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A post-implementation review of IFRS 15

A research report submitted by

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ABSTRACT

The purpose of this study is to explore the financial reporting implications of South Africa's adoption of IFRS 15. This paper looks specifically at the usefulness of IFRS 15 in comparison with IAS 18, IAS 11 and its related interpretations from the perception of Chartered Accountants (SA) in South Africa. The research adopted a quantitative method using a survey. Primary data collected from 109 completed survey responses received from auditors, academics regulators, users of financial statements and preparers to evaluate whether IFRS 15 is more useful than the previous revenue standards. The findings suggest that the implementation of IFRS 15 has achieved the objectives set out by the IASB for issuing the new revenue standard. This has resulted in IFRS 15 providing more useful information than IAS 18 and IAS 11 as South African CA(SA)'s perceived IFRS 15 to improve the fundamental and enhancing qualitative characteristics of useful information. There are drawbacks to the implementation of IFRS 15 being high costs and the risk of incorrect application of IFRS 15. The findings also reveal that it is too complex to determine if IFRS 15 has reduced the opportunity for management bias or manipulation. This paper contributes to the accounting literature on the usefulness of new accounting standards from the perspective of Chartered Accountants (SA) in South Africa.

SECTION 1: INTRODUCTION

1.1. Revenue and IFRS 15

Revenue[1] is one of the most important figures in a company's financial statements (Coetsee et al., 2022; Dalkilic, 2014; IASB, 2008; Khamis, 2016; Napier & Stadler, 2020; Wagenhofer, 2014). This figure tells users about the absolute magnitude of the company; what types of activities it uses to earn income; and the company's financial performance this year, over time and in comparison with competitors (Coetsee et al., 2022; Dalkilic, 2014; Napier & Stadler, 2020; Zhang, 2005). It is used to determine and compare competitors' margins (efficiency) and is an indicator of the future growth and sustainability of a company (Khamis, 2016; Napier & Stadler, 2020; Zhang, 2005). The revenue figure is paramount for almost all decision making purposes (Peters, 2016)

In May 2014, the International Accounting Standards Board (IASB) and Financial Accounting Standards Board (FASB), the two main global standard setters, jointly issued a new standard for the accounting treatment of revenue[2]. International Financial Reporting Standard (IFRS) 15-*Revenue from Contracts with Customers* was issued to replace International Accounting Standard (IAS) 18- *Revenue*, IAS 11-*Construction Contracts* and the related Interpretations of revenue recognition. These standards had been used for over 35 years (Napier & Stadler, 2020). IFRS 15 was effective from periods beginning on or after 1 January 2018 but the earlier application of the standard was permitted (IASB, 2014b).

IAS 18 was the main standard which previously governed general revenue recognition, whereas IAS 11 was a revenue standard to be applied by companies in the construction industry. IAS 18 was issued in 1981 whereas IAS 11 was issued in 1979 with both standards being revised in 1993 (Napier & Stadler, 2020). Preceding revenue standards were becoming outdated for contemporary organisations that engage in complex transactions and contracts with customers (Carruthers, 1995; Coetsee et al., 2022; Dalkilic, 2014; IASB, 2008; Napier & Stadler, 2020; Veronica & Marian, 2016; Wagenhofer, 2014). Financial standards should be equipped with the necessary guidance to allow for the preparation of financial statements to

[1] Revenue is defined as income the company receives from the customer by providing them with the output produced in the ordinary course of business (IASB, 2014b).
[2] The IASB and FASB agreed to join forces and work together, through the Norwalk Agreement signed in 2002, to converge US. GAAP and IFRS accounting standards (Dalkilic, 2014; IASB, 2008, 2014a).

convey the true financial well-being of a company (IASB, 2019; Maroun, 2017; Murphy et al., 2013; Ravenscroft & Williams, 2009).

There was a lack of guidance for complex revenue transactions which led to different accounting treatments for economically similar transactions (Coetsee et al., 2022; IASB, 2014b; Napier & Stadler, 2020). The different accounting treatments reduced the consistency and comparability of revenue information. It was difficult for investors and analysts to understand and compare different companies' revenue figures (IASB, 2014b; Napier & Stadler, 2020). The deficient and 'boilerplate' presentation and disclosure requirements of the previous revenue standards were recognised by the IASB as being insufficient for investors and users to understand the revenue activities of an entity, as well as the judgement and estimates used when accounting for revenue (Napier & Stadler, 2020; Tong, 2014). The quality of accounting information being reported to users needed to be improved to meet the main objective of financial reporting in line with the Conceptual Framework, being useful information (IASB, 2008; Napier & Stadler, 2020). The lack of guidance led to creative accounting and earnings management[3] which have plagued the accounting and financial profession (Altaji & Alokdeh, 2019; Napier & Stadler, 2020; Tutino et al., 2019).

The two main standard setters, the FASB and IASB, wanted to converge revenue accounting globally (Carruthers, 1995; Coetsee et al., 2022; Coetsee & Wyk; Dalkilic, 2014; IASB, 2008; Napier & Stadler, 2020; Ogunode & Salawu; Peters, 2016; Veronica & Marian, 2016; Wagenhofer, 2014). Revenue recognition is one of the main driving forces of accounting and having a converged revenue standard can enhance the consistency and comparability of revenue across different industries and companies. This can help improve the effective functioning of international capital markets through the provision of enhanced useful information to capital providers in both international and local markets (IASB, 2008, 2014b; Napier & Stadler, 2020; Whittington, 2008; Zhang & Andrew, 2014). To achieve greater consistency and comparability and also provide more and better guidance to companies, jointly-developed revenue standards in the form of IFRS 15 (IASB) and ASC 606 (FASB) were developed and issued to replace all preceding revenue standards (Dalkilic, 2014; IASB, 2008, 2014a).

It has been just over 5 years since IFRS 15's adoption. As per the IASB's due process, a post-implementation review (PIR) is required (Ewert & Wagenhofer, 2012; IASB, 2021a, 2021b). The purpose of the PIR is to assess the effect of the new requirements of an IFRS accounting

[3] The term "earnings management" refers to management of an entity using accounting techniques to strengthen the appearance of the company's financial performance, financial position or both in order to deceive stakeholders (Tutino et al., 2019)

standard on investors, companies and auditors (IASB, 2021a, 2021b). This thesis conducts a survey to assess South African Chartered Accountants' (CA(SA)) view of whether IFRS 15 results in more useful information to users than IAS 18, IAS 11 and its interpretations. In addition, the survey provides a question for any other comments or broad areas which participants wish to express in relation to the study, such as any unintended and/or intended consequences resulting from the implementation of IFRS 15. This information will be useful to the IASB during their formal PIR (IASB, 2021a, 2021b).

1.2. Statement of the problem

Due to the importance of the revenue line item for users, a PIR of IFRS 15 is required (Ewert & Wagenhofer, 2012). The objective of the IASB when issuing IFRS 15 was to address deficiencies in previous standards and in this way, increase the usefulness of information provided by a revenue standard (Dalkilic, 2014; IASB, 2008, 2014a, 2014b; Napier & Stadler, 2020; Tong, 2014; Usurelu & Dutescu, 2018). The perceptions of users and other stakeholders who use IFRS standards and financial statements plays a significant role in determining whether this objective of the IASB has been achieved. To date, no research has dealt with this. In addition, the IASB has begun their PIR of the standard and may make any amendments as required. This thesis will be useful to the IASB's PIR exercise as it will conduct a South African- specific PIR.

1.3. Purpose of the study

This study explores the financial reporting implications of South Africa's adoption of IFRS 15. The study aims to evaluate the usefulness of IFRS 15 in comparison to IAS 18, IAS 11 and its related interpretations from the perception of Chartered Accountants in South Africa (CA(SA)). The perceptions from different user groups of CA(SA)'s are also analysed and compared to evaluate if there is a difference in the perceived usefulness of IFRS 15 in comparison with IAS 18, IAS 11 and its related interpretations. The production of useful information by IFRS 15 is compared with that of IAS 18 and IAS 11[4].

This thesis has an exploratory focus as the research study uses an interpretative epistemology and does not aim to produce an objective conclusion (Dimi et al., 2014). This study aims to be a base on which future qualitative and quantitative research can be developed regarding the usefulness of IFRS 15 by users of financial statements (Dimi et al., 2014). Future research

[4] The reference to IAS 18 and IAS 11 in this study also includes all the related interpretations of the previous aforementioned revenue standards.

can evaluate the usefulness of IFRS 15 from different user perspectives and not only from holders of the CA(SA) designation. The absolute quantitative measure of the usefulness of IFRS 15 is deferred for future research.

This study is aligned with the recommendation of Ewert and Wagenhofer (2012) and Moldovan (2014) in that it is conducted independently of the IASB. The findings will be submitted to the IASB for consideration as part of the IASB's formal PIR process.

1.4. The research questions

The thesis addresses the following research question:

Does IFRS 15 result in the provision of more useful information to users of financial statements than IAS 18, IAS 11 and related interpretations?

The research question is addressed by soliciting the views of experienced Chartered Accountants (as defined in Section 3) from the following respondent groups:

- group 1: auditors,
- group 2: academics,
- group 3: preparers of financial statements,
- group 4: regulators/standard-setters, and
- group 5: users of financial statements

Other biographical information is used to differentiate participants and to analyse the results collected from respondents (see Table 2 and Figure 1).

1.5. Significance of the study

Many papers were published on the expected impact of IFRS 15 during the standards development. There are very few studies on the effects of applying IFRS 15 a few years after implementation (Boujelben & Kobbi-Fakhfakh, 2020; Coetsee et al., 2022; Napier & Stadler, 2020). No studies have been performed to evaluate the perceived impact of implementing IFRS 15 a few years after its implementation in a South African context. This study provides empirical evidence on the perceptions of South African Chartered Accountants on the impact of the implementation of IFRS 15.

Prior literature (Altaji & Alokdeh, 2019; Boujelben & Kobbi-Fakhfakh, 2020; Coetsee et al., 2022; Jonick & Benson, 2018; Kabir & Su, 2022; Khamis, 2016; Maroun, 2017; Napier & Stadler, 2020) encourages further research on the impact of IFRS 15 a few years after implementation to determine the overall impact of IFRS 15 and whether IFRS 15 improves the

usefulness and quality of revenue reporting. This highlights the importance of evaluating the impact of IFRS 15 after its implementation.

Ewert and Wagenhofer (2012, p. 289) found that academic research is useful for identifying and solving matters that are pertinent in a PIR and that the “communication gap” between academics and standard setters is least found in a PIR. In addition, the paper noted that academic research is also useful to PIRs because academic research is conducted to identify any potential challenges to new standards. Identifying potential challenges to new standards will aid standard setters in aiming to achieve the objective of accounting standards which is to improve information produced by financial reporting (IASB, 2019).

The research conducted by Ewert and Wagenhofer (2012) highlights the importance of academic research on PIRs conducted by standard boards and how academic research can contribute to and influence contemporary accounting standards. This notion is supported by Louw and Maroun (2017) who also argue the supportive role academics play in advancing accounting through the contribution of knowledgeable research. Both Ewert and Wagenhofer (2012) and Louw and Maroun (2017) recommendations enhance the significance of the contribution of this study.

1.6. Assumptions

Respondents completed the survey truthfully and without bias. The instrument has validity and measures the desired constructs of the research. It is assumed that all respondents are appropriately qualified. The survey dissemination information stated that only CA(SA)s should complete the survey and this was further confirmed via a mandatory question in the survey (refer to Section 3.7).

1.7. Limitations and delimitations

The respondents of the study are all CA(SA)’s in South Africa, representing a geographical limitation. Responses from CA(SA)’s are not representative of the entire population of users of accounting standards and annual financial statements. There may be response bias by respondents as the survey used was designed to be brief so that respondents could complete the survey at a point in time to ensure an increased number of responses. IFRS 15 is the

newer revenue standard which may result in recency bias[5] over IAS 18 and IAS 11 by respondents.

Only IFRS 15 is dealt with as the study does not address the US equivalent of IFRS 15 (ASC 606). Only the perceptions of CA(SA)'s with prior working experience with IAS 18 were solicited to ensure that knowledgeable and informed responses were obtained (Dimi et al., 2014). This study is limited to the impact of IFRS 15 requirements as a whole and does not deal with individual technical requirements and principles of IFRS 15.

SECTION 2: LITERATURE REVIEW

This literature review is divided into six sections. The first section deals with what a post-implementation review is. The second section discusses the improvements proposed by standard setters through the introduction of IFRS 15. The third and fourth sections discuss the different user groups and useful information of financial statements respectively. The fifth section reviews previous academic literature on revenue recognition and the effects of the implementation of IFRS 15 in different jurisdictions. The sixth and last section discusses the industries which have been most impacted by the implementation of IFRS 15.

2.1. What is a post-implementation review?

The IASB conducts a PIR of each new standard or major amendment of a standard after it has been implemented for at least 2 years. IFRS 15 has been in use for the past 5 years which gives the IASB the perfect opportunity to conduct a PIR of IFRS 15 (IASB, 2022). A PIR is an opportunity for the IASB to determine the effect a new standard and its requirements have had on users of the financial statements, preparers of financial statements, auditors, and regulators (Ewert & Wagenhofer, 2012; IASB, 2021a, 2021b).

The specific aim of a PIR is for the IASB to assess the following:

1) whether the objectives of the standard-setting project have been met;
2) whether the information provided by the new standard is useful to users of financial statements;
3) whether the costs are as expected for preparing, auditing, enforcing, or using the requirements of the standard and
4) whether the standard can be applied consistently across entities and industries.

[5] Recency bias is a cognitive and memory bias which favours recent events over historic ones.

The IASB publishes a request for information relevant to a post-implementation review to which anyone (the public) can respond. The board considers all comments from the public including the review of academic literature on the subject matter for evaluation in its own PIR (Ewert & Wagenhofer, 2012; Moldovan, 2014). A report and feedback statement are then published by the IASB summarising the findings and any further steps the board will take regarding its findings of the standard (IASB, 2021a).

2.2. Improvements proposed by standard setters through the introduction of IFRS 15

As stated in Section 1, The two main standard setters, the FASB and IASB, wanted to converge revenue accounting globally to address the deficiencies in the previous revenue standards through the development and implementation of IFRS 15 (IASB) and ASC 606 (FASB) (Boujelben & Kobbi-Fakhfakh, 2020; Dalkilic, 2014; IASB, 2014b; Khamis, 2016). The IASB had certain objectives it aimed to achieve and certain key improvements it hoped would be realised.

Key improvements proposed by the standard-setter include (IASB, 2014a, 2014b):

- providing a more robust framework for addressing revenue recognition issues,
- improving comparability of revenue practices across entities, industries, jurisdictions and capital markets,
- simplifying the preparation of financial statements by reducing the amount of guidance to which entities must refer and
- requiring enhanced disclosures to help users of financial statements better understand the nature, amount, timing and uncertainty of revenue.

Much attention is placed on revenue accounting as the revenue financial statement line item is one of the most important figures in any set of annual financial statements for any organisation worldwide. Having converged global and local revenue accounting strengthens consistency and comparability of revenue across industries and companies and helps improve the effective functioning of international capital markets as better useful information is provided to capital providers in both international and local markets (IASB, 2008, 2014b; Khamis, 2016; Stainbank & Peebles, 2006; Whittington, 2008; Zhang & Andrew, 2014). The new revenue standard aimed to reduce the need to develop interpretative guidance for revenue recognition issues on a case-by-case basis as it is a single comprehensive framework for all entities to apply and provides more useful information through improved disclosure requirements (Boujelben & Kobbi-Fakhfakh, 2020; Coetsee et al., 2022; Coetsee & Wyk, 2020; IASB, 2014b; Ogunode & Salawu, 2021; Tong, 2014).

Included in the literature review will be questions which have been developed using prior literature and accounting standards. These questions were included in the research instrument (survey) of this study. IFRS 15 has been described as complex (Haggenmüller, 2019; Khamis, 2016; Veronica & Marian, 2016). This complexity should not detract from the recognition and measurement of simple revenue transactions provided by previous revenue standards (IASB, 2008; Khamis, 2016; Napier & Stadler, 2020; Peters, 2016; Tong, 2014).

> **Q: Which standard (IFRS 15 or IAS18/IAS11) provides better guidance for the recognition and measurement of simple revenue transactions?**

One of the reasons for the introduction of IFRS 15 was to provide guidance on complex revenue transactions not provided by previous revenue standards (Coetsee et al., 2022; IASB, 2014b; Napier & Stadler, 2020; Peters, 2016).

> **Q: Which standard provides better guidance for the recognition and measurement of complex revenue transactions?**

Management manipulation of revenue recognition because of insufficient guidance and disclosure of complex revenue transactions and activities was to be reduced by the introduction of IFRS 15 (Altaji & Alokdeh, 2019; IASB, 2019; Napier & Stadler, 2020; Tutino et al., 2019). Reduced management manipulation results in a fairer and more faithful accounting representation of revenue activities and transactions (IASB, 2019).

> **Q: Which standard makes it more difficult for management to manipulate their accounting treatment of revenue?**

One of the key factors in assessing whether IFRS 15 has been successful will be determining whether IFRS 15 has reached its own objective and that of the standard-setting project (IASB, 2022). The objective of IFRS 15 must be met to ensure that IFRS 15 was introduced to address deficiencies in previous revenue standards and contribute to the provision of more useful information for users of the financial statements (IASB, 2014a).

> **Q: To what extent do you believe IFRS 15 has achieved each of the following aspects of its objective:**
>
> - **The principles of IFRS 15 result in useful information being reported to users about the:**
> - **Nature of revenue and cash flows?**
> - **Amount of revenue and cash flows?**
> - **Timing of revenue and cash flows?**
> - **Uncertainty of revenue and cash flows?**

The revenue model in IFRS 15 was to provide a single and comprehensive framework which can be applied by different entities and different industries. The framework is applicable to all different types of transactions (Boujelben & Kobbi-Fakhfakh, 2020; Coetsee et al., 2022; IASB, 2014b; Ogunode & Salawu, 2021; Tong, 2014). The framework has been touted as "revolutionary" by Napier and Stadler (2020, p. 487) with similar backing from most prior research on IFRS 15 while Wagenhofer (2014) disputes the single revenue recognition framework.

Q: Does IFRS 15's 5-step process provide a single and comprehensive revenue framework that all companies are able to apply?

2.3. Financial statement users and stakeholders

There are two broad types of accounting objectives preferred by users or preparers of financial statements, based on information needs and what is considered useful in financial statements (Beyer et al., 2010; Cascino et al., 2014; Murphy et al., 2013; Ravenscroft & Williams, 2009; van Zijl & Hewlett, 2022; Whittington, 2008). The stewardship objective originated from the need to hold someone accountable for a set of accounts (Hopwood, 1987). Murphy et al. (2013, p. 77) discuss that stewardship is still entrenched in contemporary accounting and is seen as the "living law" of accounting. Stewardship users are interested in the operations of a company, how management uses the capital of a company and how the company is being stewarded by an appointed agent (management) (Beyer et al., 2010; Cascino et al., 2014; Murphy et al., 2013; Whittington, 2008).

Q: Which standard is better at portraying management's stewardship of company resources to generate revenue?

