.g. Nobes 1998, Perera (1989) and Nobes and Parker 2008) that accounting is a product of its environment; its shape is affected and reinforced by characteristics unique to its prevailing environment. The environmental factors cause differences in accounting systems and practices which include a long list. Examples are: stage of economic development, size and complexity of business, nature of business ownership, sources of finance, the stage of development of capital markets, taxation, inflation, and type of financial information, political and legal systems, colonial inheritance, culture, education, profession, religion, and international factors. This variety in environmental factors implies that accounting systems and practices in different countries are more likely to be affected differently by different factors. What may be considered as an influential determinant of the accounting system in one country may just be a secondary factor for another. It means that accounting system of each country is affected by different influential factors. As there is a very small possibility that influential factors of two countries will be equal, they can also be considered as generators of national specificities. As a result, there is no consensus in the degree of importance accounted for by each of the environmental factors in shaping the accounting structure in a country. Some researchers emphasize the economic factors; others consider culture as the most influential environmental factor, while some also accentuates the political factors.

Based on the above debate on the factors that can affect the accounting system in developing countries, several factors have been singled out and explained in detail as follows:

Type of economic system: The economic environment has a great impact on accounting development in any country. It has been common practice to classify economic systems according to political ideology and ownership of the factors of production. The scale ranges from almost complete reliance on free market forces (e.g. Switzerland) to almost complete central planning (e.g. Russia). Between these extremes, governments are involved to varying degrees in the control of their economies, thus different accounting systems are needed to reflect these variations (Kayed 1990, 110).

Along the same context, Abbas (2012, 2) argues that the financial reporting system seems to be more beneficial where there is a high degree of economic freedom, large private sector and relatively little intervention by the state, as the success of private enterprises depends mainly on the flow of adequate information between market participants. The stage of economic development and growth identifies the type and number of business transactions conducted in a country which in turn shapes the accounting system in use. In small underdeveloped economies the need for financial information is minimal. However, as the economy grows in size and complexity, the demand for accounting information for decision making increases and this impact favorably on the financial system. Fundamentally, the complexity of the economy is reflected in the accounting. In an agricultural based economy it requires only a primary accounting system, but in industrial economy, there is urgent need for a more advanced accounting system.

For example, in countries whose businesses obtain funds through the issuance of securities, investors depend on financial reports as a very important source of information that is used in performance evaluation of these businesses because there is limited access to alternative sources of information. For that reason reporting in these countries focusses on the investors' needs for information, and the countries with this type of system have developed proprietary securities markets as well as debt securities markets. As a result of the large number of shareholders and the difficulty in contacting each one individually, financial reports should be transparent and contain sufficient amount of information to indicate how a business is performing. Hence, countries with developed active capital markets tend to have strong financial reporting system and vice versa for those countries with less developed capital markets.

According to Belkaoui (1985), level of exports affects accounting practices because exports necessitate free trade policies, cooperation with other countries, enhances flow of financing and, consequently, increases the need for adequate and reliable information. Thus, it is maintained that the higher the level of exports, the better the reporting and disclosure practices. The size and complexity of the business is an important factor that determines the standards of reporting practices in a country. Businesses of different size and complexity require different methods and procedures for reporting their financial results. The larger the size and the

sophisticated financial reporting techniques and consequently, more developed accounting system.

Cultural effects: Hofstede (2011, 3), defined culture as “the collective programming of the mind which distinguishes the members of one human group or category of people from another”. He also emphasizes that culture is a collection of social norms consisting of values that is a broad tendency to prefer certain state of affairs over others, which is shared by major groups within a nation. He identified four items underlying societal values which were recognized as common elements of culture: Individualism, Power Distance, Uncertainty Avoidance and Masculinity. Therefore, different values within national boundaries have the potential to promote and sustain significant differences in social behavior and in social artifacts such as accounting system.

According to Askary (2006, 102), culture in different societies strongly affects national accounting systems. It is generally acknowledged to be a national or original system comprising of language, religion, morals, values, attitudes, law, education, politics, social organization, technology and material culture. The interactions of these cultural elements on accounting system are expected to be exceedingly complex. Also, Baydoun and Willet (1995, 67) state, culture does exert an influence on the technology of accounting but it does so differentially, affecting some parts strongly, other parts less and certain parts hardly at all.

