

# Institutionalization of IPSAS Accruals: Perspectives of Practitioners from a Developing Economy.

By

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## Abstract

The government of Ghana is simultaneously implementing accruals accounting and its convergence with the complex International Public Sector Accounting Standards (IPSAS). Consequently, the study investigated factors that could stifle the transition from the cash basis to the IPSAS accruals basis in public sector financial reporting. The study adopted the mixed method approach where eight practitioners were sampled for an interview based on the quantitative results. The study findings show that the use of accrual information, competencies of accountants, leadership support and personal valence of employees could affect the transition to IPSAS accruals. The results also show that human resources practices, may not affect the transition whereas financial resources availability may not influence employees' support for the change. However, the effect of the competencies of accountants on the transition to IPSAS accruals, and the no influence of financial resources on employee's valence to support IPSAS contradicts the quantitative results. The findings of the study may imply that the transition to IPSAS is likely to succeed if policymakers use the accruals information to make decisions, demonstrate political will, deploy competent accountants to covered entities and assure accounting staff about their job security.

*Keywords: IPSAS, accrual accounting, human resource practices, use of information, organizational capabilities, readiness towards change, input-based competencies, management support, personal valence, accounting standards.*

## **1.0 Introduction**

Accountability according to Ismaili (2021) is a common economic language and a strategic prerequisite in the financial sustainability of every organization, be it public or private. This is because it contributes to achieving both the economic and commercial viability of these organizations. Currently, two accounting methods are used for financial reporting in organizations. These are the cash method and the accrual method. The limitations in using the cash method in financial reporting are causing governments around the world to adopt accrual accounting in the public sector. However, governments' quest to implement accruals in the public sector has recorded some successes and failures (Adhikari & Mellemvik, 2011).

While some countries are found to have fully implemented accrual accounting and others are transitioning, Abeysinpe and Samanthi (2016) report that there is an intense debate that no developing economy has reported success in the implementation of accruals. The implementation of accrual accounting may have been a challenge concerning creating the climate and conditions to achieve the intended benefits. This may stand to reason that the mere adoption of accruals accounting does not guarantee successful implementation. How an innovation, which may include IPSAS accrual accounting is introduced, adopted and thereby implemented, according to Martinsuo et al. (2006), may influence the extent to which it succeeds in delivering the intended benefits in the public sector. Whereas Harun and Robinson (2010), concede that there is value in accrual accounting,

they are unimpressed by how accruals have been implemented in the public sector.

Despite these challenges, the government of Ghana has decided to fully transition from cash to accrual accounting by the year 2024 using 2023 as the base year. To demonstrate its commitment towards the migration to accruals, Ghana has also adopted the International Public Sector Accounting Standards (IPSAS) as the accounting standard that will underpin the preparation of the financial statements.

However, Ghana's quest to institutionalize the complex IPSAS-based accruals may encounter challenges, as the global narrative in terms of success has not been impressive. According to the International Federation of Accountants (2013), IPSAS as a high-quality standard improves good governance and accountability. To achieve this, economies around the world according to Ismaili (2021) need to prepare and publish reliable and internationally recognized financial statements by adopting IPSAS to deepen transparency and accountability. However, Polzer et al. (2022) and Tawiah (2023) submit that there are manifestations of deviations and challenges when these global IPSAS standards meet local standards. This is because although IPSAS is non-mandatory, its adoption and subsequent implementation have been challenging globally. Consequently, some scholars submit that the wholesale adoption and implementation of IPSAS have not yielded significant perceived benefits (see Tawiah, 2023, Adhikari 2015) as the implementation challenges have been enormous. As Ghana embark on this slippery journey to IPSAS accruals, the study intends to dissect the possible challenges that the transition may encounter.

Within the above context, some of the global challenges and deviations which has affected the implementations of IPSAS accruals include non-usage of information for decision-making, organizational capabilities, readiness towards change, and financial resources availability (see e.g. Otopah, 2023, Mateke et al. 2020, Fauzi 2020, Gigli 2018). Whereas the dimension of these factors remains unexamined, the mixed method approach, which can solicit the views of practitioners, remains unexplored to understand the extent to which these factors affect the implementation of IPSAS accruals. Consequently, the objective of the study is to understand how the dimensions of these factors affect the implementation of IPSAS-based accruals from practitioners and policymakers' perspectives.