The neoliberal user was created because of a shift in the root metaphor in accounting from accountability (stewardship) to decision-useful information because of the rise of neoliberalism that penetrated financial markets and, ultimately, accounting, after World War II (Murphy et al., 2013; Pandya et al., 2021; Ravenscroft & Williams, 2009). Neoliberal users want current, forward-looking and comparable information to enable them to make valuation and investment decisions about capital provisions to maximise their economic return. Current, forward-looking and comparable financial information can facilitate the prediction of future cashflows to compare investment decisions, value different companies and determine the riskiness of an investment (Beyer et al., 2010; Cascino et al., 2014; Ravenscroft & Williams, 2009; Stainbank & Peebles, 2006; Whittington, 2008; Zhang & Andrew, 2014).

Q: Which standard is better at providing the necessary information that can be used to estimate future revenue cashflows?

Most contemporary users of financial statements can be a mix of stewardship and neoliberal users. There is often an overlap of information regarding stewardship and neoliberal needs, with some groups of users leaning towards one extreme or the other (Beyer et al., 2010; Cascino et al., 2014; Maroun & van Zijl, 2022; Wagenhofer, 2014). The introduction of IFRS 15 affected all users of financial statements, regardless of information needs (Wagenhofer, 2014). IFRS 15 influenced the revenue information disclosed in financial statements affecting the capital allocation decisions of neoliberal users (Coetsee et al., 2022; Napier & Stadler, 2020). More disclosures are required by IFRS 15 to provide users with an increased awareness of management use of company resources for stewardship users (Napier & Stadler, 2020; Wagenhofer, 2014). All user groups of financial statements should be considered when evaluating IFRS 15, in comparison to preceding revenue standards.

The Conceptual Framework identifies primary financial statement users as current or potential capital providers, lenders, and other creditors (IASB, 2019). Capital providers, lenders and other creditors aim to make profits by making decisions to maximise returns through capital allocations. Different primary users use different information in annual financial statements to achieve this. Useful information must be reported to primary users for this purpose (Whittington, 2008; Zhang & Andrew, 2014).

Q: Overall, which standard results in more useful information for capital providers?

Q: Overall, which standard results in more useful information for lenders and creditors?

For useful information to be reported in financial statements, the accounting standards upon which financial statements are prepared need to include adequate and appropriate guidelines (Carruthers, 1995; IASB, 2008, 2019; Louw & Maroun, 2017). Accounting standards have been and are continuously affected by different user groups because financial statements affect many different aspects of society, from capital markets to tax revenues collected by governments (Ball, 2016; Beyer et al., 2010; Watts & Zimmerman, 1978; Whittington, 2008).

Each user group has different needs from financial statements based on different ideas about what is considered useful information (Stainbank & Peebles, 2006). Each user group influences the development and operationalisation of accounting standards based on the

needs of the said user group (Ball, 2016; Cooper & Robson, 2006; Watts & Zimmerman, 1978; Whittington, 2008). The different user groups and their needs are identified below:

Preparers of financial statements:

Preparers of financial statements are not conventional users of a set of financial statements as the responsibility of preparing company financial statements rests with management (Li, 2010). Management may also use competitors' financial statements as a comparison tool in which case management can be considered both a user and preparer of financial statements (Ball; Cascino et al., 2014; Mardini et al., 2015). Cascino et al. (2014) notes that financial accounting information often plays a big role in internal decision-making in emerging economies and smaller entities. IFRS 15 could have had a greater impact on South African organisations than on organisations in an emerged economy. The perceptions of preparers of financial statements on the impact of IFRS 15 can determine if the standard has improved internal decision making on the revenue of organisations (Ball, 2016; Cascino et al., 2014; Hopwood, 1987; Napier & Stadler, 2020).

Management has the practical application of accounting standards to prepare financial statements. Management has it in their interest to report information which shows improved financial performance as management is usually incentivised by shareholders to improve the financial health of a company (Cascino et al., 2014; Watts & Zimmerman, 1978). Management of companies wants to report information which is useful in reflecting their yearly performance as a steward of company resources. With revenue being an accounting figure that impacts heavily on the year-on-year financial performance of companies, management still is affected by the implementation of IFRS 15 (Watts & Zimmerman, 1978; Zhang & Andrew, 2014). Preparers of financial statement (management) are included in the population group of this research study because management is in a position to provide practical insights into the evaluation of the change in revenue standards.

Academics:

Academics [6] conduct research which provides empirical evidence regarding any new regulations, policies and standards introduced by governments or standard setters. The theoretical knowledge of academics in conjunction with the research done then helps standard-setters identify and introduce any potential improvements to or deficiencies in accounting standards (Ewert & Wagenhofer, 2012).

[6] Academics work in the field of academia as a lecturer or researcher at a university or other higher education institution (Ewert & Wagenhofer, 2012).

Academics affect the operationalisation of the accounting craft by advancing it with research. (Louw & Maroun, 2017; Murphy et al., 2013; Ravenscroft & Williams, 2009). Academics are included in the population group of this study as they have a sound theoretical base of accounting standards to provide a knowledgeable perspective on the evaluation of the change in revenue standards (Ewert & Wagenhofer, 2012; Louw & Maroun).

Auditors:

Auditors are external and independent providers of assurance about an organisation's financial statements (IAASB, 2009a). Through the application of professional judgement and professional scepticism and the use of financial statements and accounting standards, an audit opinion is derived about a company's financial statements (IAASB, 2009a; Quadackers et al., 2009). Auditors do not use financial statements to hold management accountable or for investment/valuation decisions. Auditors ensure that management prepare annual financial statements in accordance with the relevant accounting standards. Debates between auditors and management often arise because of interpretations of the standards (Cascino et al., 2014; Ciesielski & Weirich, 2015). Opinions given by auditors are important enough to influence the decisions of all stakeholders of a company (Ball, 2016; Cascino et al., 2014; Li, 2010; Watts & Zimmerman, 1978).

The assurance given on a set of financial statements impacts investors as investors, are capital providers and want comfort that the information upon which the investment/valuation decision is made, is assured by a professional independent party (Cascino et al., 2014; Watts & Zimmerman, 1978). The financial performance on which management is judged is assured by auditors. This assurance is important to both management and shareholders as shareholders gain comfort about management's integrity (Ball; Cascino et al., 2014). Regulators also gain assurance in knowing that the financial figures upon which taxes and public decisions are based have been questioned and assured by an independent party (Kassem & Higson, 2016).

Revenue is important for auditors during an audit (Khamis, 2016). As per International Standards on Auditing (ISA) 240, revenue is a figure in financial statements where there is an immediate rebuttal presumption that the risk of material misstatement is significant (IAASB, 2009b). Revenue usually forms part of the Key Audit Matters (KAMs) in an audit opinion indicating the significant amount of time and resources used to audit revenue (Napier & Stadler, 2020). IFRS 15 also requires management judgement to be made regarding the application of its provisions which requires disclosure as per IFRS 15 and necessitates assurance from auditors (Cascino et al., 2014; Coetsee et al., 2022; IAASB, 2009a). Auditors

have in-depth theoretical and practical knowledge of previous and current revenue standards coupled with knowledge about various company revenue-generating activities. Auditors are included in the population group of this research study because their insights provide both a theoretical and practical perspective into the evaluation of the change in revenue standards.

Regulators/standard-setters:

Governmental regulators in South Africa, such as the South African Revenue Service (SARS), focus on company financial statements for tax purposes. SARS prefers maximum company returns as it wants to maximise the tax revenues of the state and wants disclosure of all financial information representative of an organisation's true profit on which tax will be applicable (Bengtsson, 2011; IASB, 2014b; Ravenscroft & Williams, 2009; Watts & Zimmerman, 1978; Zhang & Andrew, 2014). SARS holds management accountable for all required disclosures and any non-disclosures which result in tax evasion (Bengtsson, 2011). The increased level of revenue disclosure provided by IFRS 15, particularly the disaggregation of revenue, which previous revenue standards lacked will ensure this level of accountability (Ball; Coetsee et al., 2022). Regulators are included in the population group of this study because the perception of governmental regulators, in evaluating the change in revenue standards, can help understand if the increased revenue disclosures provided by IFRS 15 are beneficial to regulators (Ball; Coetsee et al., 2022; IASB, 2014b).

The IASB as regulators of the accounting profession wants to maintain the integrity and creditability of the profession in the eye of the public (Louw & Maroun, 2017). The IASB consider different recommendations in accounting standards as these affect all users. Standard setters are included in population group of this research study as they must consider the different biases of each group of accountants when setting standards as this affects the interpretations and operationalisations of accounting standards (Khamis, 2016; Murphy et al., 2013; Whittington, 2008).

The IASB has developed and implemented IFRS 15 (IASB, 2014a). Accountants from the IASB, although extremely knowledgeable in evaluating IFRS 15 in comparison with preceding revenue standards, may run the risk of being biased towards IFRS 15 (Ewert & Wagenhofer, 2012). The IASB has been excluded from the population group of this study.

User groups:

Capital providers have been combined under the user groups heading because of the many different forms of capital providers. Capital providers include equity investors, debt providers and trade creditors (Cascino et al., 2014; Wagenhofer; Zhang & Andrew, 2014). The primary

users have been identified as capital providers in the Conceptual Framework. The satisfaction of capital providers' needs through the provision of decision-useful information for investment and valuation decision-making purposes warranted previous changes in the Conceptual Framework. The preferences and perceptions of capital providers have had a fundamental impact on accounting standard setters and standards (Khamis, 2016; Murphy et al., 2013; Whittington, 2008; Zhang & Andrew, 2014). The perceptions of capital providers will be appropriate in determining if IFRS 15 provides more useful information in comparison with previous revenue standards.

The population group and research instrument used for this study include user groups which have historically influenced changes in accounting standards. Including the different identified groups in this study provides an appropriate mix of knowledgeable, theoretical and practical perceptions of the different stakeholder groups affected by the introduction and implementation of IFRS 15.

2.4. Useful information and users of financial statements.

The main goal of financial reporting is to report useful information to users of financial statements (Barker & Schulte, 2017; IASB, 2019; Murphy et al., 2013; Ravenscroft & Williams, 2009; Stainbank & Peebles, 2006). The Conceptual Framework is the basis upon which all other standards are created to ensure that standards encapsulate appropriate requirements which produce high-quality useful information for users of financial statements (IASB, 2019; Murphy et al., 2013; Whittington, 2008). IFRS 15 should not be an exception. IFRS 15 purports to provide better quality of revenue information to better inform users' decision making process.

Information is useful when it complies with the fundamental characteristics of relevance and faithful representation. Information reported to users must be relevant and faithfully represent the underlying economics of what it purports to represent (Dimi et al., 2014; IASB, 2019). Enhancing qualitative characteristics of comparability, verifiability, timeliness, and understandability accompany the usefulness of information reported (IASB, 2019). Financial statements have been identified as a useful source of information for decision making purposes in a South African context by Dimi et al. (2014) and Stainbank and Peebles (2006). Dimi et al. (2014) suggested that financial statements should strive to show better links with the economic activity and strategy of a company. The research instrument used in this study is informed in part by the qualitative characteristics of the Conceptual Framework to draw on the perceived usefulness of IFRS 15 in comparison to IAS 18 and IAS 11 by informed groups of users (Altaji & Alokdeh, 2019; Dimi et al., 2014; IASB, 2014b).

Fundamental qualitative characteristics

Relevance ensures that financial information reported has predictive or confirmatory value capable of making a difference in users' decisions (IASB, 2019). The reporting of more relevant information on revenue by IFRS 15 will enable users better to predict the future growth of an organisation or to evaluate prior growth predictions made using current revenue generation reported (Altaji & Alokdeh, 2019; IASB, 2019). Accordingly, the following question is included in the research instrument.

> **Q: Which standard is better at providing more relevant information regarding an entity's revenue-generating activities?**

A faithful representation of revenue-generating activities will include information that is complete, neutral, and free from material error (IASB, 2019). As discussed in Section 2.2, IFRS 15 was introduced to improve the faithful representation of revenue information reported to users by addressing prior deficiencies in revenue standards which detracted from these (IASB, 2014b; Napier & Stadler, 2020). Enhanced disclosure requirements can provide a more complete picture of the revenue generation of an organisation (Coetsee et al., 2022). Increased guidance on complex revenue transactions reduces differing accounting treatments for similar economic transactions (Boujelben & Kobbi-Fakhfakh, 2020; IASB, 2014b; Napier & Stadler, 2020). IFRS 15 has more management judgement in applying its provisions, but the increased guidance reduces the opportunity for management bias or manipulation (Khamis, 2016; Napier & Stadler, 2020).

> **Q: Which standard is better at providing a faithful representation of accounting information being reported to users of the financial statements?**

Other questions included in the research instrument which are relevant to evaluating the faithful representation of IFRS 15 in comparison with IAS 18 and IAS 11 have been included under Sections 2.2 and 2.5.

Enhancing qualitative characteristics

"Comparability" refers to the provision of similar information to enable users to compare and evaluate companies with one another (Barth, 2013; IASB, 2019). Comparability is essential for a variety of decision-making purposes by different user groups with the most noteworthy being the comparison of companies by capital providers for investment or valuation decisions (Barth, 2013). Comparability and consistency are two different concepts but are related. Comparability is a product of consistency (Barth, 2013). The introduction of IFRS 15 has reduced the inconsistency of revenue recognition for transactions which are similar in

economic nature. Improved revenue consistency among different firms, firms in different industries and among different industries was brought about by the comprehensive revenue model of IFRS 15 (Boujelben & Kobbi-Fakhfakh, 2020; Dalkilic, 2014; IASB, 2008, 2014a, 2014b; Napier & Stadler, 2020; Peters, 2016; Tong, 2014; Usurelu & Dutescu, 2018). The enhancement of consistency in revenue recognition was one of the main objectives when IFRS 15 was introduced by the IASB.

Q: Which standard is better at enhancing the consistency in revenue recognition:

- **Among firms in the same industries?**
- **Among different industries?**
- **Over time among firms in the same industry?**

The application of previous revenue standards resulted in a lack of comparability regarding complex revenue recognition because of a lack of guidance which IFRS 15 aimed to address. Consistent revenue recognition was sought by standard setters so that comparability of revenue information could be improved (Boujelben & Kobbi-Fakhfakh, 2020; Dalkilic, 2014; IASB, 2008, 2014a, 2014b; Napier & Stadler, 2020; Peters, 2016; Tong, 2014; Usurelu & Dutescu, 2018). Because of the interlink between the two concepts, two separate questions, but with the same sub-questions, regarding both consistency and comparability have been included in the research instrument (Barth, 2013; IASB, 2019).

Q: Which standard is better at providing comparable information regarding revenue:

- **Among firms in the same industries?**
- **Among different industries?**
- **Over time among firms in the same industry?**

“Verifiability” provides users with the assurance that the financial information reported purports the economic phenomena it represents (IASB, 2019). Previous revenue standards lacked sufficient revenue disclosures to enable financial information which verifies an entity’s revenue-generating activities. Revenue amounts could not be traced back to sufficient revenue disclosures. The lack of guidance led to the opportunity for earnings manipulation which opposes verifiability (see Section 2.2).

Q: Which standard is better at providing information that is verifiable regarding the accounting treatment of revenue?

“Timeliness” refers to the availability of financial information which is capable of influencing user decisions (IASB, 2019). Revenue is recognised under IFRS 15 on a transfer of control basis, whereas revenue is recognised under IAS 18 and IAS 11 on a transfer of risks and rewards of ownership basis (IASB, 2008). This difference affects the date (time) when revenue is recognised which can ultimately affect the revenue figure shown in a financial statement if the point at which the performance obligation of the transaction being satisfied is close to a company’s financial year-end. IFRS 15 has addressed some deficiencies in previous revenue standards by providing more guidance on the decision of when and if revenue can be recognised (Coetsee et al., 2022; Wagenhofer, 2014). Timeliness also enhances the relevance of information as more up-to-date and accurate financial information is more useful to capital providers and other user groups for decision-making purposes (Zhang, 2005).

Q: Which standard is better at providing more timely information regarding an entity’s revenue activities?

“Understandability” refers to classifying, characterising and presenting financial information clearly and concisely for users to follow and understand (IASB, 2019). The introduction of new or revised accounting standards which affect the recognition and measurement of an accounting issue can lead to better understandability of the accounting transaction and its treatment (Maroun, 2017; Napier & Stadler, 2020). The increased revenue disclosures required by IFRS 15 in comparison with previous revenue standards have resulted in a better understanding by users of an organisation’s revenue-generating activities (Coetsee et al., 2022). The 5-step model also provides a comprehensive guide to the revenue generating process of a company increasing the understandability of how and why revenue is treated in a particular way (Maroun, 2017).

Q: Which standard is better at increasing the understandability of a company’s revenue-generating activities (business model)?

2.5. Academic research

Despite having a limited body of research, studies on the effects of IFRS 15 have been conducted globally (Coetsee et al., 2022). Tong (2014) wrote one of the early research papers on the potential implications of the implementation of IFRS 15 on current practice. The paper predicted that IFRS 15 would result in ‘systematic and consistent’ revenue recognition, enhancing comparability between entities. This comparability would improve the usefulness of information reported by the revenue line item in financial statements to users of the financial statements. The paper predicted that entities with simple revenue activities would be minimally

affected, whereas entities with complex bundles of revenue offerings would be most affected because of the additional guidance given to complex transactions by IFRS 15 (IASB, 2008; Kabir & Su, 2022; Khamis, 2016; Napier & Stadler, 2020; Peters, 2016; Tong, 2014). This would result in the production of more useful information for users (IASB, 2014b). The prediction by Tong (2014) is shared by Usurelu and Dutescu (2018) who conclude that IFRS 15 should enhance the openness and strengthen international comparability of financial reporting between all entities and across a variety of different industries.

Maroun (2017) conducted research which finds that the application of the requirements of IFRS 15, using a practical case study, enhances the usefulness of financial statements by better demonstrating the revenue-generating activities of an entity. Users can better understand how an entity creates value through the analysis of an entity's business model. The value creation process is reflected in the amount and timing of revenue recognised by an entity which increases users' understanding of the economic phenomena of an entity's main purpose (Dimi et al., 2014). This aligns with both the objective of IFRS 15 and the Conceptual Framework for providing useful information to users (IASB, 2014a, 2019). A question on which standard, IFRS 15 or IAS 18 and IAS 11, better enables the understandability of a company's revenue-generating activities has been included in the survey instrument as discussed above (see Section 2.4).

Veronica and Marian (2016) conclude that the introduction of IFRS 15, even though more complex than were the previous revenue standards, is a convincing tool for reducing financial volatility by allowing for consistent revenue treatment among different industries and companies. This reduced financial volatility allows for enhanced comparability by users in capital markets (Ferreira, 2020; Tong, 2014; Usurelu & Dutescu, 2018; Zhang & Andrew, 2014).

In contrast to most academic literature, Wagenhofer (2014, p. 349) takes the stance that the consistency which IFRS 15 aims to achieve is "undesirable" because the revenue-generating activities differ across firms and so does the usefulness of information that these firms report. In addition, the measurement of revenue in IFRS 15 is inconsistent with the Conceptual Framework as IFRS 15 contains several requirements of conservation whereas the Conceptual Framework favours neutrality over prudence, i.e., conservatism (IASB, 2019). Wagenhofer (2014) suggests that the trigger for the recognition of revenue should allow users to learn the most about the company's performance. This led to the conclusion that a single revenue recognition principle would not be successful as each entity has different risks associated with its revenue (earnings) cycle and the single 'transfer of ownership' trigger of revenue recognition by IFRS 15 does not encompass the different risks.