Moreover, some authors argue, cultural differences may lead to many specific differences in the requirements of users for accounting information but likely that, users in developing and developed countries also have many information requirements in common. On other hand, other authors argue that the western accounting systems are irrelevant to the need of developing countries, therefore the detail and type of information about calculations which are disclosed in developing countries’ financial statements should be amended in some way to accommodate different cultural perspectives. Therefore, culture should be considered as a powerful environmental factor that affects the development of accounting system.

Legal and political factors: Some countries have a legal system that relies upon a limited amount of statute law, which is then interpreted by courts, which build up large number of law cases to supplement the statutes. Such a ‘common law’ system was formed in England. A common law rule seeks to provide an answer to a specific case rather than to formulate a general rule for the future. Although this common law system emanates from England, it may be found in similar forms in

many countries influenced by England, same with countries which are influenced by the USA. This (nature of common law) influences commercial law which traditionally does not prescribe rules to cover the behavior of companies and how they should prepare their financial reporting. To a large extent accounting within such a context is not specified in detail in law. Instead, accountants themselves establish rules for accounting practice, which may be written down as recommendations or standards. (Nobes, and Parker, 2008, 27)

In the above situation, a company puts in general terms what information should be disclosed and how financial statements should be presented. This leads to the discussion about the nature of the company's financials, because it is an important factor that affects how the financial statements should be presented. Companies in a country can be formed by two models: equity outsiders or credit insiders. In the credit insiders countries, there is not a big market demand for audited and published financial reports, and the demand for accounting reports are strongly linked with the government's need for taxation purpose, because companies are mainly financed by banks or the government, so their management have insider information about the business. On the other side, in the equity outsider countries, there is a great demand for audited and published financial reports for many users and the government is one of those users, this is because companies are publicly accountable and obligated to be transparent and publish financial reports regularly, also companies are financed from thousands of shareholders which are inferior compared to management, therefore it is important to have good information.

Also, the politics is a key factor that influences the accounting practices through the effect of the level of freedom in a country and the colonial inheritance. The political suppression which deprives people of their right to select members of their government and participate in setting laws and policies is more likely to hinder the development of a strong accounting profession. This is due to the lack of freedom which implies hindrance to the tradition of a full and fair disclosure. Therefore, the relation between the legal and political factors, when compared to the accounting system is claimed to be positive.

Professional and Educational factors: The impact of accounting profession on the accounting practice has been stressed by many researchers; (e.g. Perera.1989, Nobes 1998, and Taufu'i 1996). It is claimed that the strength, weakness,

independence and competence of accounting profession play an essential role in determining the quality of a country's accounting system.

According to Taufu'i (1996,32), in most developing countries the government has direct impact on accounting structure and process and it influences accounting through legislating or dictating the accounting procedures that must be followed. These practices take place because the national accounting bodies are either unorganized or do not exist to perform such roles. If the national accounting body is well organized and technically capable of undertaking such a role to meet the needs of the users, the government may not be greatly involved. Along the same line Perera (1989,141) argued, if the accounting profession is not effective in its sphere of operation, government interference to safeguard the public interest is the most natural outcome that can be expected in any country. As he asserted, there is ample evidence to suggest that in many developing countries the profession is not effectively regulating accounting and financial reporting, whereas there are other countries without any recognized professional organization. Under such circumstance, it may not be sensible to depend on professional self-regulation. Therefore, the strength or weakness of the professional organization has an essential role in shaping the accounting system in a country because through its weakness or strength the door can be opened or closed for the government involvement.

In general, developing countries are characterized by a relatively low degree of professionalism in the accounting subculture. As a result, there will be little regard for adequacy and accuracy of the published accounting information. Therefore governments may be forced to provide legal authority in order to attest credibility and provide a higher reliability of published financial information.

