

<b>Title of article</b>	Debt of local authorities in South Africa: Accounting realities leading to ethical, social and political predicaments
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<b>Authors' biographies</b>	<p>Dave Lubbe is professor at the Centre for Accounting at the University of the Free State. He is a Chartered Accountant (CA (SA)) and is the first person in South Africa to obtain a doctoral degree in Auditing. He has published the first Afrikaans textbook on Auditing as well as more than hundred and fifty scientific articles and a number of poems. He received the first Ernst and Young Outstanding Accounting Research Award that had been awarded (June 2002) by the Southern African Accounting Association. The Stals Prize for Economic and Management Sciences from the South African Academy for Art and Science was awarded to him during 2007.</p> <p>Cobus Rossouw is a Chartered Accountant (CA (SA)) and an associate professor in Financial Accounting at the University of the Free State. He holds a master's degree (cum laude) in Financial Accounting. He is currently lecturing Advanced Financial Accounting to aspiring Chartered Accountants at postgraduate level. He is author and co-author of various articles in academic and accounting literature, and author of various chapters in accounting text books.</p>
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<b>Abstract</b>	<p>Local authorities in South Africa face ethical, social and political dilemmas in dealing with the reality of the escalating outstanding debt payable to them. The culture of non-payment, and other reasons, have increased the outstanding debts of local authorities for services rendered by them to disturbing levels. However, the continued accounting recognition of further outstanding debt and revenue by local authorities is in reality in conflict with the relevant accounting principles. All stakeholders in the public sector will have to seriously consider whether the overstatement of outstanding debtors of local authorities does not constitute window dressing, unethical and negligent behaviour and in some instances even reckless conduct of affairs to such serious extent that it can no longer be tolerated.</p>
<b>Key words</b>	Corporate governance, outstanding debtors, local authorities, ethics, recognition and measurement of debtors and revenue

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