## 2.0 Literature Review

Kurrupu et al. (2017) assert that the implementation stage of accounting reform is not an easy task. For this reason, Lapsely et al. (2009) contend that the implementation of accruals accounting has created the most notable tension in public sector organizations. This is because the implementation of accrual accounting, according to Adhikari and Garseth-Nesbakk (2016), has remained politically and technically challenging in several economies. Among the technical challenges that have been identified as accounting for the non-institutionalization of accounting reforms are non-usage of accrual information, organizational capabilities leadership support and financial resources.

The UK has been hailed as a pioneer and a model in the implementation of public sector accruals. However, the UK's status and model as a pioneer in accruals have been brought under scrutiny due to the challenges encountered during the implementation process. For instance, Hyndman and Connolly (2011), report that the implementation of accrual accounting in the U.K. relegated important issues such as the use of accrual financial statements for decision-making. The non-usage of accrual information for managerial decisions has attracted the attention of scholars such as Bruno and Lapsely, 2018; Alijarde and Julve, 2014; who submit that financial decision-making in the public sector is still based on the cash basis. However, the question that continues to agitate the minds of stakeholders is why an institution would implement reform without using the output of such reforms for decisions.

Consequently, scholars such as Klein and Knight (2005) rhetorically ask "How physically fit can one be if one buys a top-to-be nil exercise bike or treadmill but never uses it? In light of this, the literature suggests that the poor usage of accrual information in the public sector remains a major challenge (see e.g. Otopah, 2023; Pollanen & Loselle-Lapointe, 2012) in the transition from cash to accrual. Further, Bruno and Lapsely (2018), assert that that prior research on existing accrual accounting systems revealed puzzling results on the non-usage of accruals information. However, several reasons have been cited for the non-utilization of

accrual information. For instance, Christians and Rommel (2008) and Christensen and Parker (2010) report that non-utilization of accrual information is because the information provided by the accrual basis does not sufficiently correspond to the needs of politicians and stakeholders in the public sector.

The researchers posit for instance that the notions of profitability or returns on assets are not relevant to politicians. Similarly, Adhikari and Mellemvik (2011) and Mbelwa (2015) report that politicians, donors and citizens are not interested in accrual information due to their limited capacity to understand and use accruals to make decisions. Oftentimes opponents of accruals have cited accruals information as being complicated and difficult to understand (see e.g. Petersen & Nyland, 2011). Another reason is the objectives of the public sector, which is to provide services and not profit-making, lack of accounting knowledge of users (Al-Maskari & Sanderson, 2011), focus of citizens on physical development and lack of accounting capacity of accountants to interpret accounting information (Anessi-Pessina et al., 2008). Organizational capabilities of public sector entities in terms of staff competencies and human resource systems have also been identified as a key challenge in the deployment of IPSAS. For instance, the lack of technical competence of government accountants at the departmental level has derailed public sector reforms in some economies (see e.g. Putra, 2019, Augustia et al., 2017).

The lack of capabilities of accounting staff is prevalent in both developing and developed economies as Connolly and Hyndman (2006) posit that even in developed economies such as the UK the capabilities of public sector staff such as the competencies of accounting staff to implement accruals leaves much to be desired. These authors identified deficiencies in accounting skills, and poor human resources practices coupled with inadequate accounting personnel at the departmental level which has undermined the accruals implementation process. The literature has identified weak knowledge-based and staff deficiencies in skills and competencies as major hindrances.

The absence of staff competencies and capabilities in the public service has often resulted in the over-reliance of external consultants especially in developing economies (see e.g. Adhikari et al., 2019; Tickcell, 2010). Consequently, public sector financial reforms are often truncated after the departure of these consultants and experts due to a lack of in-house capabilities to continue with the reforms (Adhikari & Mellemvik, 2011). This has also resulted in conflicts as government accountants see the participation of external professional accountants in the process as a threat. They have the perception that government accounting is an internal matter and are afraid of losing their control and influence. Further, Putra and Prabowo (2019) and Mbelwa et al., (2019) provide evidence to suggest that deficiencies of public sector accountants in the application of IPSAS to prepare financial statements have been a key factor militating against accruals implementation. This has been acknowledged by Kurrupu et al. (2017), who admit that some reforms initiated by the World Bank, including accruals without taking into account context-specific concerns like the availability of accounting professionals in the public sector have affected the implementation of accruals.