Also, education and in particular, the accounting education is considered as an important factor that determines the accounting system and practice in a country. Accounting educational system of a country is a part of a large education system; it is affected and affects the economy, and indeed the whole country's cultural environment. Therefore, an effective educational system of one country is practically unsuitable to serve the educational needs of another country because of differences in economic, social and cultural settings. Unfortunately, in most developing countries, the accounting educational systems were imported from colonial powers. These systems are unsuitable to serve the needs of developing countries.

3. IMPACT OF HISTORICAL AND ENVIRONMENTAL FACTORS ON ACCOUNTING PRACTICES IN THE SUDAN

The accounting practices and in particular the financial reports in every country should provide information suitable to the needs of economic development, but in most developing countries financial reports provide information and few tend to reflect the local needs and circumstances. Therefore, accounting in developing countries does not play the same role it plays in the advanced world because it does not participate in the economic development process and its failure in providing the information needed for economic decision making. The Sudan is not an exception from those developing countries. Also the Sudan is characterized by: large foreign debt, rapid population growth, high levels of unemployment, high rates of consumption, poverty and insufficient domestic savings. All these features and others have its impact on accounting and financial reporting in Sudan. The following clarifies the impact of the historical and environmental factors on the financial reports in the Sudan:

The impact of colonization The Sudan was one of the British colonies. The British influence on its accounting profession is very long standing. The Sudanese accounting profession has substantially retained the British's Statements of Standard Accounting Practice, regulations, format, wording, and items classification, without any concern as to whether they meet the local users' needs or level of understanding.

The colonial power as one of the historical factors that influences accounting practices in the Sudan has had a long standing. The direct influence of the British rule and British professional bodies and several other sub-factors have all contributed to the use of UK accounting concepts in the Sudan through the multinational companies. This way of transferring accounting from developed to developing countries have an essential impact on the Sudanese financial reporting because most of the major multinational companies have been UK based. The multinational companies have adopted the accounting systems of the home country for their subsidiaries in the Sudan and have trained local staff in those systems. Moreover, the scholarships for local students and grants of text books were major contributory sub-factors. (Abu-Agaism 1992,73)

The historical impact of colonial power does not stop only in accounting education, but it was extended to affect the main legislation governing the financial reports in Sudan, namely, the 1925 Act. This is a copy of the British companies' law, which results to a large extent in a lack of local accounting standards and the shortage of accounting practices that are suitable to the Sudanese economic and cultural environment.

The impact of cultural factors In the Sudan the welfare of the clan (extended family) is perhaps the single most important factor governing the actions of individuals. In Sudanese culture, neglect of one's family calls for a high level of public condemnation and opprobrium. In contrast, considerations of public accountability and of matters relating to wider aspects of society and cultural and economic development are perceived as much less important (Al-Terahfi, 1986). This view classifies Sudan as a collectivist society, with a large power distance. Therefore, in terms of social orientation, there are a lot of differences between Sudan and western societies, because Sudanese culture emphasizes interdependence, relatedness, and connection, while western cultures tend to value independence, individualism, autonomy, and self-achievement. And of course these differences have the dynamic impact in the accounting system, as it was said by Askary (2006, 102) "culture in different societies can strongly impact national accounting systems".

Abbas (2012, 2) argued that the cultural factors have limited the usage of, and the demand for accounting information including; high degree of secrecy in business, disbelief in public companies and mistrust between business enterprises and tax authorities. High degree of secrecy is due to the fact that many businesses are family owned and managed, which restricted the disclosure of information to those who are closely involved, namely, owners and management. Other socio-cultural factors that limit the growth of business in the Sudan are the high rates of consumption, preference of owning the tangible wealth especially the precious metal, such as, gold, and property. And risk avoidance, which leads to the tendency for liquid and near liquid assets, and less risky nonproductive activities. These socio-cultural factors have reduced the usage of accounting information and the investment in financial assets, and as a result hampered the development of financial sectors.

Therefore, a fundamental shift in attitudes of the Sudanese business people and accountants is required to change from secrecy to transparency in order to enhance the corporate performance and financial reporting practice.

