

An Examination of The Significant Frameworks of International Public Sector Accounting Standards (IPSAS) Adoption in Ghana

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Abstract

The purpose of this article is to determine the elements that influence the adoption and use of the International Public Sector Accounting Standards (IPSAS). The study's primary source materials include reviews of several journals, research papers, newspaper articles, magazines, and other official accounting bodies' documentation materials, in addition to conference, seminar, and workshop papers. Based on the study's findings, Ghana must take 10 factors into account before implementing IPSAS. Among them are the following: Acceptable Awareness Level, Associated Adoption Cost, Adequate Technical Capacity, Advanced Education and Experience, Availability of Applicable Expertise, Appreciable Key Management Support, Aggressive External pressure, Adaptation of appropriate technology, Applicable Transition Management, and Active Strategic Planning and Evaluation.

Keywords: IPSAS, Associated Adoption Cost, Public Sector Accounting, Adaptation of Appropriate Technology

Introduction

In order to encourage more information sharing, and strengthen data comparability, openness, and government accountability, accelerated globalization and the advancement of technology methods have sparked accounting changes in the public sector (Lima et al., 2009; Sellami & Gafsi, 2019). Due to both internal and external forces, several countries have either adopted or are on the way to implementing the International Public Sector Accounting Standards (IPSAS), which are designed to assist the public sector in producing financial statements and reports of a higher caliber. The IPSAS has been adopted in 14 countries, 64 are in the process of implementing it, and 46 have not yet decided to adopt it, per the International Federation of Accountants (IFAC) (2019).

According to Schmidt et al (2020), IPSAS was developed to improve advantages for developing nations and to offer higher comparability, completeness, and understandability as well as support decision-making and strategic use of financial data. Since the International Monetary Fund (IMF) and the World Bank are two major international players who support the IPSAS, the government that enacts the legislation obtains legitimacy abroad (Chan, 2006). African Unions, ECOWAS, the IMF, the Commonwealth, the World Bank, and other organizations have put pressure on countries, including Ghana, to adopt accounting standards (Judge et al., 2010; Guerreiro et al., 2014; Nitri, 2018).

The literature on the adoption process of IPSAS identifies studies conducted in various parts of the world, including America (Araya-Leandro et al., 2016); Europe (Argento et al., 2018; Mattei et al., 2020); Asia (Boolaky et al., 2019); and Africa (Sellami and Gafsi, 2019).



Nonetheless, there is a dearth of research on the institutional and environmental aspects of countries' decisions to implement IPSAS (Sellami & Gafsi, 2017), particularly concerning the political and cultural aspects that are prevalent in the countries that choose to adopt. Consequently, the following research question arises: what political and cultural elements might affect a country's choice to implement IPSAS?

This study's main goal is to examine the institutional, political, and cultural elements that influence a nation's inclination to adopt IPSAS. The necessity for research that aims to comprehend the culture and policy in supporting or opposing accounting changes as a means of critically evaluating the adoption process and the intent of the rules justifies the conduct of this study (Chow, 2019).

The study's significance lies in its ability to aid public policymakers in their decision-making on the adoption of accounting reforms and the development of a precise implementation schedule for IPSAS. According to Haija et al., (2021), all of the following are necessary for the effective implementation of IPSAS: infrastructure, support, training, local law, and stakeholder participation on cultural and political aspects. This article can also urge non-adopting nations having institutional traits comparable to adopters to put the guidelines into practice.

Institutional Theory

From the standpoint of institutional theory, IPSAS implementation or adaptation in the area is examined, stressing the difficulties and barriers in the process (Polzer et al., 2019). According to Jorge et al. (2016), the organization incorporates external influences from discourses and institutions in order to get resources, legitimacy, and stability through the adoption of concepts like IPSAS. Because of institutional isomorphism, organizations are similar, but different forms of isomorphism produce different outcomes: normative isomorphism is linked to professionalization, mimetic isomorphism results from standard responses to uncertainty, and coercive isomorphism stems from the legitimacy issue (DiMaggio & Powell, 1983).

Institutional theory states that accrual accounting and IPSAS have gained worldwide recognition, which has contributed significantly to the standards' legitimacy in the nations that use them (Bergmann & Schuler, 2019). Fiduciary risk is decreased and reports conformity with standards and regulations when these activities are legitimized by official pronouncements by politicians and government officials; IPSAS-like norms also help to lower fiduciary risk (Gómez-Villegas et al., 2020). Additionally, implementing or modifying IPSAS will negatively impact a nation's standing as an investment destination (Opanyi, 2016). Various theories have been proposed to explain government management reforms, such as the public choice, agency, and institutional theories (Carpenter & Feroz, 2001).