2.5.1. Empirical evidence from a South African and African context

Coetsee et al. (2022) conducted a study in a South African context regarding the decision usefulness of IFRS 15 disclosures by using a content analysis methodology of disclosures regarding revenue recognition of certain JSE-listed companies. The study found that disclosures made by entities were generally correct and compliant with IFRS 15 requirements which contributed to the improved usefulness of information reported to users. The reporting of disaggregated revenue into the different revenue streams further enhanced the quality of information reported to users and this subsequently contributed to the improvement in decision usefulness (Coetsee et al., 2022; Maroun, 2017; Napier & Stadler, 2020). However, the study did find inconsistency between IFRS revenue reporting and other non-IFRS reporting tools which detracted from decision usefulness to users. The study also found that some qualitative information disclosures by companies in the study could be improved to ensure compliance with the requirements of IFRS 15 to enhance decision usefulness (Boujelben & Kobbi-Fakhfakh, 2020; Dimi et al., 2014; IASB, 2014b; Maroun, 2017; Tong, 2014; Usurelu & Dutescu, 2018). This study supports the fact that the disclosure requirements of IFRS 15 enhance decision usefulness if fully complied with by organisations.

Q: Which standard provides more helpful presentation and disclosures regarding the accounting treatment of revenue?

Khamis (2016) conducted an empirical study on the perceptions of preparers and auditors on the level of familiarity, standard clarity, and ease of application of IFRS 15 across different business sectors in Egypt, a developing country like South Africa. The study used a survey to gather data from 31 auditors and 34 preparers from local firms and listed companies which operated in different sectors within Egypt. The study found that during the implementation phase of IFRS 15, the preparers and auditors sampled did not yet have a consistent and thorough understanding of IFRS 15 as they were unfamiliar with the standard (Chand et al., 2010). The sampled group believed that the concept of IFRS15 was not clear and that the standard was also difficult to apply across different business sectors in Egypt (Chand et al.; Haggenmüller, 2019; Wagenhofer, 2014). The findings of Khamis (2016) are linked with observations made by Chand et al. (2010) that the application and interpretation of accounting standards are subject to the complexity of, and familiarity with, an accounting standard.

A recent study conducted by Aladwey and Diab (2023), also in Egypt, on the early adoption impact of IFRS 15 found that firm characteristics had a significant impact on the decision to adopt IFRS 15 early and that there were benefits to the early adoption of IFRS 15. These benefits include the increased economic value of profitability, enhanced disclosures and

improved quality of annual reports (Altaji & Alokdeh, 2019; Boujelben & Kobbi-Fakhfakh, 2020; Coetsee et al., 2022; Napier & Stadler, 2020; Ogunode & Salawu, 2021). These benefits can boost the confidence of stakeholders of financial statements and so improve decision-making (Coetsee et al., 2022; Napier & Stadler, 2020). The study encourages the faster adoption of newer IFRS standards, especially IFRS 15, in developing markets.

In another African context, Ogunode and Salawu (2021) conducted a study regarding the implementation of IFRS 15 in Nigeria using a descriptive research design by extracting data from Nigerian-listed companies. The study found that the implementation of IFRS 15 had a positive effect on the accounting numbers of the firms listed in Nigeria which contradicts the findings of Napier and Stadler (2020). The study did not reflect the impact of IFRS 15 on decision usefulness. The study was in line with the recommendations of Ewert and Wagenhofer (2012) on the evaluation of standards on the effect of earnings quality. The proper identification and treatment of royalties, income taxes, the appropriate portrayal of revenues from contractual fees, the need for constant contract modifications, capitalization of contract costs and collectability issues were recognised as important hurdles in the study regarding the implementation of IFRS 15 and its requirements. It is unclear if these factors impeded the usefulness of information being reported to users.

2.5.2. Empirical evidence from other jurisdictions

Empirical evidence from Europe

Napier and Stadler (2020) study the practical effects of the implementation of IFRS 15 on the financial performance of listed companies in a European context. Empirical evidence was obtained from annual reports of forty-eight STOXX Europe 50 companies, comment letters submitted by these STOXX 50 companies and the conduction of 3 separate interviews with a preparer of financial statements, an advisor and an auditor. The study confirmed that IFRS 15 did not have a significant impact on the revenue recognition and measurement for most companies but did significantly impact industries with complex offerings to customers, such as the telecommunications industry. The introduction of IFRS 15 has led to businesses, particularly businesses with complex bundles of offerings to customers, aligning their operations with the requirements of IFRS 15 (Coetsee et al., 2022; Tong, 2014; Usurelu & Dutescu, 2018). The alignment of operations to IFRS 15 requirements adds to users' understanding of these companies' revenue-generating activities through revenue disclosures in the financial statements (Coetsee et al., 2022; Maroun, 2017).

Napier and Stadler (2020) note that the introduction of a new standard impacts the costs associated with compliance with that standard. The increased disclosure requirements, disaggregation of revenue reporting and 5-step model mean that increased costs were incurred by entities to implement and continuously adhere to the requirements of IFRS 15 (Coetsee et al., 2022; Napier & Stadler, 2020). One of the objectives of the IASB (see Section 2.1) when conducting its own PIR is to determine whether the costs are expected when utilising a new standard and are not too strenuous on companies (IASB, 2014b).

Q: Which standard results in the greater costs to gather, process and report revenue activities for the following broad cost categories:

- **IT systems**
- **Administration**
- **Daily processing**
- **Staff**
- **Overall, which standard results in more costs to gather, process and report revenue transactions?**

Napier and Stadler (2020) also discuss that the management of an entity can influence earnings to achieve its desired objective (Beyer et al., 2010; Watts & Zimmerman, 1978). Revenue is the figure in financial statements which is most vulnerable to earnings management given its significance to users and that it is usually used to determine management bonuses (Tutino et al., 2019).

Beyer et al. (2010) highlight the fact that there is voluntary disclosure of information in financial statements because of management incentives. This exacerbates the information asymmetry between management and other users of financial statements. Voluntary disclosures can contribute to earnings management through non-disclosure of financial information.

The introduction of IFRS 15 has reduced the ability of management to make use of voluntary revenue disclosures and to engage in earnings management (IASB, 2014b; Napier & Stadler, 2020). More explicit guidance given in IFRS 15 leaves less room for management judgement regarding revenue disclosures and complex revenue transactions compared to previous revenue standards. Required information disclosures for revenue reduce the opportunity for voluntary disclosures and provide a consistent and comparable base upon which to compare company revenue disclosures, reducing the risk of covering earnings management (Coetsee et al., 2022; Napier & Stadler, 2020).

The reduction in the potential occurrence of earnings management leads to a fairer and more reliable presentation of revenue (Altaji & Alokdeh, 2019; Beyer et al., 2010; Coetsee et al., 2022; IASB, 2014b; Napier & Stadler, 2020). Tutino et al. (2019) support this as evidence is provided that IFRS 15 should reduce earnings management in industries more prone to

earnings management, such as the telecommunications industry. This is also partly because of the additional guidance given by IFRS 15 on complex revenue transactions and contracts (IASB, 2014b; Napier & Stadler, 2020).

The fairer presentation of revenue for companies enhances the useful information being presented to users and can also reduce the number of corporate and accounting scandals that have plagued the accounting profession in the past. This may have been an indirect objective of the IASB and FASB in developing a converged revenue standard (Ravenscroft & Williams, 2009; Zhang & Andrew, 2014). On the contrary, Haggenmüller (2019) notes that IFRS 15 may not have a material impact on earnings management and creative accounting as IFRS 15 still leaves room for judgement to be made by management (Khamis, 2016).

Haggenmüller (2019) conducted a study regarding the challenges arising from the implementation of IFRS 15 in a German context. The study was conducted through 15 interviews with German auditors and accountants and a qualitative analysis of 30 German-listed companies. Contrary to the Napier and Stadler (2020) study, the Haggenmüller (2019) study found that IFRS 15 also affected companies with simple business offerings and that the implementation of IFRS 15 is complex without leading to much change. The study concluded that the objectives of the IASB in issuing IFRS 15 are questionable from a practical outlook. The conclusions made by the study supports the pre-emptive stand that Wagenhofer (2014) took on the implementation of IFRS 15.

A study conducted by Boujelben and Kobbi-Fakhfakh (2020) from a European perspective using a content analysis of the IFRS 15 disclosure requirements of 22 companies' annual reports. The study found that the implementation of IFRS 15 affects the disclosures of entities in different sectors to a different extent. The specification of contracts with customers in different sectors will impact the revenue disclosures differently. It notes that industries with complex contracts with customers, such as the telecommunications industry, require increased disclosure to correctly reflect the revenue-generating activities to contribute to the decision usefulness that IFRS 15 aims to achieve which is aligned to the findings of Coetsee et al. (2022) in a South African context (Napier & Stadler, 2020; Tong, 2014).

Peters (2016) conducted a case study on an Aerospace Belgium company and supplemented the case study with a survey sent to different Belgium companies. 18 responses were received from the survey conducted. The study found that respondents perceptions of IFRS 15 were negative because of the unfamiliarity with the new revenue standard which was deemed to be too complex (Chand et al., 2010; Khamis, 2016). The case study and respondent perceptions found that the implementation of IFRS 15 required considerable effort with insignificant changes in revenue recognition for simple revenue transactions (Haggenmüller, 2019).

Industries with complex offerings and transactions are affected by IFRS 15. Overall, perceptions were that a new and comprehensive revenue standard, in the form of IFRS 15, was needed to unify global business and revenue practices (Carruthers, 1995; Coetsee et al., 2022; Coetsee & Wyk; Dalkilic, 2014; IASB, 2008; Napier & Stadler, 2020; Ogunode & Salawu; Peters, 2016; Veronica & Marian, 2016; Wagenhofer, 2014). IFRS 15 better reflects the true economic substance of transactions rather than the mere form of transactions (Dimi et al., 2014; Maroun, 2017). In addition, the study found that implementing IFRS 15 was "more than a simple accounting change" as IT systems of businesses are highly impacted to account for revenue transactions in compliance with IFRS 15 (Napier & Stadler, 2020, p. 64).

Empirical evidence from North and South America

Dutta and Zhang (2002) confirmed that there is a conflict with the agency theory based on the early recognition of revenue using market valuation principles (relevance). The study conducted found that conservatism in accounting is a desirable feature because management has an incentive to present an image which does not reflect the reality of an entity through creative accounting and earnings management (Georgiou & Jack, 2011; Napier & Stadler, 2020; Watts & Zimmerman, 1978). The paper concludes with the recommendation of conservative accounting in revenue recognition which is evident in IFRS 15 and can enhance the faithful representation of accounting information (Napier & Stadler, 2020; Wagenhofer, 2014; Zhang, 2005).

Zhang (2005) conducted a study on the early recognition of revenue in the software industry using a sample of United States of America (USA)-based software firms. The study found that early recognition is more relevant to users but resulted in less reliability in the revenue line item in financial statements (Whittington, 2008). Early revenue recognition leads to uncertainty in revenue. The reduced reliability in revenue detracts from the useful information reported to users despite the relevance attached thereto.

IFRS 15 departs from previous early recognition practice which was not prohibited in previous revenue standards (Altaji & Alokdeh, 2019; Coetsee et al., 2022; Jonick & Benson, 2018; Napier & Stadler, 2020; Veronica & Marian, 2016). The Zhang (2005) study supports the notion held by Maroun (2017), Napier and Stadler (2020), Ogunode and Salawu (2021) and Ferreira (2020) that revenue reported by companies in compliance with IFRS 15 results in the enhancement of reliability and faithful representation through increased disclosures, understandability and honest revenue recognition principles.

Ferreira (2020) examines the effects of the implementation of the US equivalent of IFRS 15 on capital markets. The study found that the new revenue standard increased both the correctness of the true economic reality and the comparability of the information reported to

users. This led to an increase in the liquidity of companies and capital markets (IASB, 2014b; Usurelu & Dutescu, 2018; Veronica & Marian, 2016).

In another USA study, Jonick and Benson (2018) conducted a study on a small sample of Fortune 500 companies on how the US equivalent of IFRS 15 is expected to affect the operations of these companies. The study found that the US equivalent of IFRS 15 was expected to change internal policies and procedures but would not influence the sampled companies' goods and services offerings to customers. This conclusion has been shared by the Napier and Stadler (2020) study.

Empirical evidence from the Middle East, Asia, and Oceania (Australia and New Zealand)

Altaji and Alokdeh (2019) conducted a study in a Middle Eastern country using a survey which was distributed to the big four audit companies in Jordan. The study had a response rate of 68% which found that there is a statistically significant impact on the enhancement of relevance and decision usefulness of accounting information included in financial statements because of the implementation of IFRS 15. Additionally, Altaji and Alokdeh (2019) found that the implementation of IFRS 15 had a statistically important impact in enhancing the quality of financial reporting information reported to users from the perspective of the external auditors in Jordan. The study provides evidence that information produced by using the requirements of IFRS 15 does meet the objective of IFRS 15 by providing useful information which is relevant and faithfully purports the economic phenomena of an entity's revenue-generating activities (Boujelben & Kobbi-Fakhfakh, 2020; Coetsee et al., 2022; Maroun, 2017).

An early study conducted in Malaysia by Lim et al. (2015) to capture auditors and accountants perceptions using a survey on the clarity of the concept of control in IFRS 15 and the ease of application of IFRS 15 across different industries. Similar to the views held by Wagenhofer (2014), the study found that the respondents anticipated issues which would be encountered from a practical perspective because of the single framework that is meant to be applicable to different entities and industries which have different business models. The single framework can lead to comparability problems as the standard may not be easily applied to different business industries and sectors. The study also recommended increased provision of education and awareness to accountants and auditors by standard setters in an attempt to improve the comparability results of IFRS 15.

Kabir and Su (2022) conducted a recent study on the effect of IFRS 15 on revenue recognition practices and the financial statements of firms in Australia and New Zealand. The findings suggest that IFRS 15 has not had an impact on simple result transactions (Napier & Stadler, 2020; Peters, 2016), but the standard has resulted in the deferral of revenue recognition for

those firms which have been impacted by the standard (Onie et al., 2022). This is because of the transfer of the recognition of revenue from the 'risks and rewards principles' to the to the 'transfer of control principles' as indicated by Wagenhofer (2014) and IASB (2008). The implementation of IFRS 15 has also impacted various other financial statements line items and different business segments such as implementation costs. Another recent study conducted by Onie et al. (2022) in Australia found little evidence that IFRS 15 generally improved the relevance of earnings which goes against the findings of Altaji and Alokdeh (2019), Napier and Stadler (2020) and Ogunode and Salawu (2021) and predictions of other prior literature.

2.6. Industries most impacted by IFRS 15

Industries and companies which are most affected by the implementation of IFRS 15 are those which have a complex bundle of offerings to customers (Boujelben & Kobbi-Fakhfakh, 2020; IASB, 2014b; Tong, 2014; Usurelu & Dutescu, 2018). Industries and businesses that provide simple offerings to their customers have not been much impacted by the implementation of IFRS 15 (IASB, 2008; Kabir & Su, 2022; Khamis, 2016; Napier & Stadler, 2020; Peters, 2016; Tong, 2014). The affected industries or sectors most affected by the requirements of IFRS 15 are the telecommunications industry, the technology sector, the healthcare sector, construction and engineering, consulting services, educational service providers, real estate and entities that manufacture custom goods (Boujelben & Kobbi-Fakhfakh, 2020; Ciesielski & Weirich, 2015; Coetsee et al., 2022; Coetsee & Wyk, 2020; Hepp, 2018; Khamis, 2016; Maroun, 2017; Napier & Stadler, 2020).

Ciesielski and Weirich (2015) predicted that financial institutions will not be significantly affected by IFRS 15 as financial instruments are governed by its standard of IFRS 9- *Financial Instruments*. Financial institutions employ other enterprises to generate alternate income, such as the disposal of houses and cars which have been repossessed by banks. These other enterprises will be affected by the requirements of IFRS 15.

As industries have been differently impacted by IFRS 15, an industry-specific question was included in the biographical section of the research instrument to gauge how participants from different industries perceive the usefulness of the new revenue standard in comparison with previous revenue standards. The usefulness of IFRS 15 can be compared across industries and can provide insights into whether there is consistency in the perceived usefulness of IFRS 15 (Boujelben & Kobbi-Fakhfakh, 2020; IASB, 2008, 2014b).

Table 1: Summary of the effects of the implementation of IFRS 15 (ASC 606 for North America) on the different jurisdictions using empirical evidence[7]

The following key is used:

- Agree with indicator (A)
- Conflicting and/or mixed evidence (Neutral)
- Disagree with indicator (D)
- No empirical evidence (-)

Indicator	South Africa	Rest of Africa	North and South America	Europe	Middle East	Asia/ Oceania
1. IFRS 15 has positively (agree) or negatively (disagree) impacted the revenue figure reported	-	✓	-	×	-	×
2. Compliance with increased presentation and disclosure requirements in IFRS 15	✓	-	✓	✓	✓	✓
3. IFRS 15 has resulted in more useful information being produced in annual financial statements	✓	-	✓	✓	✓	-
4. IFRS 15 has reduced the opportunity for earnings management	-	-	✓	✓	-	-
5. IFRS 15 has affected companies with complex revenue transactions/offerings	✓	✓	×	✓	✓	✓
6. IFRS 15 has affected companies with simple revenue transactions/offerings	-	✓	×	Neutral	-	×
7. 5-step framework is applicable to all business industries/sectors	-	✓	-	✓	-	×
8. The overall costs of implementing IFRS 15 are burdensome	-	-	-	✓	-	✓
9. The systems and processes to continuously apply IFRS 15 are burdensome/ strenuous	-	-	-	✓	-	✓

[7] Table 1 has been constructed using prior academic literature which has been explored in Section 2. The indicators in Table 1 represent a summary of the key factors or elements of revenue or useful information that have or will be impacted by the introduction of IFRS 15. These indicators have also formed the basis for the preparation of the survey used in the study as noted in Section 3.3.

SECTION 3: METHODOLOGY

3.1. Research method selected

The purpose of this study is to explore the financial reporting implications of South Africa's adoption of IFRS 15. A survey was used to collect the perceptions of CA(SA)'s on the usefulness of information provided by using IFRS 15 in comparison to using IAS 18, IAS 11 and its related interpretations. (Couper, 2017; Kelley et al., 2003). A survey is an appropriate instrument to conduct the research of the study and to collect the appropriate data (Bloomfield et al., 2016). Surveys produce descriptive data about field practitioners' views and preferences. The views and preferences extracted by a survey instrument are used to test theories, promote theory building, and/or allow for exploratory analysis (Bloomfield et al., 2016). Although a quantitative method was used, this research is inspired by an interpretative epistemology. This research does not aim to quantify the usefulness of IFRS 15 but to explore the perceived usefulness of IFRS 15 in comparison with IAS 18, IAS 11 and its related interpretations.