The impact of political factors: After gaining independence Sudan has been ruled by six political regimes: three were democratic and three military. The military regimes account for 50 years of 61 years by January 2017. The common features shared by these six regimes have been the frequent change of government personnel and in particular a high turnover of government ministers. This situation has a harmful effect on investment environment and the development of accounting practices in the country. Not far from that argued Gwilliam and El-Nababi (2002, 161) "The difficulties posed by lack of continuity in personnel have been exacerbated by the lack of clear definitions of the role and responsibilities of individual ministries, ambiguity and uncertainty in manifestos and policies, and the difficulties of implementing agreed policies and procedures".

Also the Sudan suffers from two civil wars between its Northern and southern parts for 50 years. The first war started in 1955 (one year before independence) up to 1972 the Addis Ababa agreement which put the country in peace for ten years. The second war started from 1983 up to 2005, when a peace Accord was signed by conflicting parties, which led to the secession of southern part in 2011. Moreover, there is Darfor's conflict in the western part of the country. As a result of these wars the military expenditure forms the major part of government spending and very limited resources are directed towards the basic infrastructure and productive activities.

The impact of economic factors: The long years of military control in the country have a strong impact on the Sudanese economy, it seems clear in: Unwise economic planning and the domination of the public sector overall economic activities. This created a very weak private sector and stopped the development of the concept of financial transparency. In the first years of the 1990's the Sudanese government started the economic and financial programs which were aimed at orienting the economy to market-based mechanisms. Reforms were also made to encourage foreign investments, and private ownership through privatizing state-owned companies and setting stable rules and regulation to reduce the uncertainty in public policies.

These reform programs should have positive impacts in creating sound investment environment through the stabilization of the exchange rates and lowering the inflation. Unfortunately, all these programs did not achieve what was

Other difficulty that the Sudan economy faced was the July 2011 secession of South Sudan, this part of the country was responsible for three-quarters of total oil production. The oil sector had driven much of Sudan's GDP growth since it began exporting oil in 1999. Following the South secession, the Sudan has struggled to maintain economic stability, because oil earnings now provide a far lower share of the country's need for hard currency and for budget revenues. Sudan is attempting to generate new sources of revenues such as gold mining, while carrying out an austerity program to reduce expenditures. Along the same line the IMF explain the current situation in Sudan in the report of (2016) which states, Sudan is a low income fragile country facing significant domestic and international constraints and large macroeconomic imbalances despite efforts made toward macroeconomic stability and growth. Following the shock of the secession of South Sudan in 2011, policy adjustments helped to contain the fiscal deficit, slow money growth, reduce inflation, and support economic recovery. Institutional reforms strengthened tax collections and public financial management, and social spending increased. Despite these efforts, however, large macroeconomic imbalances triggered by the loss of three-quarters of oil exports continue to constrain growth prospects, along with weak policies, internal conflicts, and U.S. sanctions. Domestic and international efforts to end internal conflicts have yet to bear fruit.

Another factor that harmed the development of investment environment in Sudan is the narrowness of the structure of enterprise ownership. Therefore, most businesses in Sudan are family owned and managed. This has limited the size and elaboration of business enterprises and as a result the need for financial information. Although this factor was clarified as a socio-cultural factor, it also has strong impact on the economic environment.

Generally the economic environment in Sudan is characterized by: high exchange rates, inflation, high external debt and unstable relations with international financial institutions. Unstable public policy and narrowness of the structure of enterprise ownership has discouraged the private investment and negatively affected the financial reporting system by limiting the information available.

The impact of the financial sector: The Sudan has a relatively small financial sector relative to its regional peers: a total of 75 financial institutions. These include the central bank and 38 commercial and specialized banks, around 15 insurance and reinsurance companies, 20 foreign exchange bureaus and one stock exchange.

The banking sector is the corner stone of Sudan's financial system and it is the primary source of financing for the domestic economy, almost all of the financing for productive activities comes from commercial banks, the financing through the stock exchange is humble. However, the banking sector does not seem to be successful in providing neither the type of funding needed nor the quantities required for growth and expansion of the corporate sector. Therefore, the weakness and inadequacy of the financial sector in Sudan come from this point. The commercial banks tend to concentrate on short-term lending because these banks are not able to meet the growing demand for medium and long-term credit required for economic development. This is mainly due to the structure of commercial banks deposits, which are of short-term nature, moreover because of the high rates of inflation the majority of investments tend to favor short-term financing (the banks are no exception).

