

On Managerial Accounting Practices in South African Public Departments

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KEYWORDS Managerial Accounting Practices. Legitimacy. Institutional Theory. Contingency Theory. Costing Information. Water Agency. Hospital

ABSTRACT The availability and adequacy of accurate cost information is required for sound financial decisions in any organisation, but the level of its usage differ from one organisation to another either private or public according to the relevance attached to it. In particular, this study examines the determinants of implementing cost and management accounting systems in two South African public departments based on two determinants: (a) to satisfy regulations, and (b) to provide legitimacy. Furthermore, this study presents the outcome of studies conducted in a water agency and a hospital in South Africa. Participants were selected based on their relevance to managerial accounting practices in these organisations. Evidence suggests that those departments that claims to have a management accounting system in place did so only to satisfy regulations and to legitimatimise their activities before external stakeholders such as the auditor-general's office as having control on their operations.