Institutional readiness to change has been cited for the non-institutionalization of accruals. The lack of leadership support and political will by governments in the respective countries (see e.g. Adhikari & Garseth-Nesbakk, 2016; Ahn et al., 2014). The local political systems and environment in the change management process have contributed to the success or failures of accruals implementation if not managed well. As posited by Heugens and Lander (2009), one of the issues of implementation concerns is the roles and influence of organizational field-level factors on the implementation of the change process which may include management support. For instance, the support of the state, professional accounting bodies, funding agencies and employee personal valence in implementing accruals cannot be underestimated. Accounting reforms may extend and encompass more than the technical changeover in terms of accounting policies, presentation of accounting figures and interpretations. According to Hifni (2017), the implementation of accounting systems as a policy relates to how decision-making for the accounting process, compliance with regulations and completeness of financial reporting are implemented.

The support of political leaders during the transition to accruals has proven to be vital. This is evidenced by the experiences in Canada, South Korea, Indonesia, New Zealand and Australia. For instance, Ellwood and Newberry (2007) attribute the smooth implementation of accruals in Australia and New Zealand to the pledges made on election platforms to demonstrate political will. In contrast, failure on the part of the Indonesian government during Suharto's regime contributed to the problematic accruals reform (McLeod & Harun, 2014).

As a result, the lack of progress in the implementation of accruals in Canada has been attributed to party politics and the unwillingness of the ruling conservative party to further reforms initiated by the previous liberal party (Pollanen & Loiselle-Lapointe, 2012). To avoid the Canadian experience and courting the support of politicians, Ahn et al. (2014) report that top management in South Korea was able to convince the two major political parties to include accrual accounting implementation in their party manifestoes in the run-up to the general elections. Similarly, the implementation of accrual accounting has to be postponed in Sri Lanka in the absence of political blessings (Kurrupu et al., 2017). For these reasons, Hifni (2017) sees accrual accounting-based financial reporting, as a national need that the government must support to succeed in promoting good governance.

Further, the neglect of the personal valence of employees is another challenge as employees shared perception of the importance of innovation contributes to its acceptance or its implementation (Klein & Knight, 2005). For instance, Bruno and Lapsely (2018) reported that actors in accruals implementation have resisted the drive to transition to accruals into practice for several reasons whereas Shehadah (2022) suggests the welfare of employees during the transition to IPSAS is often neglected. The authors attribute the resistance to uncertainties, inaccurate policy content, conflicting guidance, and erratic path to implementation. This may be understandable, as the introduction of accruals into the public requires a serious change in culture because accrual accounting can be seen as a new process of financial management. One reason cited by Adhikari and Mellemvik (2011) that accounts for the employee's resistance is the preference of professional accountants and consultants for reforms. Oftentimes, professional accountants envisage the existing bureaucratic mentality and attitude of government accountants who are non-professionals as a major hindrance.

These consultants, according to Tickcell (2010), are given preferential treatment leading to conflicts and resistance from the local accountants. For instance, Kurrupu et al. (2017) report that the World Bank, which was at the forefront of accruals implementation in Sri Lanka, paid the state accountants lower than the professionals and this generated rifts, and resistance to the change by state accountants. Such occurrences, according to Tickcell (2010), have culminated in public sector accountants resigning to become consultants.

## **2.1 International overview of IPSAS adoption and implementation**

The literature on IPSAS adoption and implementation presents mixed findings. Although some success have been achieved, significant challenges remain. Some scholars argue that the adoption of IPSAS has led to a reduction in corruption and deepened good governance in some economies. For example, Tawiah (2023) investigated the association between IPSAS adoption and corruption in 77 developing economies. The study results reveal that economies that adopted accrual-based IPSAS has experienced reduction in corruption, improved financial sustainability, and enhanced transparency. The adoption of IPSAS has resulted in increased consistency in financial reporting, enhanced international comparisons of financial data, improved financial sustainability, and better financial decision-making (see Alessa, 2024; Tawiah, 2023).

Despite these achievements, there have been significant challenges, as developing economies attempt to transit to IPSAS. Whereas developed economies seem to be transiting smoothly, developing economies are recording contrasting fortunes. For instance, while advanced economies such as Australia, New Zealand, the United Kingdom and Canada could be touted as having recorded modest success in IPSAS implementation, developing economies are lagging. The evidence suggests that the issues militating against the transition to IPSAS are cross-cutting among developing economies. For instance, Polzer (2023) argues that implementing IPSAS has weakened local accounting practices, while Alessa (2024) identifies high costs, lack of competent accounting staff, and insufficient resources as barriers to transitioning to IPSAS.