According to Ali (2010, 155), Khartoum Stock Exchange (KSE), started its operations in 1995 with 34 companies which had satisfied the requirements of listing in KSE. At the end of the year 2010, the number of listed companies was 52 out of not less than 285 public companies registered in the Sudan. Most of the remaining public companies are in a very unsatisfactory state, and the majority of them did not hold any annual meetings for many years, this also indicates that no proper financial reports were prepared and audited. Judging the KSE based on the above, in terms of growth it reveals limited development.

Motwali (2005, 65) indicated that a lack of transparency has been one of the significant reasons which led to the weakness of Khartoum Stock Exchange efficiency. That weakness resulted from the small number of financial reports and statements which have been prepared by each company whose shares were actively traded in Khartoum stock exchange, these reports and statements were annual and they included only income statements and balance sheet. Additionally, they were not provided in the right time which has contributed to the delay of communicating the information to the investors in order to enable them to make investment decision, and such information could not meet their needs. Furthermore, these statements have suffered from a lack of relevance and credibility of accounting information which improve the investors' ability on decision-making and their ability to predict the potential result. Moreover, each company in Khartoum Stock Exchange does not disclose the accounting information which enables the investors to assess the degree of risk surrounding their decision-making.

These negative features of the financial sector in Sudan in addition to the unstable, vague, contradictory financial policies have restricted the need for and the usage of financial information and hindered the development of accounting practices in the Sudan.

4. EMPIRICAL EVIDENCES FROM THE SUDAN

The questionnaires examined the environmental factors that affect the accounting practices in the Sudan. The following table represents the opinions of the two surveyed groups (Practitioners and Academics):

Table (1) Comparison of opinions about the Factors affecting the accounting practices in Sudan

Factors	Practitioners perspective		Academics perspective		Mann Whitney U test
	Mean	S.D	Mean	S.D	
1.Type of economic system	3.82	1.01	4.40	0.93	0.063
2.Culture value	3.65	0.99	4.46	0.84	0.000*
3.Political system	3.94	1.18	4.06	0.91	0.156
4.Legal system	4.02	0.75	4.44	0.61	0.973
5.Colonial inheritance	3.49	1.45	4.04	1.09	0.001*
6.Accounting education	4.31	0.80	4.52	0.50	0.075
7.Nature of businesses'	4.35	0.75	4.32	0.84	0.282

Source: prepared by the researcher (2017)

Table (1) shows the opinions of the two groups of respondents depending on the mean value of each factor. The descriptive statistics in the table shows that the options of “strongly agree” and “agree” for the factors affecting accounting practices in the Sudan are prevalent. This can be drawn from the mean values presented by practitioners ranging (between 4.35 and 3.49) and the standard deviation (ranging between 0.75 and 1.45). Also, the mean values presented by the academics ranges between (4.46) and (4.04) and the standard deviations (between 0.50 and 1.09). It seems that there is a slight variation between the two perspectives regarding the second and fifth factors. The mean value of the second factor: Culture value is (4.46) from the academics' view, while it is (3.65) from the practitioners' perspective. Also, the mean value of the fourth factor: Colonial inheritance

is (4.04) from the view point of the academic, while it is (3.49) from the practitioners' perspective. Moreover, the Mann Whitney U test revealed that the difference in the responses and perceptions of the two groups are not significant (at a 0.05 level for all factors, except for the second and the fifth factors).

With regards to the second factor, namely: Culture value, the academics strongly support this factor than the practitioners. While 62% of the academics strongly agree that the culture value is an effective factor in the financial reporting in Sudan, only 19.01% of the practitioners strongly agree about this factor. On the other hand, 6% of the academics disagree against the 16.20% of practitioners that disagree. Also, only 4% of the academics gave a neutral opinion "Do not know" against 19.72% of the practitioners that gave the response "Do not know". The general agreement (strongly agree plus agree) about the second factor is 90% of academics and 63.38% of practitioners. This indicates that the difference between the two groups is only inside the levels of agreement (strongly agree and agree).