According to Abduladid (2021), the institutional relevance of novel accounting processes is reinforced by users' acceptance of accounting advancements and their impact. Additionally, institutional theory writers Loi, Lei, and Lourenço (2021) assert that there is a connection between institutions and ordinary behaviors. While IPSAS implementation remains a goal, in practice it is more of an isomorphism because financial statements aren't utilized in government decision-making processes (de Araújo & de Souza, 2020).

Most IPSAS and IFRS studies (Ahn, Jacobs, Lim, & Moon, 2014; Baker & Rennie, 2006; Mnif Sellami & Gafsi, 2017; Pilcher, 2011) have included institutional theory. Institutional



pressures (isomorphism) are considered as part of the Institutional Theory since they impact the decisions made by economies strategically to adopt global models and the actions of the institutions themselves, with the goal of legitimizing national best practices (Legese, 2020). Institutional isomorphism is the process by which institutions in a setting grow increasingly homogenous in response to pressures from the social, political, or legitimate domains (Glynn, 2020). As a defense against this pressure, institutions attempt to justify their existence by adhering to best practices and using legal compulsion (Legese, 2020). Coercive, mimetic, and normative processes are the three ways that institutional isomorphism shifts, and they are each explained by DiMaggio & Powell, (2000).

The multilateral institution theory advises nations to simplify their accounting systems in line with global best practices. Doing so will guarantee uniformity, transparency, and sound financial management governance, increase investor confidence, and fortify a nation's economy and fiscal standing (Ahinsah-Wobil, 2021). According to Alam, Ahmad, and Muneeza (2020), accountants and auditors are required to adhere to current accounting and auditing norms and regulations in order to ensure effective management of public resources and a fair distribution of wealth in society. Furthermore, governments are increasingly likely to be forced to adopt foreign practices like IPSAS as a result of their increased reliance on global financial institutions (Amiri & Hamza, 2020).

In line with institutional theory, companies achieve greater success when they mimic the actions or strategies of other countries or successful organizations (Rana et al., 2021). The adoption of international accounting standards by nations is influenced by a number of issues, including globalization, global governance, foreign trade openness, and worldwide competitiveness (Silva et al., 2021).

IPSAS Adoption and Institutionalism

The "game theory" was first introduced by North (1991), who established the institutional theory in the nineteenth century. North's theory involved the existence of both formal rules, such as laws, decrees, and regulations, and informal rules, which were defined by customs, conventions, behavioral norms, and codes of conduct that were attached to a civilization. As a result of its emphasis on external institutional elements that have an impact, institutional theory may be viewed as the primary source of insights for accounting changes (Polzer et al., 2019).

Numerous aspects of the institutional setting have an impact on how accounting reports are produced (Ball et al., 2006). New global trends have put pressure on institutions to embrace acceptable norms globally, even if doing so may not be compliant with regional accounting regulations (Argento et al., 2018; Lima et al., 2009). International organizations like the World Bank, IMF, OECD, and North Atlantic Treaty Organization (NATO) may compel less developed nations to accept standards, or they may offer strong suggestions and encouragement (Baskerville & Grossi, 2019; Chan, 2006; Gómez-Villegas et al., 2020).

A government reform requires not only the backing of political leaders who strive for more accountability and openness, but also the management of the nation. This support is demonstrated by the resources that are available to buy technology, software, and by recruiting skilled staff



(Chan, 2010). With this, the administration will be in charge of carrying out the main plans, which the lawmakers will outline (Ball et al., 2003).

According to Houque et al. (2017), national culture is another factor that tampers with a nation's accounting system. International harmonization was one of the public sector reforms targeted by the New Public Administration movement. However, according to Borges et al. (2016), managers should reject ideas that are ingrained in bureaucratic culture. In the words of Baskerville and Grossi (2019, p "the more deeply rooted the national accounting culture, the more likely it is that institutional rules are sufficiently entrenched to avoid the decay of the institutionalization of this accounting culture the introduction of International Public Sector Accounting Standards Board - IPSAB." Polzer et al. (2019) further emphasized that planning to implement worldwide standards has proven challenging due to the dominant accounting cultures in many nations.

A number of studies, including those by Callegário (2015), Boolaky et al. (2019), and Abdulkarim et al. (2020), demonstrate how regional conservatism, religious traditions, and beliefs might impede the adoption of the IPSAS. It follows that informal norms pertaining to political and cultural issues are closely linked to international accounting standards (formal rules). The efficacy of these reforms in the public sector will depend on these factors.