In the case of Egypt, Nepal, and Sri Lanka, the transition to IPSAS has been chaotic, with issues such as staff resistance, manipulation of figures, and conflicts hampering the process (Adhikari et al., 2021). Given this, some scholars have even perceived the introduction of IPSAS as an enabler of corruption due to the tendency of accountants to manipulate figures as reported in some countries such as Egypt, Nepal and Sri Lanka. Consequently, Alessa (2024) submits that Benin's accounting reforms lacked control, resulting in increased corruption and emphasizing short-term objectives at the expense of long-term resource allocation. Mbelwa et al. (2019) support this view, suggesting that such practices including weak internal control

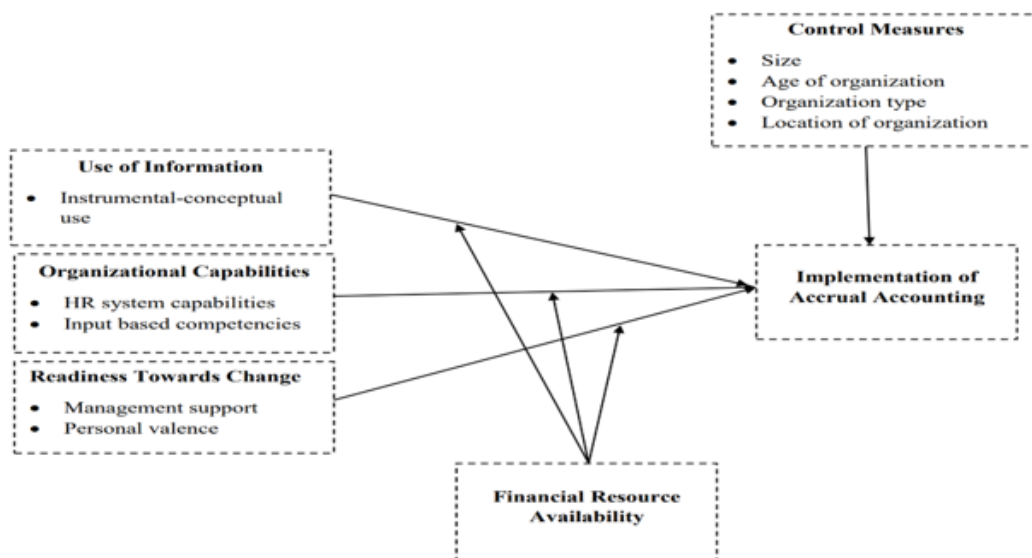
pave the way for the manipulation of accounting figures and inefficient resource allocation.

In Asia, Ahmed and Nasserredine (2019) uses the Lebanese experience to suggest that the lack of government support, high costs, and resistance are impeding IPSAS implementation whereas Saleh et al. (2023) summarize the challenges affecting IPSAS implementation in Malaysia and other Asian countries into three broad areas. These are lack of resources, including competent accountants and IT infrastructure; financial reporting issues such as recognition and measurement of elements of the financial statements; and lack of top management support.

Common issues such as the lack of use of IPSAS information for decision-making, resistance, and lack of management support have been reported in countries such as Nigeria, Tanzania, Zambia, Zimbabwe, Ghana, South Africa, Indonesia, Pakistan, Turkey, and Bangladesh (see Otopah, 2023; Allesa, 2024; Saleh et al., 2023). Furthermore, the adoption of IPSAS in these countries seems to be influenced by international pressure rather than being a demand-driven policy by sovereign countries. For such reason, Adhikari et al. (2021) propose that the inconsistency in the success of accounting reforms recommended by international institutions may explain these mixed results.

The review of the literature suggests that the non-use of accrual information for decision-making, organizational capabilities, readiness towards change and lack of financial resources availability are some of the crosscutting issues confronting the institutionalization of IPSAS accruals hence the study model has been conceptualized as Figure 1.