3.2. Population and sampling

The survey was distributed to experienced Chartered Accountants based in South Africa. CA(SA)'s have expert knowledge of and experience with IFRS and can provide the insights necessary to this study (Couper, 2017). To be able to compare appropriately IFRS 15 to IAS 18, IAS 11 and its related interpretations, only CA(SA)'s with prior working experience with IAS 18 were considered. Generally, respondents were not purposefully selected. This study allowed any CA(SA) with prior working experience in IAS 18 to participate in the survey. A wide range of respondents was targeted. Views from CA(SA)'s in different occupations and industries with different levels of prior professional experience and job levels were obtained (Refer to Table 2 and Figure 1).

Convenience and snowballing sampling were used as surveys were distributed via e-mail, LinkedIn and the researchers' network. Recipients of the survey were encouraged to forward the survey to their networks and any other potential participants in the research study (Leedy & Ormrod, 2019). To ensure that there was a balance in the different respondent groups, individual respondents were at times asked to participate in the study during the response time period.

A total of 103 responses were completed and captured at the time of closing the survey on Qualtrics. A response rate could not be determined as snowballing and conventional sampling methods were used (Crawford et al., 2018). A summary of the biographical information of the sample size of respondents who completed the survey is contained in Table 2. Each respondent has been given a naming convention based on their occupational group (e.g. AUD) and the respective numerical value (e.g. 25), in chronological order, of their response to the survey to identify individual respondents (e.g. respondent AUD25) where applicable in the study. The following naming convention has been applied to each occupational category:

- Auditor respondents: AUD
- Academic respondents: ACA
- Preparer of financial statement respondents: P
- Regulator or standard setter respondents: R/S
- User respondents: User

3.3. Instrumentation

The survey was developed using prior literature and the objectives of the IASB in a PIR (IASB, 2021a). The research instrument drew on the survey and interview instruments used by Altaji and Alokdeh (2019) and Haggenmüller (2019) respectively. The survey had predominantly closed- ended questions with a 5-point Likert scale (Altaji & Alokdeh, 2019). A Likert scale is used to measure and quantify the perceptions of respondents (Leedy & Ormrod, 2019). The Likert scale enables descriptive and basic inferential statistics to be conducted. One open-ended question at the end was included for participants to add anything they felt was important with regards to the implementation of IFRS 15. The final survey distributed contained 33 questions in total (including consent questions, background geographical information questions and the single open-ended question). The survey was developed and kept in electronic format in Qualtrics (a reputable online survey platform). No hard copies of the survey were distributed. Refer to Appendix B for the full survey used for this research study.

3.4. Procedure and time frame

The research process began with a pilot study of researchers and academics at the University of Witwatersrand (Kelley et al., 2003; Van Teijlingen & Hundley, 2001). After the pilot study was conducted and the data from the pilot study were analysed, appropriate amendments to the survey were made. No necessary adjustments were needed to the survey instrumentation. The completed survey was then published on Qualtrics. Surveys were distributed to potential respondents via LinkedIn and e-mail (as described in Section 3.2). The survey was made

available via LinkedIn to ensure that a wider CA(SA) audience was reached. In all surveys distributed, a link to the survey was included in the email or online post so that intended respondents had easy access. Respondents were located throughout South Africa.

Survey distributions included a brief summary of what the purpose of the research study is. All potential participants were provided with an information sheet detailing the background of this research (that was also included as part of an email or LinkedIn post), the participants' rights and the contact number of the researchers for respondents who may have had any questions after completing the survey (Leedy & Ormrod).

Voluntary participation was made clear on the information sheet contained in the survey. Consent of the respondents was required and obtained before participants completed the survey. It was also stated on the survey that responses will remain anonymous and confidential, except to the researcher and the supervisors of this study (Kelley et al., 2003). Participants were also required to declare if they are carriers of the CA(SA) designation and have had prior working experience with IAS 18 to ensure that they met the requirements to participate in the study.

The survey remained open for 1 month to allow sufficient response time. The researcher sent daily emails and messages to potential participants. The researcher aimed to ensure that a balance of completed responses from CA(SA)'s in different occupational backgrounds was obtained. After 1 month the completed responses were collected and the survey was closed. At the time of closing the survey, 170 responses were recorded in Qualtrics. Of the 170 recorded responses, only 103 responses were fully completed and valid (60.58% completed response rate). The data were then exported to excel and SPSS for data analysis. Responses are managed and kept in Qualtrics which is username and password protected.

3.5. Summary and discussion of the sample group

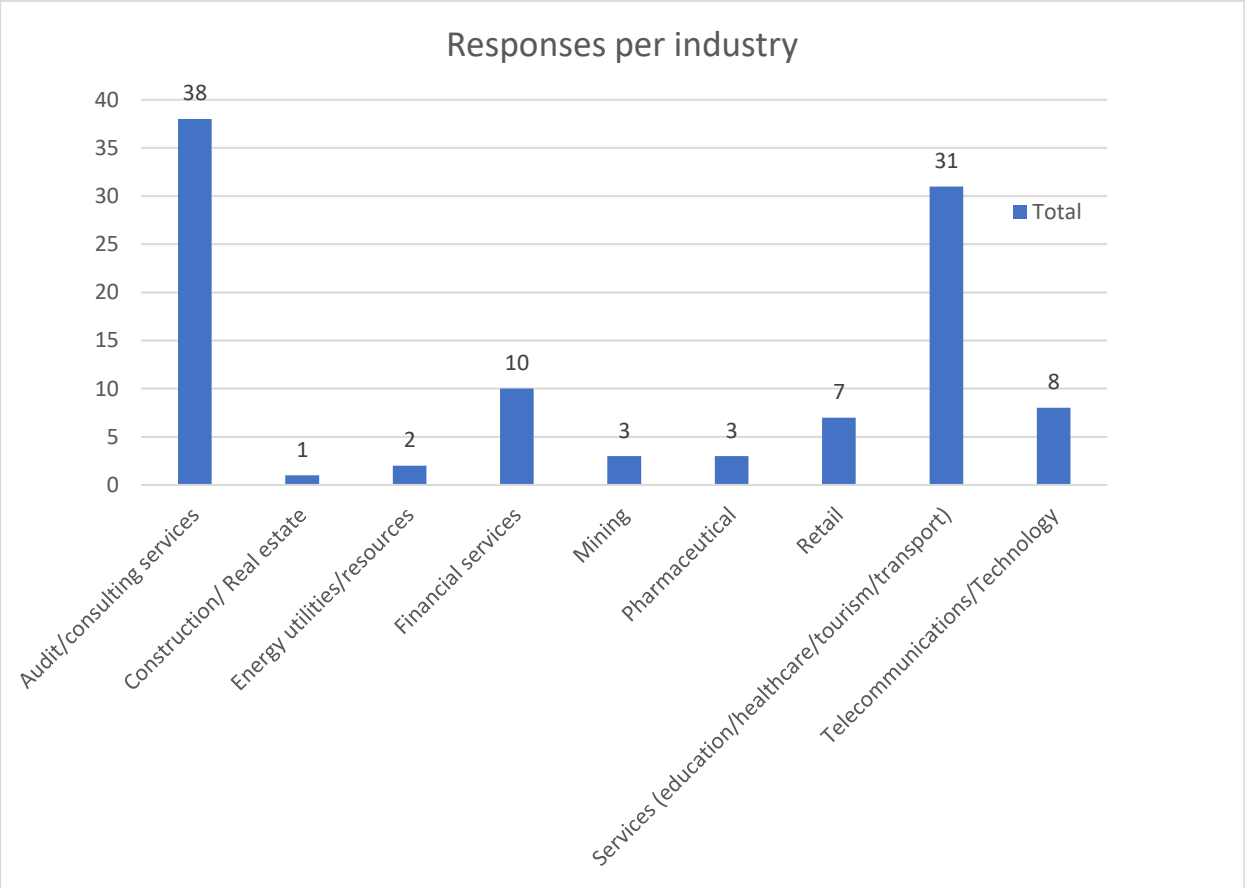
Table 2: Biographical information of the CA(SA) respondents to the survey

Occupation/Role	Years of experience					
	> 15 years	10-15 years	5-10 years	3-5 years	1-2 years	Grand Total
Academics	**8**	**7**	**7**	**7**	**1**	**30**
Executive management	1	1	-	-	-	2
Senior management	6	4	4	5	1	20
Junior management	1	2	3	2	-	8
Auditors	**5**	**6**	**11**	**3**	**-**	**25**
Executive management	2	2	1	-	-	5
Senior management	2	4	6	-	-	12
Junior management	1	-	4	3	-	8
Preparers of financial statements	**10**	**5**	**18**	**4**	**-**	**37**
Executive management	6	2	2	-	-	10
Senior management	3	3	11	1	-	18
Junior management	1	-	5	3	-	9
Regulators/standard-setters	**-**	-	**3**	**1**	**-**	**4**
Senior management	-	-	1		-	1
Junior management	-	-	2	1	-	3
Users of financial statements	**2**	**2**	**2**	**1**	**-**	**7**
Executive management	1	-	-	-	-	1
Senior management	1	2	1	-	-	4
Junior management	-	-	1	1	-	2
Grand Total	**25**	**20**	**41**	**16**	**1**	**103**

A summary of respondents' biographical information is provided in Table 2. There was a fair mix of responses from auditors, academics, and preparers of financial statements. Only 4 responses were obtained from regulators and standard setters and 7 from users of financial statements, as is often a weakness in accountancy research (Peters, 2016; Stainbank & Peebles, 2006).

Per Table 2, the majority (83,5%) of the respondents are CA(SA)'s with professional experience of 5 years or greater. Many respondents hold senior executive positions at their respective organisations. The responses collected provide valid data to address the research objective as a sufficient mix of experience and expertise is represented from the accounting field. The dataset comprised 53.4% males, 44.7% females and 1.9% who preferred not to say.

Figure 1: Industry classification of respondents



As indicated by Figure 1, the industry of respondents are not evenly distributed as 67% of completed responses come from two industries. Given the uneven distribution of responses, comparative statistics among industries will not provide appropriate insights and were not performed (Bloomfield et al., 2016). The data responses from industries are analysed where appropriate to contribute to the exploratory nature of this research study (Leedy & Ormrod, 2019).

3.6. Data analysis and interpretation

Survey data are ordinal where a higher score implies that IFRS 15 provides more useful information than IAS18, IAS 11 and its related interpretations. Descriptive statistics and frequency plots are used to provide initial insights into respondents' views on respective standards. Descriptive statistics such as the data mean, standard deviation, mode and median of the data set is provided (Leedy & Ormrod, 2019). The descriptive statistics are broken down into the various respondent groups (auditor, preparer of financial statements, academic, regulators and users) to enable basic inferential statistics to be conducted on the data

collected. The current job level and years of professional experience of respondent groups are analysed where applicable and relevant. Graphical representations are used where appropriate (Leedy & Ormrod, 2019). Descriptive data is mainly used to analyse respondents' perceptions of IFRS 15 in relation IAS 18 and its related interpretations. Descriptive data in conjunction with inferential statistics will be used to answer the research question of this study (Leedy & Ormrod, 2019).

Kruskal Wallis tests are used in determining if there are any statistically significant differences in the perceived usefulness of IFRS 15 in comparison to IAS 18 between the different groups of CA(SA) respondents. The grouping variables are the occupational and industry categories of respondents, and the dependent variables are the survey responses per question. The assumptions related to Kruskal Wallis tests are addressed in Section 3.6 below.

The following relationship is apparent and is investigated when answering the research question of this study:

Perceived usefulness of IFRS 15 in comparison to IAS 18= f (occupation of the respondent)

3.7. Reliability and validity of the study

The survey was piloted by senior researchers and academics to ensure that the survey questions are objective, non-leading and relevant. The survey was then updated based on the results of the pilot study to ensure that the variables that the survey aims to measure are complete and measures what it intends to measure. The pilot study aimed to improve the face and content validity of the study (Kelley et al., 2003; Leedy & Ormrod, 2019; Van Teijlingen & Hundley, 2001).

Cronbach's alpha test was performed to ensure added reliability and internal consistency of the survey instrument. Cronbach's alpha is a reliability method for reliability and consistency which is used to determine if the measurement tool can be used to provide the same or similar results if the tool was reapplied to the same or a similar sample size of the study. The reliability analysis on completed surveys reported a Cronbach's alpha of 0.932 for the close-ended survey questions. The Cronbach's Alpha coefficient ratio indicates a high degree of overall reliability for the survey instrument.

In terms of the assumptions of the Kruskal-Wallis and Mann-Whitney U tests the dependent variables should be ordinal or continuous (Laerd statistics, 2022; Leedy & Ormrod, 2019). The dependent variables are ordinal because the survey measures respondents' perceptions and understanding, using a Likert scale. The independent variable should be categorically performed (Laerd statistics, 2022; Leedy & Ormrod, 2019). The occupation, job level, industry

and gender of respondents are categorical, independent groups. In addition to the above, all observations should be independent (Laerd statistics, 2022). The observations (perceptions) of respondents have independence because each respondent will have no relationship with another respondent. Respondents' perceptions are independent. The data is assumed to be not normally distributed (Laerd statistics, 2022).

The survey instrument was developed cognisant of the questions asked and assessments made in previous IASB PIRs (IASB, 2021a, 2021b). In addition, the supervisors of this study have extensive experience and expertise in conducting research involving human participants which adds to the reliability and validity of this study (Leedy & Ormrod, 2019).

Potential respondents were sourced from the best South African universities, South African audit firms and South African listed companies through LinkedIn, email and the researchers' network. It is noteworthy that completed responses consist of responses from Chief Financial Officers (CFOs) of companies listed on the Johannesburg Stock Exchange (JSE), CFOs of unlisted companies, Financial Directors and Managers of both listed and unlisted companies, audit partners from the big four audit firms, Board of Director members, Chief analysts, Heads of accounting schools and divisional heads of the different financial accounting departments of major South African universities. The experience and expertise of respondents enhances the reliability and validity of the data obtained.

Before the start of the survey on Qualtrics, respondents were asked to confirm (with either a yes or no response) if they were holders of the CA(SA) designation. Only CA(SA) holders were allowed to continue and complete the survey. All non-CA(SA) respondents were noted and ignored from the population of responses for the survey.

3.8. Ethical consideration

The survey questions were posed to experts involved in different professions within the accounting field and pose no threat to the respondent's safety. The questions posed were a conversation (in the form of a survey) with the respondents, in which the professional perceptions of respondents were captured. The survey deals with questions regarding respondents' ordinary professional work life and opinions on pertinent matters affecting the accounting profession which respondents have extensive knowledge on. Furthermore, ethical clearance was obtained from the University of the Witwatersrand prior to the commencement of this study. The research study has an ethics clearance protocol number of SOA-2022-07-10.

SECTION 4: RESULTS

4.1. Summary of findings

A summary of the data is provided in Table 3 which presents the average outcome preference (IFRS 15, IAS 18, neutral or mixed) of respondents by occupational category for the themes of this study. Supporting the findings of Altaji and Alokdeh (2019), the fundamental qualitative characteristics of faithful representation and relevance are perceived to have been improved for revenue information due to the implementation of IFRS 15. Overall, respondents felt that IFRS 15 represents an improvement over IAS 18 and IAS 11 for the following key themes:

- fundamental qualitative characteristics;
- enhancing qualitative characteristics;
- usefulness of revenue information;
- consistency of revenue information;
- presentation and disclosure requirements;
- guidance for revenue transactions.

The IASB and FASB's objective of unifying global revenue standards is perceived as achieved through the enhancement of consistent revenue information (Carruthers, 1995; Coetsee et al., 2022; Coetsee & Wyk; Dalkilic, 2014; IASB, 2008; Napier & Stadler, 2020; Ogunode & Salawu; Peters, 2016; Veronica & Marian, 2016; Wagenhofer, 2014). The better presentation and disclosure requirements appear to be one of the areas in IFRS 15 which have contributed to the preference of IFRS 15 in improving useful information (Boujelben & Kobbi-Fakhfakh; Coetsee et al.). The applicability of IFRS 15's 5-step model across different industries adds strength to this (Boujelben & Kobbi-Fakhfakh, 2020; Coetsee et al., 2022; IASB, 2008, 2014b; Ogunode & Salawu, 2021; Tong, 2014). 75,7% of respondents agreed that the 5-step model can be applied across different industries contributing to the enhancement of consistent revenue recognition.

IFRS 15 was the preferred choice (61.3%) over IAS 18 and IAS 11 for providing better guidance for complex revenue transactions because of the IASB's extensive due process which involved consultations with many constituents and the accounting public in general. Providing increased guidance on revenue accounting was a deficiency which the IASB sought to address by issuing IFRS 15 (Boujelben & Kobbi-Fakhfakh, 2020; Dalkilic, 2014; IASB, 2008, 2014a, 2014b; Napier & Stadler, 2020; Tong, 2014; Usurelu & Dutescu, 2018). Not all respondents share mutual feelings about IFRS 15 when it is compared with IAS 18, IAS 11 and its related interpretations. Auditors (and regulators) favoured IFRS 15 the most when it

was compared to IAS 18 and IAS 11 with academics and preparers having slightly less favourable perceptions. Users do not perceive IFRS 15 in the same light as the rest of the respondent groups with users being mixed or neutral between IFRS 15 and IAS 18 for many of the themes dealt with by this study. The data collected from each occupational category are analysed in detail next. Overall, it seems that the IASB's objective of improving the provision of useful information about revenue has been achieved from the perception of CA(SA)'s in South Africa.

4.2. Perceptions of respondent groups

Users of financial statements had the lowest mean scores and mixed responses, with mean scores close to 3 for the majority of the themes of this study. Users of financial statements were mixed and neutral between IFRS 15 and IAS 18 indicating that this group of respondents does not generally think IFRS 15 is a major improvement to the previous revenue standards. Caution should be used when interpreting this finding because of the small sample size (7/103) obtained. Users supported the view that the 5-step model has applicability among different industries: this contradicts their thoughts about the consistency and comparability improvements in IFRS 15. This indicates that users are aware of the 5-step model and what it aims to achieve (Boujelben & Kobbi-Fakhfakh, 2020; IASB, 2008, 2014b; Napier & Stadler, 2020). User1 completely favoured IAS 18 and IAS 11 more than IFRS 15 (average score of 1 for all useful information themes). User1 preferred IAS 18 and IAS 11 over IFRS 15 regarding the fundamental and enhancing qualitative characteristics of useful information themes, for the guidance on both simple and complex revenue transaction themes, and for the presentation and disclosure requirements of revenue theme.