In conclusion, the political and cultural features of a nation as well as institutional theory may be connected to the use of the IPSAS. The existence of formal elements, such as national political laws, along with informal elements associated with cultural norms, might impact national accounting changes. This led to the development of theoretical hypotheses that would be put to the test in order to determine how the aforementioned factors could affect the acceptance of the legislation in a good or negative way.

Governmental Professional Bodies and IPSAS Adoption

Inadequate standards the engagement of regulators may result in a lack of enforcement of technical and professional standards (Alesani et al., 2012). Academic institutions can expedite the adoption of IPSAS by creating awareness, providing training, and implementing continuous professional development (CPD) programs. Academic bodies and professional associations possess the necessary tools to implement the educational system for IPSAS adoption. (Sanni, 2017).

According to research done across several nations, including Australia, New Zealand, and the United Kingdom, professional associations and academic institutions are exerting pressure to ensure that accounting reform initiatives like IPSAS are successful (Harun, 2007; Christensen, 2002). Professional organizations and other policy actors exert pressure, which aids in addressing some issues with accrual accounting and, thus, contributes to the success of IPSAS in these member countries (Danaee et al, 2016). However, the impact on financial rules, policies, and processes is the single most important success element for the adoption of IPSAS (PWC Belgium, 2020). According to Brusca (2017), professional institutions possess the normative authority to guarantee and mandate adherence to IPSAS.



According to Jackson and Lapsley (2003), professional organisations are often important stakeholders who have access to up-to-date information about accounting changes. Adhikari et al. (2019) argue that the ineffectiveness of the IPSAS adoption process stems from a lack of communication on the standards, their complexity, and the absence of functional separation between government accountants and professional groups. More proof on the regulatory component that contributes to the adoption of IPSAS was presented by Oulavirta (2014). Due to the Finnish Professional Board's lack of knowledge, readiness, and preparation, the Association of Accountants in Finland did not support the implementation of IPSAS. Hence, the IPSAS policy, which was the reason for the process's failure or delay, received little attention from the Society of Public Accountants.

Given the limited financial resources of governments in poor nations, the costs associated with implementing IPSAS are unavoidable and may provide a problem. These costs include training expenses and the production of updated manuals (Angahar & Gwar, 2019).

Since the successful application of IPSAS financial accounting standards and regulations depends on it, training highly skilled public sector accountants is essential to addressing financial measurement and recognition. IFAC (2019) claims that the effective adoption of IPSAS in countries like Malaysia, Canada, and others may be attributed to the implementers' receipt of sufficient training.

Professional bodies' preparedness and the participation of standard-setter knowledge in the process are prerequisites for IPSAS policy. According to Yensu & Agyemang (2018), regulatory bodies in Ghana still have to do more to support MMDAs in the public sectors of the country by offering seminars or continuing professional development (CPD) and training at public institutions. Accompanying this assistance is the mandate that professional organizations regularly arrange workshops, seminars, and training sessions for public sector accountants (Adhikari, 2015; World Bank, 2011).

According to the findings of Ademola et al., 2020 and Salia et al., 2018, staff training deficiencies would impede the successful implementation of accounting standards reform. Inadequate staff (academic and professional) training was identified by Hamisi (2012) as a significant issue influencing the implementation of IPSAS in Kenya among other considerations.

Government Accountant and IPSAS Adoption

Adhikari et al. (2013) state that in addition to local independent setters, additional oversight-responsible organizations like the Auditor General and Government Accountant must enforce and aid in the spread of IPSAS accrual accounting. Agyemang (2017) discovered that these shortcomings might be attributed to the absence of professional accounting practices in Ghanaian government institutions. He continued by saying that the early difficulties in the implementation of IPSAS are due to the extremely high incidence of job vacancies in Ghana's Metropolitan Statistical Areas (MDAs). Yensu and Agyemang (2018) also recognized a significant relationship between the use of IPSAS and educational achievement.

A significant failure factor influencing the implementation of IPSAS is the lack of competent staff (Ademola et al., 2020; Kiugu, 2010). According to Atuilik (2017), Atuilik et al.



(2016), and Huran (2007), there is a deficiency of experts possessing IPSAS experience who can aid in the implementation of the system. The lack of skilled and competent accounting professionals who are aware of and adept at using IPSAS was also mentioned by Sanni (2017). A shortage of skilled personnel is frequently the cause of Bangladesh's delayed reporting to the Controller General of Accounts after IPSAS, according to ACCA (2017). A 2007 study by PWC found that most employees in the public sector lacked the necessary skills to implement IPSAS improvements appropriately.

According to Mukah (2016) and Nangonzi (2019), the primary obstacle impeding the implementation of IPSAS is the dearth of skilled and well trained staff in public institutions. This puts a stop to the process's accounting requirements. Professionally qualified personnel have become more prevalent in the UK as a result of IPSAS implementation, according to Wynne (2007) and Redmayne et al. (2019).