Figure 1: Conceptual Framework



### 3.0 Methodology

To be able to explain, follow up and understand the mechanism in detail about the factors that affect the implementation of IPSAS-based accruals accounting, the researcher used the sequential explanatory design. The design was considered explanatory, and sequential because the quantitative phase was conducted first, (see Otopah, 2023) followed by the qualitative phase, which is the focus of this study. This was done by using the results of the quantitative phase to seek the perspectives of public sector accountants to get an in-depth understanding of how these factors would affect the deployment of IPSAS accruals. This is because; the researcher was of the view that although quantitative data could enhance the generalization of the results, it was inadequate to explain the phenomena. Rather by conducting the qualitative phase, the views of policymakers and accountants helped to explain and produce the complete knowledge, necessary to inform theory and practice. The practical explanations, views and insights from the accountants in the Ghanaian context, could have been missed if the study relied on quantitative data alone. Hence, the mixed method was selected so

Table 1: Profile of respondents

Respondent	Qualification	Sample Size	Professional Body	Position	Duration	Location
R1 Regional	MSc. Finance	11	ACCA	Senior Acct.	37 mins	Office
R2 Regional	MBA Finance	14	ACCA, CIT	Principal Acct	49 mins	Office
R3 Head office	MBA Finance	12	ICA	Principal Acct	43 mins	Office
R4 District	EMBA	13	ICA	Chief Acct	35 mins	Via phone
R5 Head office	PhD	18	ICA	Deputy Controller	48 mins	Office
R6 Regional	CA	24	ICA	Regional Director	1:05 mins	Office
R7 Head office	MPhil Fin.	15	ICA	Chief Acct	39 mins	Restaurant
R8 District	Msc. Finance	10	ICA	Senior Acct	44 mins	Office

Key: Acct = Accountant, ACCA = Association of Chartered Certified Accountants, ICA = Institute of Chartered Accountants, Fin = Finance, CIT = Chartered Institute of Taxation, CA = Chartered Accountant

The questions were given to the respondents a week ahead of the interview to give them time to prepare. In addition to the interview guide, the quantitative results were also shared with the respondents for their views. Each construct was explained to the respondents before the commencement of the interview. The respondents were asked about their opinion on each of the quantitative results and the extent of their agreement or otherwise. The case organization was a public sector institution hence permission was sought because the respondents had sworn oath of secrecy and office. Proceedings during the interviews were recorded with a mobile phone with the permission of the respondents. However, respondent 5 did not allow the researcher to record him citing security reasons. The recorded proceedings were manually transcribed and analyzed using content analysis.

Table 2: Estimated coefficient of the relationship between use of information, organization capabilities, readiness for change and implementation of accrual accounting moderated by financial resource availability

Hypothesized path	Path coefficient	t-values	R <sup>2</sup>	Hypothesis Decision
<b>Control variables</b>			.02	
Size of firm → IAA	.056 <sup>+</sup>	1.608		NA
Age of firm → IAA	-.039	-.928		NA
Location of firm → IAA	.073 <sup>**</sup>	2.211		NA
Type of organization → IAA	-.082	-1.373		NA
<b>Factors</b>			.12	
Instrumental-conceptual use → IAA	.119 <sup>+</sup>	1.681		Supported
HR system Capabilities → IAA	-.052	-.739		Not Supported
Input Based Competencies → IAA	-.022	-.281		Not Supported
Management support → IAA	.184 <sup>**</sup>	3.101		Supported
Personal valence → IAA	.115 <sup>*</sup>	2.022		Supported
Financial Resource Availability → IAA	.087	1.463		NA
<b>Interactions</b>				
Personal valence × FRA → IAA	-.026	-.416		Not supported

+ $p < .05$  \* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$  (one-tailed), IAA = IPSAS Accrual Accounting.  
(Source: Otopah, 2023)

## 4.0 Discussion of Results

First, the researcher wanted to find out the perspectives of the respondents about the positive effect of instrumental-conceptual use on the implementation of IPAS-based accrual accounting. All the interviewees confirmed that the instrumental-conceptual use of accounting information is an issue that could affect the implementation. The respondents were of the view that if the financial statement is going to be prepared based on accrual but the national budget remains on a cash basis then there is going to be a challenge to IPSAS implementation. Some expressed their views by saying, *“We must forget this whole accrual thing if we are not going to use the accrual financial statement to prepare the national budget”*.

Some of the respondents said that the impact of instrumental-conceptual use on the implementation could be seen in how the financial statements are utilized during financial decision-making. The respondents expressed a concern that non-utilization of the financial statements could render the institutionalization of accrual accounting an exercise in futility in the public sector and suffer a similar fate as previous reforms. One said, *“If the decision for resource allocations is still going to be based on cash then there is no need to implement accrual accounting”*

Some of the respondents did not rule out the possibility of the IMF demanding IPSAS-compliant accounting information to facilitate the financial bailout, which may force the government to implement IPSAS.