Users are not in a good position to appreciate the improvements brought about by IFRS 15. Users are not on management or audit teams to have access to detailed information to notice how revenue under IFRS 15 is a better faithful representation of the underlying economic activities than IAS 18 and IAS 11 was. The lower experience level with the application of IFRS 15 may leave users noticing only the increased disclosure requirements which may not be beneficial to them. The quality of revenue information may have improved but the key revenue information is still presented to them with now enhanced revenue disclosures. This finding concurs with the views of respondent AUD1 who warned that "...the users of the financial statements are not interested in the detail required by IFRS 15". The lack of experience with new revenue standards may be offset by users of financial standards being better informed and educated about newly introduced standards. Users can better understand how a new

Table 3: Summary of the data

	Auditors		Academics		Preparers		Regulators		Users		Overall	
Theme	**Outcome**	**%**	**Outcome**	**%**	**Outcome**	**%**	**Outcome**	**%**	**Outcome**	**%**	**Outcome**	**%**
Overall useful information											IFRS 15	71,2
Useful information to investors	IFRS 15	88,0	IFRS 15	73,3	IFRS 15	81,1	IFRS 15	75,0	**Mixed**[8]	43/14/43	IFRS 15	72,0
Useful information to creditors and lenders	IFRS 15	84,0	IFRS 15	83,3	IFRS 15	81,1	IFRS 15	75,0	**Neutral**	29/42/29	IFRS 15	70,4
Fundamental qualitative characteristics											IFRS 15	78,9
Relevant information	IFRS 15	88,0	IFRS 15	76,7	IFRS 15	64,9	IFRS 15	100	IFRS 15	57,2	IFRS 15	77.3
Faithful representation	IFRS 15	92,0	IFRS 15	93,3	IFRS 15	59,5	IFRS 15	100	IFRS 15	57,2	IFRS 15	80,4
Enhancing qualitative characteristics											IFRS 15	64,3
Timely information	IFRS 15	72,0	IFRS 15	66,7	**Mixed**	16/30/54	IFRS 15	75,0	IFRS 15	57,2	IFRS 15	54,2
Comparability	IFRS 15	64,7	IFRS 15	63,3	IFRS 15	62,2	IFRS 15	83,3	**Mixed**	24/33/43	IFRS 15	63,3
Understandability	IFRS 15	88,0	IFRS 15	76,7	IFRS 15	73,0	IFRS 15	75,0	**Mixed**	43/28/29	IFRS 15	68,2
Verifiability	IFRS 15	64,0	IFRS 15	60,0	IFRS 15	62,2	IFRS 15	75,0	**Mixed**	28/28/44	IFRS 15	60,8
Consistency	IFRS 15	76,0	IFRS 15	73,3	IFRS 15	64,0	IFRS 15	75,0	**Mixed**	19/33/48	IFRS 15	67,2
Presentation and disclosure requirements	IFRS 15	100	IFRS 15	83,3	IFRS 15	75,7	IFRS 15	100	**Neutral**	29/42/29	IFRS 15	77,5
Simple revenue transaction guidance	**Mixed**	40/16/44	**Mixed**	40/10/50	**Mixed**	38/13/49	**IAS 18**	50,0	**IAS 18**	71,4	**Mixed**	48/16/36
Complex revenue transaction guidance	IFRS 15	96,0	IFRS 15	90,0	IFRS 15	70,3	IFRS 15	100	**Mixed**	43/14/43	IFRS 15	79,8
Management manipulation of revenue	**Mixed**	20/32/48	**Mixed**	13/37/50	IFRS 15	62,2	IFRS 15	75,0	IFRS 15	71,4	IFRS 15	61,3
Incorrect application= relates to the complexity expressed	IFRS 15	88,0	IFRS 15	76,7	IFRS 15	59,5	IFRS 15	75,0	IFRS 15	85,7	IFRS 15	77,0
Higher costs	IFRS 15	84,0	IFRS 15	86,7	IFRS 15	75,7	IFRS 15	75,0	IFRS 15	71,4	IFRS 15	78,6
Application of 5 step-process for all industries	Agree	72,0	Agree	80,0	Agree	75,7	Agree	75,0	Agree	71,4	Agree	75,7
The objective of IFRS 15	Achieved	81,0	Achieved	91,7	Achieved	71,6	Achieved	100	Achieved	57,1	Achieved	80,3

[8] For all neutral and mixed outcomes, the percentage is shown as follows: IAS 18 and IAS 11/ neutral/ IFRS 15. As most themes conclude that IFRS 15 is the favoured standard among respondents, where this is not the case, the outcome has been highlighted to improve the readability of the table.

standard can improve the decision usefulness of the information in financial statements. This can expedite the benefit that a new standard has on all financial standard stakeholders and users (Khamis, 2016; Lim et al., 2015).

All respondent groups showed some negativity about the opportunity for management manipulation, incorrect application, and the higher costs of applying IFRS 15. Many respondents view the negative consequences of IFRS 15 as being the higher costs from its ongoing implementation, as well as the incorrect application because of the complexity of the standard (Chand et al., 2010; Haggenmüller, 2019; Wagenhofer, 2014). IFRS 15 was introduced to provide more detailed guidance than IAS 18 and IAS 11 provided to reduce the potential for earnings management (Altaji & Alokdeh, 2019; Napier & Stadler, 2020; Tutino et al., 2019). The findings on whether IFRS 15 may be more susceptible to error and management manipulation is curious and is explored further in Section 4.4 below.

IFRS 15 was generally regarded as an improvement on the previous revenue standards among all the respondent groups excluding users. IFRS 15 is seen as providing the consistency and comparability of revenue sought by global capital markets (IASB, 2008, 2014b; Napier & Stadler, 2020; Whittington, 2008; Zhang & Andrew, 2014). The perceived usefulness of IFRS 15 did deteriorate slightly as the experience of respondents and their seniority in a company increased. This can be due to the more experienced respondents being more aware of the negative consequences of higher costs, risk of incorrect application of, and extensive judgement permitted in adhering to and applying the requirements of IFRS 15 (Haggenmüller, 2019; Wagenhofer, 2014). It may also be that accountants do not like change and their inherent resistance to change is tainting their opinion of IFRS 15 (Bengtsson, 2011; Deegan, 2011).

4.3. Fundamental qualitative characteristics

Table 4: Response mean by occupation regarding relevance and faithful representation

Theme	Auditors	Academics	Preparers of financial statements	Regulators/standard setters	Users of financial statements
Relevant information[9]	**4.32**[10]	**3.90**	**3.65**	**4.50**	**3.14**
Faithful representation	**4.24**	**4.17**	**3.70**	**4.50**	**3.29**

[9] Individual and related themes (where applicable) are colour coded for ease of reference and interpretation

[10] Scores have been presented in Likert scale format where 1 represents the choice of IAS 18 and IAS 11 and 5 represents the choice of IFRS 15 for the relevant theme. The score of 3 represents the neutrality between revenue standards

Relevant information (Q8.1) and the faithful representation of information (Q8.2) are improved by IFRS 15 with mean scores of 3.88 and 3.97 respectively (refer to Appendix A). Both themes have mean scores of close to 4 indicating that respondents generally perceive IFRS 15 to be providing more relevant and faithfully represented revenue information than that in IAS 18 and IAS 11. The provision of more relevant information by IFRS 15 can be linked to the negatively skewed data distribution[11] of the estimation of cashflows theme (Q8.11), which has a mean and mode score of 3.79 and 4 respectively. IFRS 15 is better than IAS 18 and IAS 11 at providing the necessary information which can be used to estimate future revenue cashflows (IASB, 2019; Napier & Stadler, 2020). This finding may be because of users being provided with more relevant information about all streams of revenue-generating activities in an organisation, particularly through the disaggregation of revenue information (Boujelben & Kobbi-Fakhfakh, 2020; Coetsee et al., 2022; IASB, 2019; Maroun, 2017).

The better faithful representation of revenue information generated by IFRS 15 can be linked to assertions made by Altaji and Alokdeh (2019) that there is more disclosure of revenue information and more guidance on complex revenue transactions. The economic substance of revenue transactions is better captured through the application of IFRS 15 as noted by Maroun (2017) and Ferreira (2020). The prescriptive manner in which IFRS 15 requires its principles to be applied have made it more difficult for management to find creative ways to interpret the prescriptions in order to obtain a specifically desired accounting treatment (Ferreira, 2020; Piosik, 2021; Tutino et al., 2019). The better faithful representation of revenue leads to a more holistic and neutral picture of the revenue activities of a company (Aladwey & Diab; Boujelben & Kobbi-Fakhfakh, 2020; Dimi et al., 2014; IASB, 2014b; Napier & Stadler, 2020; Tutino et al., 2019).

Results from untabulated Kruskal-Wallis tests revealed a statistically significant difference in the scores regarding whether IFRS 15 is an improvement over IAS 18 for both relevance and faithful representation when grouped by respondent category (H(4): 10,39 and 8,99 respectively chi-square test statistic, p=0.034 and p=0.061 respectively). This difference between perceptions of both relevance and faithful representation was identified between auditors and users using Man Whitney U-tests. Again, this finding should be interpreted with caution given the low number of responses from users. Table 4 shows that auditors perceive IFRS 15 as more relevant and faithfully represented compared to academics. Academics are often seen as not appreciating pragmatic issues with regards to the application of new

[11] A negatively skewed distribution is a type of distribution in which more values are concentrated on the right side of the distribution graph while the left tail is longer indicating that most respondents had scores above the mean (Leedy & Ormrod, 2019)

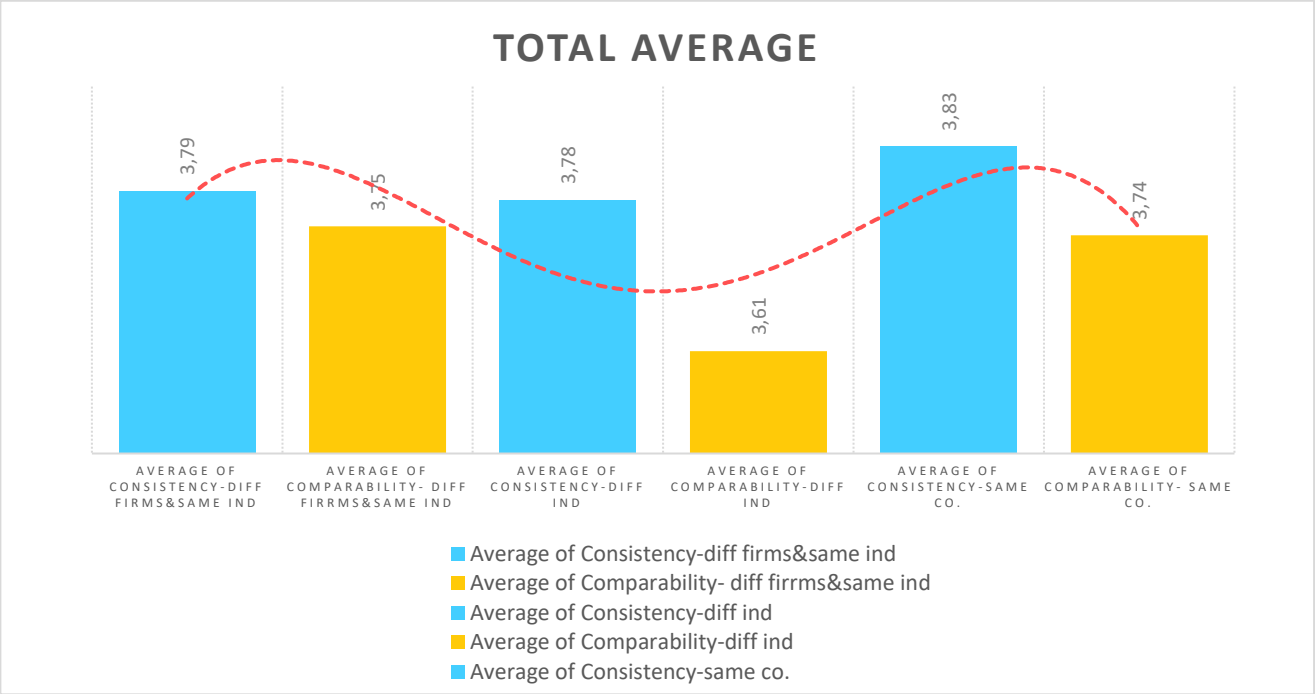
standards as they usually have little current practical experience and do not experience the pressures of private enterprise daily (Ewert & Wagenhofer, 2012). Academics may not have practical application with IFRS 15 because the standard was only implemented in 2018. Auditors, on the other hand, have practical experience with IFRS 15 among different companies and within different industries. Respondents from both academic and practical backgrounds see IFRS 15 as an improvement over IAS 18 and 11. This provides strong evidence that both from a practical and theoretical space, IFRS 15 has improved the fundamental qualitative characteristics of useful information (Ewert & Wagenhofer, 2012; Napier & Stadler, 2020).

Preparers views of IFRS 15 enhancing the fundamental characteristics of useful information from a practical perspective are more conservative than those of auditors (refer to Table 4) as preparers' views may be influenced by the difficulties experienced when implementing IFRS 15. This is highlighted by respondent P15 stating: "Theoretically, IFRS 15 sounds great, but implementing it is a nightmare." This sentiment was echoed by 31.71% of respondents who shared qualitative comments on IFRS 15. Those charged with implementing new standards may often have negative sentiments towards it. There is little margin for error and no prior financial statements to refer back to, making the task challenging. That these respondents, despite stating its implementation was a nightmare, seem to agree that it is a better standard is encouraging.

4.4. Enhancing qualitative characteristics

Comparability and consistency:

Figure 2: Comparison of consistency and comparability responses



Consistency is not an enhancing qualitative characteristic but the prior literature relates how consistency operationalises comparability (Section 2.4, Barth, 2013; IASB, 2014a, 2014b, 2019). The data in Figure 2 show that consistency and comparability of revenue information have been perceived to have been generally improved by the introduction of IFRS 15, except for apprehensive views from a few respondent groups discussed below. Each theme relating to consistency and comparability has a mean score of above 3,6 emphasising the preceding finding. All the data relating to consistency and comparability themes are negatively skewed, further highlighting the strong views that the consistency and comparability of revenue information have improved under the guidance of IFRS 15 (IASB, 2008, 2014b; Napier & Stadler, 2020; Peters, 2016). However, the different categories of consistency and comparability have been impacted to varying degrees by the implementation of IFRS 15.

Consistency and comparability of revenue information for firms in the same industry have approximately equal means. The consistency of revenue accounting under IFRS 15 for similar economic transactions has resulted in the direct translation of comparable revenue information for firms in the same industry. This is as a result of the increased guidance on previously deficient areas in revenue accounting and improved presentation and disclosure requirements

(Barth, 2013; Boujelben & Kobbi-Fakhfakh, 2020; Coetsee et al., 2022; IASB, 2008, 2014b). One of the IASB's aims of having economically similar transactions being accounted for under the same accounting treatment is perceived to have been achieved (Dalkilic, 2014; IASB, 2008, 2014b; Napier & Stadler, 2020; Peters, 2016).

Consistency and comparability of revenue information among different industries have means which are off by a considerable margin score of 1,17 as reflected by Figure 2. The consistency of revenue information among different industries is viewed as being much better under IFRS 15 because of the application of the 5-step model (Boujelben & Kobbi-Fakhfakh, 2020; IASB, 2014b; Maroun; Ogunode & Salawu, 2021; Tong, 2014). 75,57% of responses agreed that the 5-step model can be applied across different industries as intended by the IASB. The consistency of revenue information has not directly translated in comparability across industries which may be because of the heterogeneity of industry business offerings (Boujelben & Kobbi-Fakhfakh, 2020; Coetsee & Wyk, 2020; IASB, 2008). Each industry has different sizes, structures, risk exposures and goods and services offered. The direct translation of consistency to comparability for firms in the same industry is helped by the similar offerings of these firms whereas there are many more differences between industry offerings. Despite the heterogeneity of industries, comparability has still improved to a large degree. This was an objective that the IASB desperately sought to improve for the benefit of capital markets (IASB, 2008, 2014b; Napier & Stadler, 2020; Whittington, 2008; Zhang & Andrew, 2014).

As reflected in Figure 2, the mean scores of consistency and comparability of revenue information for the same firm over time are very similar to those of firms in the same industry. Like consistency for firms in the same industry, the 5-step model and the enhanced guidance in IFRS 15 leaves less room for accounting interpretation (Boujelben & Kobbi-Fakhfakh, 2020; Coetsee et al., 2022; Coetsee & Wyk, 2020; IASB, 2014b; Ogunode & Salawu, 2021; Tong, 2014). Different interpretations will not be applied over the same economic transactions which previously did not have guidance in the preceding IAS 18 and IAS 11. Consistent revenue information will develop over time leading to similar comparability over the same period (Barth, 2013; Chand et al., 2010; IASB, 2014b; Khamis, 2016; Peters, 2016; Zhang & Andrew, 2014). The consistency and comparability for the same firm might not be as high as expected given the same 5-step model is applied to the same firm over time. This may be because of the high level of management judgement still required to apply the IFRS 15 requirements (Haggenmüller, 2019; Khamis, 2016; Wagenhofer, 2014). For example, management in one year might not be the same in the following year and the new management in the following year may not use the same judgements for the same guidance requirements in IFRS 15 as

management in the previous year did, leading to slightly different outcomes and reducing comparability.

Table 5: Response mean by occupation of respondents for consistency and comparability

Theme	Auditors	Academics	Preparers of financial statements	Regulators/ standard setters	Users of financial statements
Consistency- different firms in the same industry	**4.00**	**3.83**	**3.59**	**4.50**	**3.43**
Consistency- different industries	**3.76**	**3.80**	**3.81**	**4.25**	**3.29**
Consistency- same company over time	**4.12**	**3.73**	**3.73**	**4.50**	**3.43**
Comparability- different firms in the same industry	**3.92**	**3.63**	**3.73**	**4.50**	**3.29**
Comparability- different industries	**3.68**	**3.63**	**3.62**	**3.75**	**3.14**
Comparability- same company over time	**4.24**	**3.50**	**3.62**	**4.50**	**3.14**

Comparability of revenue information in general has a lower score than consistency (see Table 5 in conjunction with Figure 2) for almost all respondents owing to the fact that revenue activities are inherently entity, and more so industry, specific (Maroun, 2017). Increased comparability of revenue has been achieved through the achievement of more consistent revenue accounting which is the view of most respondents, with only a few exceptions from users and respondents with 5-10 years' experience. Those respondents with 5-10 years of experience had mixed views and showed slight hesitation towards IFRS 15 enhancing both consistency and comparability. These respondents' concerns may be linked to the incorrect application of the standard caused by the complexity of IFRS 15 (see Section 4.8) and the level of management judgment areas (Haggenmüller, 2019; Khamis, 2016). Some doubt also was cast by these respondents on the one-size-fits-all framework introduced by IFRS 15 and how this is supposed to apply across sectors with different business environments which is aligned with Wagenhofer (2014) and Lim et al. (2015).

Although respondents generally felt that IFRS 15 has improved consistency and comparability overall, it is imperative to be cognisant of the concerns which may impede the consistency and comparability of revenue (Coetsee et al., 2022; Khamis, 2016; Napier & Stadler, 2020). Most of the concern has come from the more experienced respondents in senior and executive management positions. The higher likelihood of incorrect application of the IFRS 15 standard

and the level of key judgement allowed and disclosed seem to be reasons for some of the reluctance shown towards IFRS 15's ability to improve significantly consistency and comparability (Haggenmüller, 2019; Khamis, 2016). Consistency in revenue accounting and, as a result the comparability of revenue information will only improve under IFRS 15 as stakeholders of financial statements become more experienced in and familiar with the standard (Chand et al., 2010; Khamis, 2016; Peters, 2016).