Concerning the fifth factor, namely: Colonial inheritance, in spite of the similarity in perceptions of both groups which is reflected in the close percentages which is given for "strongly agree" (42.25% of practitioners, 40% of the academics), there are significant differences in the rest of the levels. While 40% of the academics "agree" about this factor, only 7.04% of the practitioners "agree". Also, while only 12% of the professors "disagree", there are 34.51% of practitioners that "disagree".

This indicates that the responses and results of the two groups are not significantly different in most of the given factors, as reflected by the Mann Whitney U test. This holds an opinion that there is a high level of agreement inside each group, as well as between the two groups, regarding the given factors that affect the financial reporting in the Sudan. This is strong evidence that the accounting practices in developing countries are affected largely by a lot of environmental factors. The factors that are practically proven in the Sudan are accounting education, nature of business ownership, legal system, type of economic system, political system and culture value.

5. CONCLUSION

From the investigation of the literature review and the empirical study conducted, the following points can be drawn:

- A. The existing accounting practices in the developing countries are largely extensions of those developed in other countries, particularly western capitalist countries such as the UK and US. These practices were either imposed through colonial influence or by powerful investors like Multi-national Corporations.
- B. Accounting practices in developing countries are greatly affected by the environment within which it operates, but not all environmental factors have the same degree of effect, some factors are very powerful, such as professional accounting bodies and accounting education, these have a significant impact in shaping the accounting practices, while the other factors may adversely affect the accounting practices.
- C. The accounting professional organizations in developing countries tend to be weak and unable to fulfil their expected professional duties. The nonexistence of strong accounting organizations and the government domination over the accounting bodies have negatively affected the state of the accounting practices in these countries.
- D. In most developing countries, the accounting education system was imported from colonial powers. These systems are unsuitable to serve the needs of developing countries.
- E. Politics is also a key factor that influences the accounting practices through the effect of the level of freedom in a country and the colonial inheritance.
- F. There are other factors that affect the accounting practices in developing countries, such as: type of economic system, cultural and legal factors.
- G. The empirical study in the Sudan asserted that the developing countries are largely affected by its internal and external environment. This can be depicted from the results of the descriptive statistic which proved that the Sudan accounting practices have been influenced by a lot of factors such as: accounting education, nature of business ownership, legal system, the type of economic system, political system, Colonial inheritance and culture value.

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Rezime

Cilj rada jeste da istraži faktore koji su formirali i generisali sadašnje stanje računovodstvenih praksi u zemljama u razvoju. Primenjena je deskriptivna i analitička metodologija. Rad predstavlja pokušaj da se objasne razlozi koji su usloveli nezadovoljavajuću situaciju u računovodstvenoj praksi u zemljama u razvoju u celini, te posebno u Sudanu. U tekstu se umnogome koriste sekundarni podaci da bi se sagledali ovi faktori u zemljama u razvoju, uključujući i Sudan. Takođe, u radu je predstavljen i uticaj ovih faktora u Sudanu koji su obuhvaćeni sprovođenjem empirijskog istraživanja. Primarni podaci su prikupljeni korišćenjem dva upitnika. Populacija je obuhvatila dve različite kategorije: univerzitetske ljude u domenu računovodstva i revizije na sudanskim visokim školama i u institutima, kao i računovođe u sudanskim industrijskim kompanijama. U analizi podataka, kao statističko zaključivanje korišćen je SPSS, a Mann Whitney-jev test je upotrebljen za evaluaciju razlika u percepcijama u studiji dva uzorka. Iz prikaza literature, kao i analize podataka, ustanovljeno je da ima veliki broj faktora okruženja koji utiču na računovodstvene prakse u zemljama u razvoju uopšte i , posebno, u Sudanu. Osnovni razlozi su: računovodstvena profesija i edukacija u računovodstvu. a postoje i dodatni razlozi, među kojima su: tip ekonomije, kolonijalne sile , politički, pravni i kulturni faktori.

Ključne reči: računovodstvena praksa, zemlje u razvoju, kultura , faktori okruženja, računovodstvena profesija, računovodstvena edukacija

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