The officers were also asked for their opinion on the negative relationship between human resources system capabilities and implementation of IPSAS accruals. The officers were of the view that the implementation of IPSAS accruals accounting would not be affected by the human resources system. They described the current human resources system in the public sector as deficient and has neglected the human resources practices and were of the view that its effect on IPSAS accruals implementation is inconsequential. They expressed how promotion has been delayed but that has not affected their output in terms of the accounting reports they generate and their general output to work since they used to such tendencies. One respondent said, *“Even promotion is an issue but people are still given off their best and they are still at post working so I think that HR practices might not have an effect when implementing accruals”*.

Some respondents expressed concern about how the human resource functions have been politicized in the public sector but because of their loyalty to the state, their professional work ethics have not been compromised. One said, *“But in the public sector these things as mentioned do not work because of politics, so the HR functions might have negligible impact on the new system”*.

Some respondents expressed their doubt if the human resource system will even have a role in the implementation as they did not envisage any new recruitment nor promotion nor increases in salaries just because a new accounting policy is about to take place. Some attributed the no effect on financial reforms to the polarization of recruitment and nepotism. The nepotism is prevalent in the recruitment of top officials and positions during reforms in the public sector. To them, such tendencies often result in no meaningful impact on such reforms. One buttressed his submission with an analogy *“If you appoint say professor in geography to chair the implementation committee because of politics then you will not get the expected impact on implementation yes because politics has taken over the HR functions in the public service and that is worrying”, “I don’t see any relationship my brother”*. Some also argued that the recruitment of non-accounting graduates into accounting positions while accounting graduates remain unemployed signals a failed human resources system. This has compounded the problems of the human resources systems in the public sector thereby having negligible impacts, especially on financial reforms. He added, *“We have lost it right from the beginning because we recruit non-accounting graduates from oceanology, sociology psychology and so on and so I don’t expect any impact on the implementation of IPSAS accruals their presence will not be impactful”*.

The study also sought the views of practitioners as to whether input-based competencies do not have any relationship with the implementation of IPSAS accruals. The respondents were of the view that input-based competencies have a positive effect. They vehemently refuted the quantitative results. The officers said that it would be easier for organizations with professional accountants with skills and accounting knowledge to implement IPSAS accruals. They retorted, *“If you have the skills and understand the accounting language*

*you can implement IPSAS accruals without any or little guidance*". Some said *"Accountants with knowledge do not need to be taught how to depreciate, how to produce accounts payables and receivables and since these are the concepts of accruals implementation will be smooth"*.

The respondents expressed misgivings about the outcome of the quantitative results. They agreed in principle about the role of consultants and computers in financial reforms such as accrual accounting. However, they argued that the input-based competencies of accountants cannot be disregarded. They were of the view that computers and accounting software cannot replace the competencies of accountants. Some questioned the sustainability of the accrual accounting system, after the departure of the consultants, and whether the consultants can work without relying on the competencies of the internal government accountants.

In expressing their disagreement with the quantitative results they emphasize the dynamism the modern accounting practices are going through. The officers observed that the traditional accounting tasks are giving way to the interpretive approach, which computer accounting packages cannot perform. Some of the officials found the quantitative results offensive. Others were of the view that the quantitative result is an affront to the professional accountant and generally ridicules the accounting profession. The respondents perceived that the quantitative results suggest that anybody at all can practice accounting and challenged the researcher to give him an example of software that prepares accounts on its own. *"I have heard people making this bogus argument that software can produce accounts so the expertise of accountants does not matter, tell me which software can straight away do debit or credit on its own without a professional indicating which transaction is debit or credit, the skills, knowledge is the way to accruals"*.

They were of the view that accounting is an art that requires that the skills, expertise and knowledge of the accountants should be special to be able to execute the technical aspect of accounting. To them, to be able to analyze, interpret, depreciate and prepare financial statements demand for professional accountants. The stance of the respondents may be underpinned by Luder's contingency model that suggests that specialist training or qualifications of accountants give reason to expect a positive attitude to the introduction of a more informative system.