Table 6: Response mean by occupation of respondents regarding enhancing qualitative characteristics and useful information

Theme	Auditors	Academics	Preparers of financial statements	Regulators/ standard setters	Users of financial statements
Timely information	**3.92**	**3.73**	**3.54**	**4.25**	**3.43**
Understandability	**4.36**	**3.87**	**3.89**	**4.00**	**2.57**
Verifiability	**3.84**	**3.60**	**3.65**	**3.75**	**3.29**
Useful information to investors	**4.12**	**3.80**	**4.11**	**4.00**	**2.71**
Useful information to creditors and lenders	**4.08**	**3.97**	**3.97**	**4.00**	**3.00**

Understandability and verifiability:

Respondents feel that IFRS 15 provides information which is more understandable regarding the revenue activities of a firm (Q8.12) as the mean score for all participants was 3.91 (see Appendix A). An untabulated Kruskal-Wallis test unveiled a statistically significant difference between respondents' occupation and the perceived level of increasing the understandability of financial information produced by either IFRS 15 or IAS 18 (H(4): 15.12, p=0.004). The difference in understandability perceptions as demonstrated in Table 6 could be attributed to the different levels of experience each respondent group has had with IFRS 15 during its 5 years of implementation (Boujelben & Kobbi-Fakhfakh, 2020; Chand et al., 2010; Khamis, 2016; Peters, 2016). The experience and familiarity with IFRS 15 in a practical, and even theoretical environment, has resulted in most respondents becoming aware of how applying IFRS 15 can increase a person's understanding of a company's ability to create value from a revenue perspective (Chand et al., 2010; Maroun, 2017).

Auditors had the highest level of understanding of information provided by IFRS 15 followed by preparers (mean scores of 4.36 and 3.89 respectively in Appendix A). Auditors' understanding is because of the different practical revenue activities facing auditors whereas academics (mean score of 3.87) have only theoretical knowledge about different companies' revenue activities. IFRS 15 has improved auditors' understanding of the revenue activities

which can be an advantage as a real effect consequence of IFRS 15 (Napier & Stadler, 2020). Preparers have both the theoretical and practical application of IFRS 15, making their understanding of revenue generating activities holistic from a practical and theoretical perspective. Users do not have the luxury of working with IFRS 15 frequently and so may not have benefitted from the increased understanding of an entity's business model by using IFRS 15 (Chand et al., 2010; Maroun, 2017). This is evidenced by the mean score of 2.57 for understandability making users fairly neutral between the IFRS 15 and IAS 18 (see Table 6). The perceived complexity of IFRS 15 may have also contributed to the reduced understandability of financial statements for users of financial statements (IASB, 2019). Regulators seem to better understand revenue generating activities since the introduction of IFRS 15 which may be beneficial for general tax collection purposes.

There is also the impression that more verifiable information (Q8.13) is provided by IFRS 15 than in previous revenue standards with a mean score of 3.66 by respondents (Aladwey & Diab, 2023; Maroun, 2017). As reflected in Section 4.6, users and stakeholders of financial statements in general are now able to verify the revenue activities and revenue amounts of an entity through better presentation and disclosure requirements (Boujelben & Kobbi-Fakhfakh, 2020; Coetsee et al., 2022). The preceding findings of increased understandability and verifiability generated by IFRS 15 confirm, from a practical perspective, the assertion made by Maroun (2017) that IFRS 15 enables users to understand and verify better how an entity creates value through the depiction of an entity's business model. The accounting treatment of revenue under IFRS 15 purports the actual economic activities of a company as noted by Maroun (2017) which was explored in Section 4.3.

The improved understandability of revenue information may also be a consequence of the enhanced presentation and disclosure requirements of IFRS 15 as discussed in this study (Section 4.6, Boujelben & Kobbi-Fakhfakh, 2020; Coetsee et al., 2022). The perceived improvement in the understandability of revenue information brought about by IFRS 15 is consistent with the findings of Napier and Stadler (2020). The 5-step model results in a better true economic reflection of the revenue activities as there needs to be a thorough analysis of the different streams of income by the company for presentation and disclosure purposes (Boujelben & Kobbi-Fakhfakh, 2020; Coetsee et al., 2022; Dimi et al., 2014; Maroun, 2017). Better understanding by all users, coupled with more verifiable information, strengthens the usefulness of information provided by the new revenue standard (IASB, 2019; Maroun, 2017; Napier & Stadler, 2020).

Timeliness:

The timeliness of revenue recognition is considered to be improved by IFRS 15 as respondents preferred IFRS 15 to IAS 18 in providing more timely (up-to-date) information (Q8.3). The mean response for timely information is 3.71 (see Appendix A). This can be a result of the 5-step model and the provision of explicit IFRS 15 guidance dealing with if and when revenue can be recognised and the effect this has had on industries with long-term and complex revenue contracts (Lim et al., 2015; Wagenhofer, 2014). The transfer of control principle may leave less room for recognition debate than the transfer of risks of ownership principle which is contained in previous revenue standards thereby providing more timely revenue recognition (IASB, 2008). There is a perception of better guidance on when and if revenue can be recognised (IASB, 2008, 2014a; Lim et al., 2015; Napier & Stadler, 2020; Wagenhofer, 2014).

The positive consideration of the change in revenue recognition principle is reflected by the following response from respondent P30: "IFRS 15 has the correct focus for revenue recognition, which is on what the entity is transferring to the customer. IAS 18 and IAS 11 focused on the activities of the entity, which do not necessarily reflect the transfer of goods or services to customers." The preference for IFRS 15 over IAS 18 by respondents for providing a more timely and relevant information model as intended by the IASB (2008) provides insights into the preference for the control-based revenue recognition principle. The transfer of control model coupled with disaggregated revenue disclosure provides information about how and when revenue is generated by an entity (Boujelben & Kobbi-Fakhfakh, 2020; Coetsee et al., 2022; IASB, 2008; Maroun, 2017). The data obtained are contradictory to the conclusion presented by Wagenhofer (2014) as the single 'transfer of ownership' trigger seems to be accepted by majority of the respondents.

Overall usefulness of revenue information:

The above analysis reflects that IFRS 15 is viewed as providing more useful information than previous revenue standards did for both the fundamental and enhancing qualitative characteristics for a large majority of the respondents (Refer to Appendix A). An untabulated Kruskal-Wallis H test showed that there is a statistically significant difference between respondents' occupation and the perceived level of useful information produced by either IFRS 15 or IAS 18 for investors ($H(4)$: 10.21, $p=0.037$). As stated earlier, users not being able to gather an adequate amount of experience with IFRS 15 may not have improved the useful information for investor-level users of financial statements. Preparers have the objective of providing useful information to users of financial statements in annual financial statements. The increased required level of disclosure and additional guidance provided in IFRS 15 may be perceived by preparers as an indirect translation into increased useful information for users

from a practical perspective. Auditors ought to have the professional judgement to determine if revenue information will be useful to users and they often ensure that the required useful information is disclosed in financial statements for the benefit of users. The different perspectives lead to similar results for both occupations (mean scores of 4.12 and 4.11 respectively in Table 6) as both need to be in agreement when audited revenue is presented and disclosed.

There is a general agreed perception that IFRS 15 is better equipped to provide useful information to investors and creditors and lenders (Q8.14 and Q8.15) from respondents with means scores of 3.92 and 3.93 respectively. Despite different experience levels with IFRS 15, respondents generally have the same viewpoints- IFRS 15 results in better useful information for primary users of financial statements (Altaji & Alokdeh, 2019; IASB, 2014a, 2019). This finding is aligned with the predictions and empirical results of prior literature (Altaji & Alokdeh, 2019; Boujelben & Kobbi-Fakhfakh, 2020; Coetsee et al., 2022; IASB, 2014b; Khamis, 2016; Napier & Stadler, 2020; Ogunode & Salawu, 2021; Tong, 2014; Usurelu & Dutescu, 2018).

4.5. Stewardship vs neoliberal agenda of revenue accounting

Table 7: Descriptive statistics regarding the stewardship versus neoliberal perspective

Themes	N	Mode	**Mean**	Median	Std. Deviation
Q8_10-Q8_11: Which standard/standards is better at:					
Q8_10[12] - Portraying management's stewardship (administration/action/inactions) of company resources to generate revenue?	103	3	**3.54**	4	.838
Q8_11 - Providing the necessary information that can be used to estimate future revenue cashflows?	103	4	**3.79**	4	.997

IFRS 15 is perceived to convey a more neoliberal ideology (Q8.10) than that of a stewardship ideology (Q8.11) with mean score of 3.79 versus 3.54 respectively. Refer to Table 7. The lack of stewardship recognition in IFRS 15 is surprising given that more prudence, in terms of the transfer of control principle is exercised when recognising revenue under IFRS 15 (Kabir & Su, 2022; Wagenhofer, 2014). Conservatism accounting allows management better stewardship of revenue in that only earned and entitled revenue can be recognised (Dutta & Zhang, 2002; Georgiou & Jack, 2011; Zhang & Andrew, 2014). The mode score of 3 reflects respondents' hesitation about the stewardship ideology in IFRS 15. Respondents were neutral

[12] Individual and related themes (where applicable) are colour coded for ease of reference and interpretation

about IFRS 15 and IAS 18 and IAS 11 regarding the portrayal of management's stewardship of company resources to generate revenue.

Table 8: Response mean by occupation of respondents regarding the stewardship versus neoliberal perspective

Themes	Auditors	Academics	Preparers of financial statements	Regulators/ standard setters	Users of financial statements
Stewardship of management	**3.72**	**3.63**	**3.51**	**3.00**	**3.00**
Neoliberal - estimation of future cash flows	**4.20**	**3.70**	**3.62**	**4.00**	**3.43**

What is surprising is that regulators, who generally picked IFRS 15 over IAS 18 and IAS 11 for almost all other themes in this study, were neutral between the standards for stewardship shown by management despite the increased disclosure level (see Table 8). Preparers of financial statements also showed some hesitation about the stewardship ideology in IFRS 15, despite more revenue accounting responsibility being required from this group of respondents. The comprehensive revenue presentation and disclosure requirements of IFRS 15 also allow users to gauge how management has performed with the revenue-generating activities of a company and provides a focus on management stewardship capabilities (Aladwey & Diab, 2023; Beyer et al., 2010; Cascino et al., 2014; Dutta & Zhang, 2002; Murphy et al., 2013; Whittington, 2008). The preceding point may be the reason for auditors and academics perceiving IFRS 15 to be slightly better for a stewardship ideology when compared to IAS 18.

IFRS 15 is seen as the standard which advances the neoliberal agenda. This is despite the removal of fair value and the ‘transfer of risks and rewards principle’ and the introduction of transaction price and the ‘transfer of control principle’ respectively, to recognise and account for revenue (Kabir & Su, 2022; Wagenhofer, 2014). The standard is recognised to provide more of the necessary information which can better estimate future revenue cash flows when compared to the previous revenue standards. The better estimation of future cash flows may be the result of all the improvements in IFRS 15, such as increased disclosure requirements and improved revenue recognition guidance company (Altaji & Alokdeh, 2019; Cascino et al., 2014; IASB, 2019; Maroun, 2017; Murphy et al., 2013; Napier & Stadler, 2020; Ravenscroft & Williams, 2009). The recognition of revenue using entity specific factors such as stand-alone selling price in conjunction with better quality of revenue information further permits the estimation of future entity-specific revenue with increased accuracy (Murphy et al., 2013; Whittington, 2008; Zhang & Andrew, 2014). Like more recent accounting standards developed

from or with the Conceptual Framework in mind (IASB, 2019), IFRS 15 seems to empower the neoliberal ideology more than it does the stewardship ideology. The empowerment of the neoliberal ideology is seen as increasing the usefulness of information provided in contemporary capital markets (Murphy et al., 2013; Whittington, 2008; Zhang & Andrew, 2014).

4.6. Improvements proposed by the IASB

Table 9: Descriptive statistics regarding the improvements proposed by standard setters

Theme	N	Mode	Mean	Median	Std. Deviation
Q9_1 -Q9_6: Which standard/standards:					
Q9_1 -Provides more helpful presentation and disclosures regarding the revenue activities of a company?	103	5	**4.11**	4	1.009
Q9_2 - Provides better guidance for the recognition and measurement of simple revenue transactions?	103	2	**3.14**	3	1.329
Q9_3 - Provides better guidance for the recognition and measurement of complex revenue transactions?	103	4	**4.05**	4	.943
Q9_4 - Makes it more difficult for management to manipulate their accounting treatment of revenue?	103	4	**3.53**	4	1.083

Table 10: Response mean by occupation of respondents regarding the improvements proposed by standard setters

Theme	Auditors	Academics	Preparers of financial statements	Regulators/ standard setters	Users of financial statements
Presentation and disclosure requirements	**4.64**	**4.10**	**3.92**	**4.25**	**3.14**
Simple revenue transaction guidance	**3.20**	**3.23**	**3.24**	**2.75**	**2.14**
Complex revenue transaction guidance	**4.48**	**4.10**	**3.89**	**4.25**	**3.00**
Management manipulation of revenue	**3.40**	**3.50**	**3.68**	**3.25**	**3.57**

The impact on complex and simple revenue transactions:

IFRS 15 has provided better guidance for complex revenue transactions (Q9.3) compared with previous standards highlighted by the mean score of 4.05 (see Table 9). This agrees with the conclusions of prior literature (Carruthers, 1995; Coetsee et al., 2022; Dalkilic, 2014; IASB, 2008, 2014a; Napier & Stadler, 2020; Veronica & Marian, 2016; Wagenhofer, 2014). Respondents believe that IFRS 15 has resolved the complex revenue transaction deficiency in earlier revenue standards. The improved guidance on complex revenue transactions has improved the consistency of revenue information as initially intended by the IASB (Section 4.4, IASB, 2008, 2014a; IASB, 2014b). The results of an untabulated Kruskal-Wallis H test showed that there is a statistically significant difference in the perceived level of guidance for the recognition and measurement of complex revenue transactions when grouped by occupational category (H(4):10,84, p=0.028).

Auditors have the most appreciation for IFRS 15 in helping to solve complex revenue transactions (see Table 10) almost completely opting for IFRS 15 (Cascino et al., 2014; IAASB, 2009b; Li, 2010; Quadackers et al., 2009; Watts & Zimmerman, 1978). More guidance in IFRS standards translates to auditors having a more rigid structure to audit entities' revenue transactions (Ball, 2016).

A few qualitative views about the improved guidance when dealing with complex revenue transactions using IFRS 15 were provided by respondents. Respondent ACA16 explained: "IFRS 15 is better for sophisticated companies with complex business models and is a more comprehensive framework. For simple companies, it has a minimal impact...". Respondent ACA 24 noted that "IFRS 15 has provided guidance that allows for better application to complex transactions". The points highlight the concurrence with the prior literature and the results below in that IFRS 15 has resulted in better guidance for complex revenue transactions but have a minimal effect on simple revenue transactions (IASB, 2008; Kabir & Su, 2022; Khamis, 2016; Napier & Stadler, 2020; Peters, 2016; Tong, 2014).

Both IFRS 15 and IAS 18 are generally perceived to provide the same level of guidance for simple revenue transactions by respondents who were neutral about both standards. This is reflected in the mean score of 3.14 (Q9.2) in Table 9. The minimal impact on simple revenue transactions relates to companies or industries which have simple goods or service contracts with customers (IASB, 2008; Kabir & Su, 2022; Khamis, 2016; Napier & Stadler, 2020; Peters, 2016; Tong, 2014). Respondents often preferred IAS 18 over IFRS 15 in providing guidance for simple revenue transactions with a mode score of 2. This may be because of the simplicity of the old revenue standards. The standard deviation score of 1.329 further confirms respondents' variation of responses as respondents' choices were often between scores of 2

and 3. The provision of additional guidance on complex revenue transactions with minimal impact on simple revenue transactions is a positive outcome for standard setters. The intention of the IASB was for IFRS 15 to affect complex revenue transaction accounting positively (Boujelben & Kobbi-Fakhfakh, 2020; Coetsee et al., 2022; IASB, 2014b; Napier & Stadler, 2020). The preceding findings confirm, in a South African context, the predictions made by Tong (2014) and Usurelu and Dutescu (2018) with the empirical findings of Napier and Stadler (2020), Khamis (2016), Kabir and Su (2022) and Peters (2016).

The opportunity for management manipulation:

The ability of IFRS 15 to reduce error or the opportunity for manipulation (Q9.4) is complex as indicated by the mean score of 3.53 in Table 9. The high standard deviation of 1.083 reflects the degree of uncertainty in this area. On the one hand, the increase in detailed guidance and disclosure of significant judgement reduces the opportunity for error and management manipulation. On the other hand, there are many areas in IFRS 15 which require significant management judgement when applying the requirements of the standard. The mode and median of 4, together with the mean of 3.53, indicate a negative skewness of the preceding data and further highlight the uncertainty in this area. Some respondents agreed that IFRS 15 reduces management manipulation (Aladwey & Diab, 2023; Khamis, 2016; Napier & Stadler, 2020; Tutino et al., 2019), while many others conveyed concerns on the actual opportunity reduction for management manipulation data (Haggenmüller, 2019; Tutino et al., 2019; Wagenhofer, 2014).

Concerns displayed may be because of IFRS 15 requiring more judgement which respondents are interpreting as creating more opportunities for manipulation and error (Haggenmüller, 2019; Khamis, 2016; Wagenhofer, 2014). The preceding findings conflict with the views expressed by Tutino et al. (2019) that IFRS 15 reduces revenue manipulation and error. This finding may also be because South Africa is a developing country where fraud and corruption remain an ongoing and rife issue. The required disclosure of significant judgements made by management do provide some form of mitigation to the extensive judgement required by IFRS 15 (Boujelben & Kobbi-Fakhfakh, 2020; Coetsee et al., 2022). Management should be aware of the disclosure which needs to accompany judgements made thereby reducing the incentive to manipulate revenue (Aladwey & Diab, 2023; Boujelben & Kobbi-Fakhfakh, 2020; Tutino et al., 2019). Non-disclosure of significant judgements remains a problem to the detriment of useful information as expressed by Coetsee et al. (2022). Respondents specifically commented in the survey about the amount of judgement IFRS 15 requires and the associated risk of manipulation and error because of this:

“I don't think the implications of IFRS 15 was completely thought out because this framework is still leaving loopholes in judgement and leaving professionals confused on how to apply it.” (P2)

“I think the recognition of revenue could expose companies to some form of manipulation and misstatement” (P12)

“IFRS15 provides more areas of judgement, and estimation. “(ACA19)

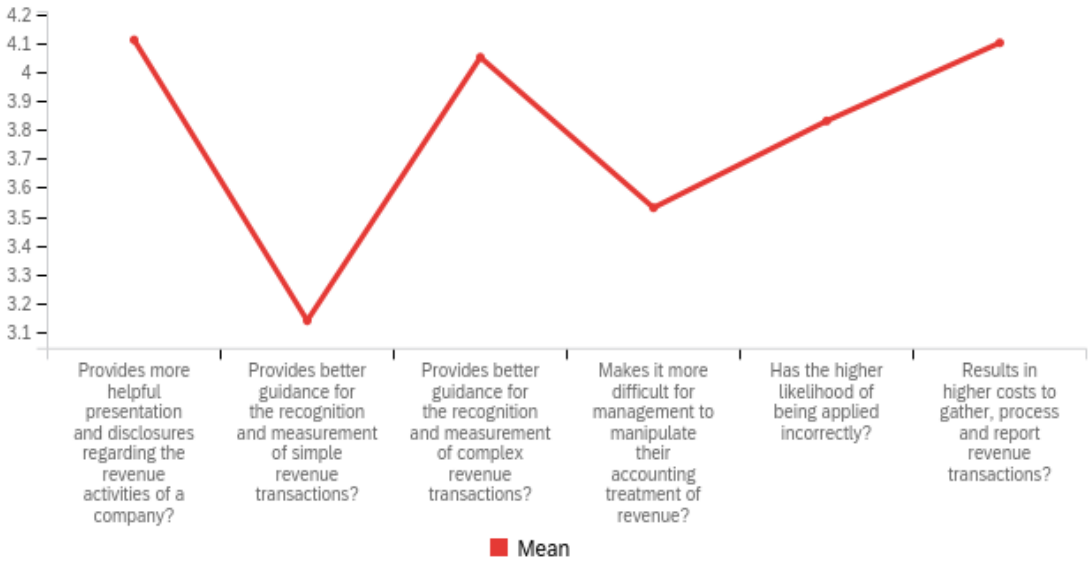
“In my view, IFRS 15 is a good revenue standard however it also leaves a lot of room for interpretation which makes comparability of two companies in the same industry a bit difficult.” (P33)

”In practice this is applied based on judgement and needs more binding rules and regulations, something that the old Revenue standard achieved.” (P34)

“The standard is complex to apply and require judgment” (AUD25)

Ultimately, it would be naïve to compare the factors which affect the opportunity for management manipulation in a linear fashion. On the one hand, there are 2 factors which reduce the opportunity for manipulation, namely increased guidance and disclosure requirements and, on the other hand, there is a single factor judged by respondents to increase the opportunity for manipulation, namely increased management judgement. Each factor is complex and not directly comparable. The opportunity for management manipulation using IFRS 15 is a theme which is difficult to conclude on using respondents’ perceptions. As the standard has only been effective for 5 years, more time is needed before this matter can be conclusively dealt with.

Figure 3: Mean scores of the comparison of perceptions on the improvements and any negative consequences of IFRS 15 compared to IAS 18 and IAS 11[13]



Perceptions on the presentation and disclosure impact:

Respondents highly favoured IFRS 15 over IAS 18 and its related interpretations in providing more helpful presentation and disclosure requirements regarding the revenue activities of a company (Aladwey & Diab, 2023; Boujelben & Kobbi-Fakhfakh, 2020; Coetsee & Wyk, 2020; IASB, 2014b; Napier & Stadler, 2020; Ogunode & Salawu, 2021; Tong, 2014). The presentation and disclosure requirements of IFRS 15 were seen as the most significant improvements in revenue accounting with mean and mode scores of 4.11 and 5, respectively (see Table 9 and Figure 3). The preceding finding conforms to the findings of Coetsee et al. (2022). The results of an untabulated Kruskal-Wallis H test showed that there is a statistically significant difference between respondents' occupation and the perceived provision of more helpful presentation and disclosures regarding the revenue activities of a company ($H(4) :12.07$, $p=0.017$). Each respondent group, except users, in general seem to embrace IFRS 15 over IAS 18 for the required level of disclosure. This finding may also be linked to the observation that users may not be interested in the increased level of detailed disclosure brought by IFRS which can hinder advancements in the decision-making process of users if users are not properly educated about improvements to standards (see Section 4.2).

Overall, South African CA(SA)'s agree with the literature that IFRS 15 is an improvement on previous revenue standards by providing increased requirements on the disclosure and

[13] Refer to Table 9 for the numerical values of each theme mean score

presentation of revenue (see Table 9 and Figure 3). The objective of standard setters in the provision of more enhanced disclosure requirements to help users better understand revenue accounting is perceived to be met (Section 4.4 Altaji & Alokdeh, 2019; Boujelben & Kobbi-Fakhfakh, 2020; Coetsee et al., 2022; Maroun, 2017; Napier & Stadler, 2020). Respondent AUD11 provided the following qualitative evidence: "If correctly applied, and if disclosure is insightful and not boilerplate, IFRS 15 provides more insight into the revenue generating activities of the entity." The removal of boilerplate disclosure requirements in revenue accounting contributes to the improvement in furnishing decision-useful information (Aladwey & Diab; Boujelben & Kobbi-Fakhfakh, 2020; Coetsee et al., 2022; Coetsee & Wyk, 2020; Napier & Stadler, 2020).

Some negative consequences have been highlighted by respondents with regards to the presentation and disclosure requirements of IFRS 15. The highlighted deficiencies are aligned with the negative findings of Coetsee et al. (2022) in that there should be more guidance on how to apply certain disclosure requirements which could lead to the reduction in the risk of non-disclosure of certain key judgements made regarding revenue.

4.7. Apparent drawbacks of IFRS 15

Table 11: Descriptive statistics regarding the apparent drawbacks of IFRS 15

Themes	N	Mode	**Mean**	Median	Std. Deviation
Which standard/standards:					
Q9_5 - Has the higher likelihood of being applied incorrectly?	103	4	**3.83**	4	1.089
Q9_6 - Result in higher costs to gather, process and report revenue transactions?	103	5	**4.10**	4	.834

Table 12: Response mean by occupation of respondents regarding the apparent drawbacks of IFRS 15

Theme	**Auditors**	**Academics**	**Preparers of financial statements**	**Regulators/ standard setters**	**Users of financial statements**
Incorrect application	**3.96**	**3.93**	**3.59**	**4.00**	**4.00**
Higher costs	**4.08**	**4.20**	**4.11**	**4.00**	**3.71**

The higher likelihood of being applied incorrectly:

Respondents felt that IFRS 15 has the higher likelihood of being applied incorrectly than IAS 18 and IAS 11 did (Refer to Table 11). Each respondent group scored above 3.9 except preparers of financial statements with a mean response of 3.59 (see Table 12). This finding is interesting given that preparers of financial statements use IFRS 15 to prepare annual financial statements. Preparers view that IFRS 15 still has the higher likelihood of being applied incorrectly compared to previous revenue standards, albeit slightly, means that IFRS 15 may reduce the consistency levels in revenue recognition. Revenue being recognised incorrectly is of concern as this hampers the production of useful information in financial statements as incorrect decisions could be made by users (IASB, 2019). Preparers scoring lower than the other respondent groups is encouraging for the accuracy of revenue recognition in financial statements (Cascino et al., 2014; IASB, 2019; Khamis, 2016).

The finding that respondents believe IFRS 15 is more likely to be incorrectly applied than IAS 18 and IAS 11 is in line with prior literature (Haggenmüller, 2019; Khamis, 2016; Napier & Stadler, 2020). Incorrect application is a risk of the complex IFRS revenue standard (Chand et al., 2010; Haggenmüller, 2019; Khamis, 2016). The consistency level which the IASB aims to achieve meant that the single revenue framework in IFRS 15 is meant to be applicable to different companies and industries. The complexity level of IFRS 15 is expected and warranted seeing that the complexity of global revenue transactions has increased. Accounting needs to adapt to account for the increased complexity of business and global transactions which has resulted in the need for complex accounting (Ball, 2016; Carruthers, 1995; IASB, 2014b; Peters, 2016). It is interesting that respondent ACA6 noted that “To achieve all the objectives, IFRS 15 needs to be complicated…” From a theoretical perspective, the complexity of IFRS 15 is rooted in the aim to achieve all of the objectives of standard setters. The complexity of IFRS 15 may result in the higher risk of smaller businesses or simple revenue transactions being incorrectly accounted for. IFRS 15 may not have had a significant effect on simple revenue transactions but has increased the likelihood of incorrect application to all revenue transactions, even simple ones (Khamis, 2016; Napier & Stadler, 2020).

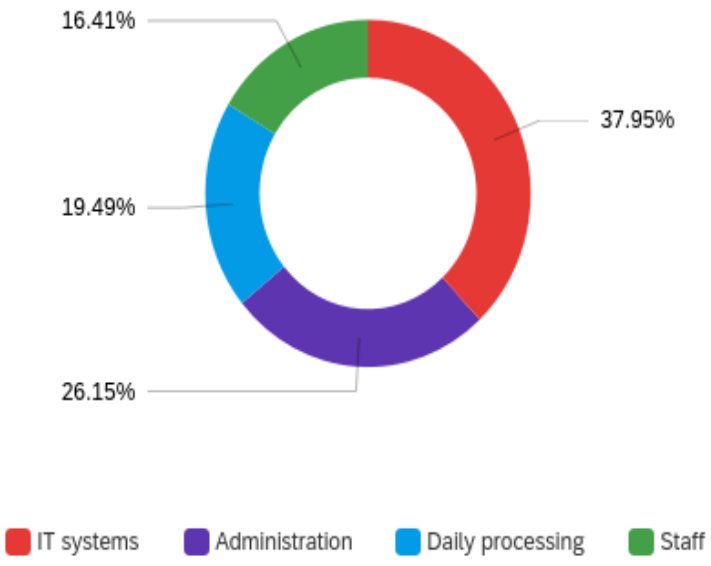
The complexity of IFRS 15 may lead to confusion and incorrect application to the extent that it negatively affects the consistency and comparability of revenue information from the opinion of respondents (Chand et al., 2010; Haggenmüller, 2019; Lim et al., 2015; Wagenhofer, 2014). The complexity of IFRS 15 and the consequential risk of incorrect application increases the responsibility of auditors to apply professional scepticism over revenue line items. Without the proper education and familiarity with the standard, the risk of the incorrect application of IFRS 15 remains higher than anticipated (Chand et al., 2010; Khamis, 2016). IFRS 15 has only been

in implementation for 5 years. The risk of applying IFRS 15 may decrease as users of the standard become more familiar with, exposed, and accustomed to the relatively new revenue standard (Ball, 2016; Khamis, 2016; Peters, 2016). The increased familiarity with the standard over time can lead to enhanced consistency of future revenue accounting (Boujelben & Kobbi-Fakhfakh, 2020; Chand et al., 2010).

Higher costs:

IFRS 15 has been perceived to result in higher costs to gather, process and report revenue transactions compared to IAS 18 and its related interpretations with a mean response score as high as 4.10. The mean and mode scores indicate that the data are slightly negatively skewed as majority of respondents felt that the application of IFRS 15 fully results in higher costs compared with previous revenue standards (refer to Table 11 and 13). It is no surprise that user perceptions have raised concerns about the cost of adhering to IFRS 15 requirements which are viewed as complex and strenuous (Coetsee et al., 2022; Napier & Stadler, 2020). The cost of applying IFRS 15 was always to be more than that of previous revenue standards given the need for business systems to adapt to appropriately adhere to the numerous and stringent requirements of IFRS 15 (refer to Table 12 and Figure 3). Although there are many benefits associated with the application of IFRS 15, its cost proves to be a considerable drawback in its implementation which may need to be taken into account by the IASB (IASB, 2021a, 2022).

Figure 4: Bar graph of the different cost category results



IT (74 selections), Admin (51 selections), Daily processing (38 selections), staff (32 selections)

The adaptation of companies to align their internal systems to reflect the 5-step process to be able to recognise revenue accurately in accordance with IFRS 15 translated into substantial implementation costs for companies as shown in Figure 4. Of the different costs affected, the IT systems of companies were thought to be most impacted by the implementation of IFRS 15 with a selection rate of 37.95% by respondents. Increased costs from system implementation and ongoing system maintenance to record revenue transactions is a "real effect" of the implementation of IFRS 15 as outlined by the results of Napier and Stadler (2020). IT costs increasing the most because of significant amount of system changes and ongoing system monitoring is aligned with the findings of Peters (2016). Staff costs were the least selected cost category with a rate of 16.41%. Accounting systems are mostly automated to account for the quantity and complexity of revenue transactions. Human resources are still needed to monitor the collection of revenue data for accounting purposes. The continuous collection of accurate revenue data is also the reason that the administration and daily processing costs have increased. Improved disclosure necessitates the ongoing collection of revenue data needed for the ongoing adherence to the requirements of IFRS 15 which has resulted in increased costs for companies (Boujelben & Kobbi-Fakhfakh, 2020; Napier & Stadler, 2020).

All cost categories increasing by a percentage greater than 15% can indicate that the cost of applying IFRS 15 requirements is burdensome on entities. This will be a concern to the IASB (IASB, 2021a, 2022). In addition, many respondents expressed concern in the open-ended section of the survey about the level of cost and the time strain in continuously implementing IFRS 15. The exact magnitude of costs to adhere to and apply IFRS 15 requirements is unknown and is not dealt with in this study. A thorough cost-benefit analysis of the implementation of IFRS 15 is needed (as echoed by respondent ACA 25) but is deferred for future research.

4.8. The 5-step framework

Table 13: Descriptive statistics regarding the applicability of the 5-step framework across all different industries

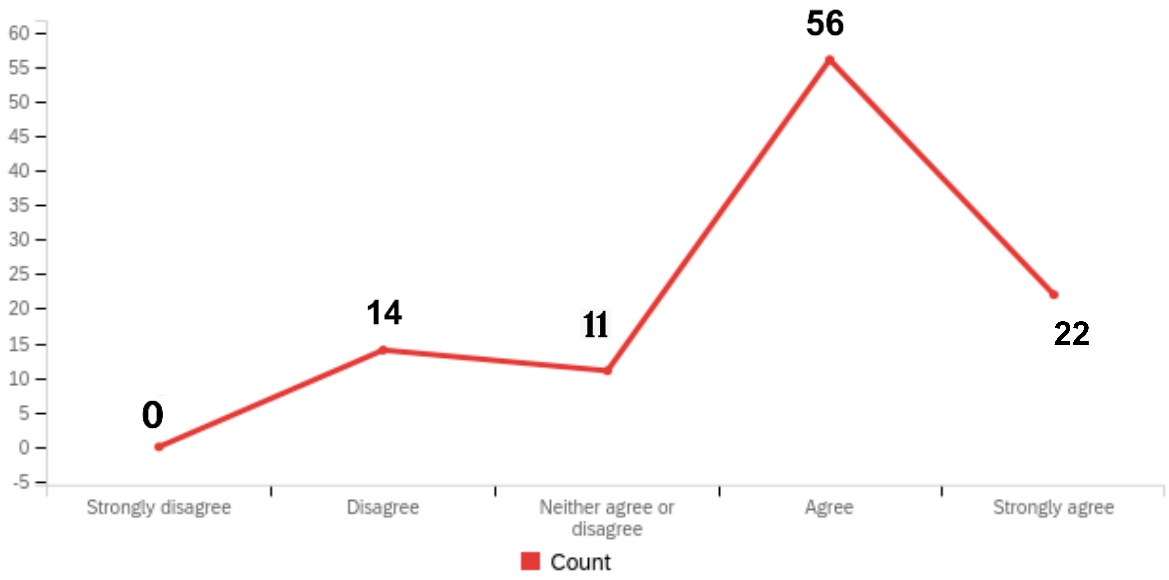
	N	Mode	**Mean**	Median	Std. Deviation
Q11_1: IFRS 15's 5-step approach provides a single and comprehensive revenue framework that all industries are able to apply.	103	4[14]	**3.83**	4	.919

The majority of respondents approved of IFRS 15's 5-step framework as being applicable to all industries (Table 13). The results of an untabulated Kruskal Wallis test find that there is a statistical significance difference between the industry of respondents and the relevance, faithful representation and comparability of revenue information produced (H(4): p=0.068, p=0.078 and p=0,008 respectively). The quality of financial information has been improved in terms of the relevance and faithful representation of revenue reporting across different industries by the application of a comprehensive revenue framework (Altaji & Alokdeh, 2019). Comparability of revenue information among different industries is another characteristic of useful information significantly improved by the 5-step framework (Boujelben & Kobbi-Fakhfakh, 2020; Ogunode & Salawu, 2021; Tong, 2014; Usurelu & Dutescu, 2018).

Perceptions of IFRS 15's application across different industries have changed from the initial views reported by Khamis (2016) with more respondents agreeing that the 5-step framework can be applied across different industries to assist with the improvement in revenue consistency and comparability. Not a single respondent strongly disagreed that the model can be applied between different industries (refer to Figure 5). However, there were 14 respondents (13.59% of the total sample group) who disagreed.

[14] Scores have been presented in Likert scale format where 1 represents strongly disagree, 3 represents neutral and 5 represents strongly agree.

Figure 5: Line Chart reflecting respondents' perceptions on the 5-step model being applied across different industries



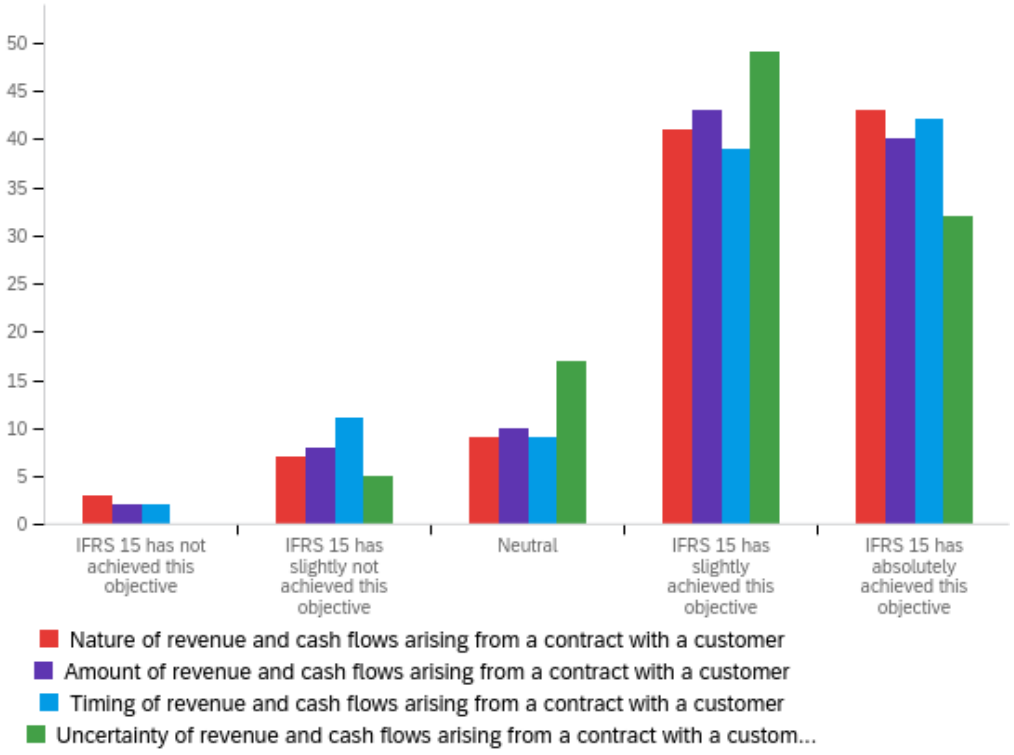
Different respondent groups have different exposure and experience levels with the 5-step model being applied across different industries. Senior auditors with 5-10 years of professional experience were the respondent group which disagreed most (5 disagrees). Auditors deal with companies in many different industries and the disapproval of the 5-step model may reflect hesitancy in applying a single model to all industries: this agrees with the disposition made by Wagenhofer (2014) towards a single revenue framework not being applicable to all companies in all industries (Lim et al., 2015). Academics and preparers were the respondent groups with the joint second most with 4 disagrees each. Despite the neutrals and disagrees, a whopping 75,7% of respondents either agreed or strongly agreed that the 5-step framework is applicable across all industries. The 5-step framework which is described as "revolutionary" by Napier and Stadler (2020, p. 487), and is also considered an innovative framework by other prior literature, appears to be achieving the task of improving the usefulness of information between different industries (Boujelben & Kobbi-Fakhfakh, 2020; Ogunode & Salawu, 2021; Tong, 2014; Usurelu & Dutescu, 2018).