In ascertaining their perspectives on the positive relationship between management support and implementation of IPSAS-based accruals accounting all the officers agreed with quantitative results using some government policies to buttress their point. They were of the view that the government solely owns the public sector and if the government intends to reform the public sector whether financial or administrative, the demonstration of total support by the government is key. They were of the view that the policy to implement IPSAS accrual can only be realized using the support of public sector managers. One retorted, *"The government is the owner of the public sector and so if the government demonstrates commitment and support, then accrual can be implemented even today so everything rests on the government. Employees' commitment is vital but the support from the leadership, president, the minister of finance; and heads of public sector institutions will ultimately result in accrual accounting"*.

Some of the respondents believed that even if the government takes IPSAS accrual as a priority project and wants to implement it at the time of the interview it can be done. However, the respondents expressed apprehension that the absence of government support especially in the form of political will could mean that implementation will only remain a dream on paper. He said, *"If the political will is not there, if management support is not there if employee's commitment is not there, then seriously everything will be on paper and the implementation will be very difficult"*.

Some respondents expressed concern about how previous policies formulated were not implemented because of a lack of political support. They were of the view that accrual accounting could suffer a similar fate without top management support. One retorted that *"Ooh in Ghana we are good at formulating policies but when it comes to implementation that is where we are lacking, if the political will is not there then seriously the implementation will not materialize"*.

On the positive relationship between personal valence and implementation, the officers were of the view that any change process that is human-centred and factors the concerns of the employees is more likely to succeed. They explained that changes in the public sector can dislocate employees but if measures are put in place to mitigate the suffering of employees, then their commitment towards the reform process can be guaranteed. If the staff are assured of their job security, then their commitment towards accruals can be



presumed. One said, *“I think the staff should be assured, once the software is introduced and all that, it’s going to reduce the workload on the staff”*. One also added that *“it’s high time the staff are made to know that nobody is going to lose his/her job and so with that assurance, I believe we will all be able to embrace it wholeheartedly and work with it”*.

The respondents were of the view that the welfare of the employees is an area that policymakers can use to solicit their commitment of staff towards the implementation of accruals. The support of the employees towards accruals can be guaranteed if they know the benefits they will derive by leaving their comfort zones to throw their support to implement accruals accounting. Some respondents were of the view that if the implementation of IPSAS accruals will deprive the accounting staff of the benefits and private gains such as cash, tips etc. that they currently enjoy from the cash accounting system then they will resist the implementation. He expressed his opinion by posing a question *“If I gain from the cash system and the accrual system is going to patch up, do you think I will accept the implementation of accrual accounting?”*

Finally, the respondents disagreed that financial resources positively moderate the relationship between personal valence and implementation. They concluded that in times of financial reforms, employees might not require increases in salaries or financial benefits to support the reform but rather a peaceful environment and teamwork. Another respondent argued that what the employees want during implementation is job security and not money, as money may not necessarily enhance their support towards accrual accounting implementation. One retorted, *“People want assurances that implementation of accrual accounting will not kick them out of a job and not money, how do we manage the fears and apprehensions as we implement accruals?”* In effect, the respondents confirmed four of the quantitative results whereas two were refuted.

## **5.0 Practical implications of the study**

The study findings highlight the essential issues that policymakers in developing economies need to address before transitioning to IPSAS. It is recommended that users of financial information utilize IPSAS-compliant financial statements to make informed decisions. One important aspect is utilizing IPSAS accrual financials to prepare the national budget, as this could facilitate the transition.

Additionally, the Accountant General Department, as the lead implementer, should deploy professional accountants to covered entities to address the capacity gaps identified in developing economies. This is crucial considering the significance of the competencies of chartered accountants in the IPSAS transition. Continuous professional development for accountants is also vital to keep them updated with the evolving demands of IPSAS and financial reporting.

Furthermore, key decision-makers in developing economies, such as the presidency, cabinet, parliament, and accountancy regulators, must demonstrate political will and support for the transition to IPSAS. This support can be demonstrated through substantial investment in IT infrastructure and staff development. Commitment to IPSAS implementation could also be included in the manifestos of political parties leading up to general elections.

Finally, welfare issues pertaining to accountants, such as job security, postings, retrenchments, and the fear of the unknown, need to be addressed prior to the rollout of IPSAS, as they could lead to staff resistance and conflicts. Resolving these concerns may ensure staff support for the transition to IPSAS accruals. Adequate budgetary provisions should also be made by the central government for entities involved in the implementation of IPSAS, as the transition costs could be substantial.

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