4.9. The objectives of IFRS 15

Table 14: Descriptive statistics regarding IFRS 15's ability to meet its own objectives

	N	Mode	**Mean**	Median	Std. Deviation
Q12_1-Q12_4: Rate your perception of the requirements of IFRS 15 in fulfilling its own objective: The principles of IFRS 15 result in useful information being reported to users about the:					
Q12_1 - Nature of revenue and cash flows arising from a contract with a customer	103	5[15]	**4.11**	4	1.019
Q12_2 - Amount of revenue and cash flows arising from a contract with a customer	103	4	**4.08**	4	.987
Q12_3 - Timing of revenue and cash flows arising from a contract with a customer	103	5	**4.05**	4	1.051
Q12_4 - Uncertainty of revenue and cash flows arising from a contract with a customer	103	4	**4.05**	4	.821

Figure 6: Graph reflecting the perceptions of the objectives of IFRS 15 being met:



[15] Scores have been presented in Likert scale format where 1 represents objective completely not achieved, 3 represents neutral and 5 represents objective completely achieved.

As shown in Figure 6 and Table 14, the majority of respondents are of the opinion that the requirements of IFRS 15 have achieved its own objectives as set out in paragraph 1 of IFRS 15 (IASB, 2014a, par 1). The objectives of useful information being reported to users of financial statements about the nature, amount, timing and uncertainty of revenue from cash flows arising from a contract with a customer had mean perception scores of 4.11, 4.08, 4.05 and 4.05 respectively (refer to Table 14). The objective of nature having highest rate of acceptance may be because of IFRS 15 improving revenue recognition principles and disclosure practices, leading to enhanced useful information about the nature of all the various revenue streams for a company. The preceding finding is aligned with prior literature (Altaji & Alokdeh, 2019; Boujelben & Kobbi-Fakhfakh, 2020; Coetsee et al., 2022; Maroun, 2017; Napier & Stadler, 2020). The timing of revenue recognition has also been improved with users being more comfortable with revenue timing being aligned to when revenue is earned. The premise that the change from the transfer of risks and rewards principle to the transfer of control principle has improved useful information related to the timing of revenue recognition is further strengthened (IASB, 2008, 2014a; Lim et al., 2015; Napier & Stadler, 2020; Wagenhofer, 2014).

All of the respondent groups had the same or similar responses about IFRS 15 meeting its own objectives. Regulators/standard setters and academics were the most agreeable to the preceding result whereas users were the least agreeable respondent group. IFRS 15 meeting its own objectives reflects the synergy of all the improvements which the IASB has made to revenue accounting through the issue of IFRS 15. Respondents agreeing that IFRS 15 meets its own objectives results in the view that the objectives of the IASB have been met when issuing the standard which has culminated in the provision of improved useful information for revenue (IASB, 2014b, 2022).

SECTION 5: CONCLUSION

5.1. Summary of findings and concluding remarks

Accounting standard setters aimed to unite global revenue accounting with the introduction of the converged and jointly issued revenue standards IFRS 15 and ASC 606. IFRS 15 was meant to address the gaps in previous revenue standards by strengthening the usefulness of revenue information through converged revenue accounting. The few empirical research studies conducted in South Africa, and globally, found that IFRS 15 improved useful information reported in financial statements because of the various improvements made to the new revenue standard (Altaji & Alokdeh, 2019; Coetsee et al., 2022; Napier & Stadler, 2020).

Other studies conducted also found that IFRS 15 would result in too much complex accounting and confusion among users, that the revenue standard would not enhance useful information and that the 5-step model is unable to address completely prior revenue standard deficiencies (Haggenmüller, 2019; Khamis, 2016; Wagenhofer, 2014). The most noticeable improvements to useful information being reported in financial statements emerged from the increased presentation and disclosure requirements of IFRS 15, the increased guidance given to complex revenue transactions and the 5-step framework in IFRS 15 which have led to consistent and comparable revenue accounting (Altaji & Alokdeh, 2019; Boujelben & Kobbi-Fakhfakh, 2020; Coetsee et al., 2022; IASB, 2014b; Napier & Stadler, 2020).

This study evaluates the usefulness of IFRS 15 in comparison with IAS 18, IAS 11 and its related interpretations from the perception of Chartered Accountants in South Africa. Observations and views were solicited from CA(SA)'s from a survey which was researcher-generated using prior literature, accounting standards and knowledge gaps in the accounting research field. The rationale behind this approach is that a large and knowledgeable group's perceptions and insights would only be attainable using a widely dispersed survey (Bloomfield et al., 2016; Couper, 2017; Leedy & Ormrod, 2019).

All things considered, the empirical evidence in this research study has shown that CA(SA)'s regard IFRS 15 to be a better standard than IAS 18 and IAS 11 at providing more useful information for revenue in annual financial statements from a South African perspective (Altaji & Alokdeh, 2019; Ciesielski & Weirich, 2015; Coetsee et al., 2022; Napier & Stadler, 2020; Tong, 2014; Tutino et al., 2019; Usurelu & Dutescu, 2018; Veronica & Marian, 2016). The consistency and comparability of revenue information is recognised as being improved by the introduction of IFRS 15 contributing to the overall objective of the IASB in unifying global accounting. The preceding overall findings align with the empirical evidence of Altaji and Alokdeh (2019) and the conclusions and expectations of other empirical prior literature (Aladwey & Diab, 2023; Boujelben & Kobbi-Fakhfakh, 2020; Coetsee et al., 2022; Dalkilic, 2014; IASB, 2008; Napier & Stadler, 2020; Ogunode & Salawu, 2021; Peters, 2016; Tong, 2014; Usurelu & Dutescu, 2018; Veronica & Marian, 2016). Enhanced comparability of revenue may encourage foreign investment in a developing country such as South Africa as the revenue of South African entities can be better compared to those of global organisations.

Increased guidance on complex transactions, the improvement of disclosure requirements and the comprehensive 5-step framework have greatly contributed to the improvement in the usefulness of revenue information. The preceding aspects brought about by standard setters in IFRS 15 has allowed respondents to better understand the revenue-generating activities of a company and may contribute to other user benefits such as enriched user understanding of

business strategies and models of organisations (Aladwey & Diab, 2023; Dimi et al., 2014; Maroun, 2017; Napier & Stadler, 2020). The provision of more revenue information and the better understanding of a company and its revenue-activities may result in better prediction of revenue information which enhances decision-making for contemporary users of financial statements (Altaji & Alokdeh, 2019; Cascino et al., 2014; IASB, 2019; Maroun, 2017; Murphy et al., 2013; Napier & Stadler, 2020; Ravenscroft & Williams, 2009).

IFRS 15 is considered to meet its own objectives and to provide users of financial statements with useful information about the nature, amount, timing and uncertainty of cash flows arising from a contract with a customer. This stems from respondents' views about IFRS 15 being favoured for each of the fundamental and enhancing qualitative characteristics of useful information. The findings of this study provide supportive evidence, from a South African context, for the notion of Napier and Stadler (2020, p. 487) that the 5-step model is "revolutionary" as IFRS 15 has seemingly improved revenue accounting for the advantage of all users and stakeholders of both accounting standards and annual financial statements.

Auditors, academics and preparers were the respondent groups which highly favoured IFRS 15 more than IAS 18 and IAS 1. The practical application of IFRS 15 in the assurance field together with preparers appreciation of IFRS 15 in preference to IAS 18 and IAS 11 in providing useful information from a management perspective provides encouragement for the practical application of IFRS 15. Academics' appreciation of the theoretical vigour of IFRS 15 in enhancing the usefulness of revenue information in financial statements, coupled with the practical application of IFRS 15, provides sound evidence that the theoretical aspect of IFRS 15 is aligned with the practical application and has culminated in the improvement of revenue information.

The study does, however, highlight negative consequences and concerns which may impede the level of useful information produced (Haggenmüller, 2019; Khamis, 2016; Wagenhofer, 2014). The high costs of adherence to IFRS 15 and the risk of the incorrect application of IFRS 15 were the main concerns expressed by respondents. The findings of whether IFRS 15 reduces the opportunity for management manipulation from management judgement in IFRS 15 is inconclusive because of its complexity and the different factors affecting this theme. The costs involved to continuously apply IFRS 15 from implementation are deemed to be excessive which may result in the cost exceeding the benefits for some organisations. Costs to adhere to IFRS 15 may decrease in the future as entity processes and operations become more accustomed to the integration of IFRS 15 into its accounting systems (Napier & Stadler, 2020).

The negative consequences and concerns highlighted may be because of the relative inexperience of all CA(SA)'s in applying IFRS 15 because the standard has only been in implementation for 5 years. As time progresses and people become more familiar and experienced with IFRS 15, more of the benefits from the implementation of the standard will emerge. Future research is encouraged in a few years' time to gauge if perceptions have changed or remain consistent with this study.

5.2. Implications and contributions

Through the use of survey questionnaires answered by 103 CA(SA)'s from a variety of different occupations in the business and accounting fields, this paper provides an account of the perceptions of CA(SA)'s on the usefulness of IFRS 15 when compared to that of preceding revenue standards and if IFRS 15 has achieved the improvements proposed by the IASB for its implementation.

The practical contribution of this paper is to evaluate if IFRS 15 has resulted in improvements in revenue recognition in a variety of practical and theoretical contexts from technically competent accountants. The findings can assist other CA(SA)'s who are auditors, preparers of financial statements and academics to evaluate their own experiences and views about how IFRS 15 has impacted their own organisations. Other stakeholders of financial statements and accounting standards can become aware of the areas which IFRS 15 has improved and those areas which they ought to be aware of because of the negative consequences of IFRS 15. Users of financial statements will be able to appreciate how the financial information has been improved by the introduction of IFRS 15. In addition, the IASB can see how the stakeholders of IFRS 15 perceive the standard and can consider it in its own PIR process of IFRS 15.

The theoretical contribution of this paper is that it is possibly the first paper to perform an evaluation of the impact of IFRS 15 on useful information, compare a new IFRS standard to a preceding IFRS standard and evaluate if the improvements proposed by the IASB when issuing a new standard have been met, all in a South African context, using the perceptions of CA(CA)'s.

This paper will contribute to the limited empirical evidence on the impact of IFRS 15 within South Africa and will be able to open the door for further research and discussion of topics of a similar nature. The exploratory nature of this paper can be a stepping-stone to further descriptive research in specific areas of IFRS 15 and useful information.

5.3. Limitations and future research

The respondents of the study were CA(SA)'s in South Africa, representing a geographical limitation. Responses from CA(SA)'s will not be representative of the entire population of users of accounting standards and annual financial statements. There may have been response bias by respondents as the survey used was designed to be brief so that respondents could complete the survey at a point in time to ensure an increased number of responses. IFRS 15 is the most recently applicable revenue standard which may have resulted in recency bias over IAS 18 and IAS 11 by respondents. Only IFRS 15 is dealt with as the study does not address the US equivalent of IFRS 15 (ASC 606).

The perceptions and views of IFRS 15 from CA(SA)'s have been solicited after the standard has been in implementation for 5 years. As IFRS 15 is used more, the familiarity and experience with applying the requirements of the standard will continue to grow (Boujelben & Kobbi-Fakhfakh, 2020; Chand et al., 2010). The benefits of IFRS 15 may become more apparent and so it is encouraged that a similar study be conducted in future to determine if views towards the usefulness of IFRS 15 changes. This will enable standard setters and other stakeholders of financial standards to have a more comprehensive view to determine if the newer IFRS standards have improved useful information for decision-making purposes.

This study is limited to the impact of IFRS 15 requirements as a whole and does not deal with the individual technical requirements and principles within IFRS 15. Future research can be conducted to determine which individual areas and technical requirements contribute to the improved usefulness of IFRS 15 above preceding revenue standards. The limitation of the study to IFRS 15 also meant that the study was focused primarily on the operational impact of a single standard and exempted the impact of other standards issued and implemented within the same period, such as IFRS 16. Similar studies can be conducted to understand the impact of these standards and whether similar findings are observed. This may enable us to determine whether similar perceptions emerge and are relevant to all newer IFRS standards.

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APPPENDIX A: DESCRIPTIVE STATISTICS REGARDING THE FUNDAMENTAL AND ENHANCING QUALITATIVE CHARACTERISTICS OF USEFUL INFORMATION

	N	Mode	**Mean**	Median	Std. Deviation
Q8_1-Q8_15: Which standard/standards is(are) better at:					
Q8_1 - Providing relevant information regarding an entity's revenue activities?	103	4	**3.88**	4	1.013
Q8_2 - Providing a faithful representation of a company's economic phenomena regarding revenue?	103	4	**3.97**	4	.944
Q8_3 - Providing up-to-date (timely) information regarding an entity's revenue activities?	103	4	**3.71**	4	1.006
Q8_4 - Providing comparable information regarding revenue: Among different firms in the same industry?	103	4	**3.75**	4	1.091
Q8_5 - Providing comparable information regarding revenue: Among different industries?	103	4	**3.61**	4	.992
Q8_6 - Providing comparable information regarding revenue: Over time for the same company?	103	4	**3.74**	4	1.111
Q8_7 - Enhancing the consistency in revenue recognition: Among different firms in the same industry?	103	4	**3.79**	4	1.063
Q8_8 - Enhancing the consistency in revenue recognition: Among different industries?	103	4	**3.78**	4	1.028
Q8_9 - Enhancing the consistency in revenue recognition: Over time for the same company?	103	4	**3.83**	4	1.039
Q8_12 - Increasing the understandability of revenue-generating activities (business model)?	103	4	**3.91**	4	.991
Q8_13 - Providing verifiable revenue information?	103	4	**3.66**	4	.955
Q8_14 - Overall, which standard results in more useful information for investors?	103	4	**3.92**	4	.997
Q8_15 - Overall, which standard results in more useful information for creditors and lenders?	103	4	**3.93**	4	.899

APPENDIX B: FULL SURVEY

Section A- Biographical information

What is your current role?

Auditor ◯ Preparer of financial statements ◯ Academia ◯

Regulator/Standard-setter ◯ User of financial statements ◯

What is your current job level?

Executive management ◯ Senior management ◯

Junior management ◯ Junior ◯

How many years of professional experience do you have?

1-2 years ◯ 2-5 years ◯ 5-10 years ◯

10-15 years ◯ >15 years ◯

What industry are you currently working in?

Audit/consulting services ◯ Telecommunications ◯ Construction ◯

Services (education/healthcare/tourism/transport) ◯ Pharmaceutical ◯

Financial services ◯ Technology ◯ Retail ◯ Mining ◯

Energy utilities/resources ◯

What is your gender?

Male ◯ Female ◯ Other ◯ Prefer not to say ◯

Section B- Survey questions

Q8 The following scale should be used for the questions below:

1=Completely IAS 18 and IAS 11, 2=More IAS 18 and IAS 11 than IFRS 15, 3=Neutral, 4=More IFRS 15 than IAS 18 and IAS 11, 5=Completely IFRS 15

For each of the following characteristics, **which standard/standards is better at**:

	Completely IAS 18 and IAS 11 (1)	More IAS 18 and IAS 11 than IFRS 15 (2)	Neutral (3)	More IFRS 15 than IAS 18 and IAS 11 (4)	Completely IFRS 15 (5)
Providing relevant information regarding an entity's revenue activities?	○	○	○	○	○
Providing a faithful representation of a company's economic phenomena regarding revenue?	○	○	○	○	○
Providing up to date (timely) information regarding an entity's revenue activities?	○	○	○	○	○
Providing comparable information regarding revenue: Among different firms in the same industry?	○	○	○	○	○
Providing comparable information regarding revenue: Among different industries?	○	○	○	○	○
Providing comparable information regarding revenue: Over time for the same company?	○	○	○	○	○
Enhancing the consistency in revenue recognition: Among different firms in the same industry?	○	○	○	○	○
Enhancing the consistency in revenue recognition: Among different industries?	○	○	○	○	○
Enhancing the consistency in revenue recognition: Over time for the same company?	○	○	○	○	○
Portraying management's stewardship (administration/action/inactions) of company resources to generate revenue?	○	○	○	○	○
Providing the necessary information that can be used to estimate future revenue cashflows?	○	○	○	○	○
Increasing the understandability of revenue-generating activities (business model)?	○	○	○	○	○

Providing verifiable revenue information?	○	○	○	○	○
Overall, which standard results in more useful information for investors?	○	○	○	○	○
Overall, which standard results in more useful information for creditors and lenders?	○	○	○	○	○

Q9 For each of the following questions, **which standard/standards**:

	Completely IAS 18 and IAS 11 (1)	More IAS 18 and IAS 11 than IFRS 15 (2)	Neutral (3)	More IFRS 15 than IAS 18 and IAS 11 (4)	Completely IFRS 15 (5)
Provides more helpful presentation and disclosures regarding the revenue activities of a company?	○	○	○	○	○
Provides better guidance for the recognition and measurement of simple revenue transactions?	○	○	○	○	○
Provides better guidance for the recognition and measurement of complex revenue transactions?	○	○	○	○	○
Makes it more difficult for management to manipulate their accounting treatment of revenue?	○	○	○	○	○
Has the higher likelihood of being applied incorrectly?	○	○	○	○	○
Results in higher costs to gather, process and report revenue transactions?	○	○	○	○	○

Q10 Which of the following broad cost categories, if any, does IFRS 15 result in greater costs to gather, process and report revenue activities: (more than one option can be selected)

- ☐ IT systems (1)
- ☐ Administration (2)
- ☐ Daily processing (3)
- ☐ Staff (4)

Q11 State whether you disagree or agree with the following statement, where 1=strongly disagree and 5=strongly agree.

	Strongly disagree (1)	Disagree (2)	Neither agree or disagree (3)	Agree (4)	Strongly agree (5)
IFRS 15's 5-step approach provides a single and comprehensive revenue framework that all industries are able to apply. (1)	○	○	○	○	○

Q12 Rate your perception of the requirements of IFRS 15 in fulfilling its own objective:

The principles of IFRS 15 result in useful information being reported to users about the:

	IFRS 15 has not achieved this objective (1)	IFRS 15 has slightly not achieved this objective (2)	Neutral (3)	IFRS 15 has slightly achieved this objective (4)	IFRS 15 has absolutely achieved this objective (5)
Nature of revenue and cash flows arising from a contract with a customer	○	○	○	○	○
Amount of revenue and cash flows arising from a contract with a customer	○	○	○	○	○
Timing of revenue and cash flows arising from a contract with a customer	○	○	○	○	○
Uncertainty of revenue and cash flows arising from a contract with a customer	○	○	○	○	○

Q13 Provide any other comments that you think are important and wish to add regarding the impact of IFRS 15.

End of the survey,
Thank you for your participation.