According to Alesani et al. (2010), professional training and credentials are essential components of adopting policies, and knowledge is valuable. And that mapping human capital to resource reliance is necessary for IPSAS to succeed. Additionally, Mutah (2016) noted the necessity of bringing experienced, high-level professionals into the public sector.

According to Harun (2012), a lack of accounting expertise is the reason government accounting reform has not advanced. According to Angahar & Gwar (2019), a different study, adopting IPSAS would be extremely difficult because the majority of public sector accountants lack the necessary training to be considered professional accountants. They also suggested that in order to guarantee the successful implementation of IPSAS, government organizations should hire more qualified accountants.

Government Auditor (Auditor General) and IPSAS Adoption

The complete support of auditors is necessary for IPSAS to succeed. Technical acknowledgment and disclosure of important concepts, including asset value and other associated complicated ideas, are necessary for full IPSAS compliance and will meet auditor expectations (IFAC 2005). Because of this, auditors must be involved from the start of the IPSAS process. In order for others to follow, the state must have sufficient procedures in place to handle IPSAS violations by public institutions and to appropriately handle repeat offenders (Ademola et al., 2020). According to Harun's (2014) findings, the Indonesia Audit Board and other state entities were identified as crucial players in the process of adopting IPSAS in its entirety.

The Public Financial Management Reform program, according to Ouda (2016), has developed the risk performance audit of supreme standards guiding audit standards in carrying out the audit process. A further investigation revealed that the Controller and Auditors general do, in fact, completely guarantee adherence to IPSAS (Hamisi, 2012). Cooperation between accounting organizations and auditors facilitates the adoption of IPSAS (Ugwumadu, 2014). The use of IPSAS and the caliber of accounting and auditing staff are highly correlated.



Government Officials and IPSAS Adoption

Unlike receipts and payments, the foundation of full IPSAS is the fiscal events. In a sense, managers and those in positions of authority in government must undergo a significant cultural transformation if IPSAS is to become the foundation for financial accounting and management. In order for this to happen, effective change management procedures and cultures are required, such as those found in training, financial management, attempts to raise awareness, institutional and procedural changes, and so on (PWC Belgium, 2020). The lack of public awareness of the significance of government financial reforms, coupled with minimal pressure from management and those in charge of governance, causes bureaucrats to be uninterested, which delays the acceptance and implementation of IPSAS (Harun, 2012).

According to Hamisi (2012), a key component of enabling a seamless transition to the IPSAS reforms would be the management changes aspect. Note that not all administrative tools or systems will be able to implement IPSAS (Sanni, 2017). He said that a lack of administrative direction and emphasis will make it more difficult to adopt and execute IPSAS.

Conversely, the growing demands for information collecting and onerous paperwork requirements have led to pushback against such change among public employees (Curristine et al., 2007). According to Nangonzi (2019), IPSAS procedures are highly complex and need a complex management culture. In addition to accountants, managers and other important figures in the public institution must also model such a shift, aside from others (United Nations, JIU 2010). Such a shift is usually viewed as a complex process in the public sector. In all organizations, opposition to change is prevalent. In order to successfully implement a change, such opposition must be recognized, managed, and overcome.

Ouda (2014) stated once again that early adopters' experiences demonstrated a friendly, ongoing connection with process management and those in charge of governance. The process of reform entails a complete culture shift in how management views and handles financial data. The management change process is therefore viewed as a road map for successful IPSAS deployment.

The implementation of IPSAS would encounter opposition because of people's fear of the unknown, according to Angahar & Gwar (2019). government employees who are eager to switch to a new accounting basis and who are conversant with the cash basis of accounting in the public sector.

An institution must be open to the changes a reform brings about in order for it to succeed. Ouda (2005) addressed internal concerns in the public sector and argued that bureaucracy and internal disputes in the public sector system in most developing nations are the outcome of the change management process. A reform or standard that is not introduced or implemented will face strong opposition (Alesani et al., 2012).

According to Pickell (2010), implementing accounting reform will need a shift in government culture at both the MDA and interdepartmental levels. Only comprehensive political and managerial reforms in culture, attitude, and perception will enable the public sector accounting reform to succeed (Chan, 2013). Most government institutions are opposed to the



change necessitated by the adoption of IPSAS, according to a 2019 report by Amar & Hassan on the main obstacles to IPSAS implementation in Romania.

Methodology

A review of numerous journals, research papers, newspaper articles, periodicals, and other documentary materials of professional accounting bodies, as well as conferences, seminars, and workshop papers, served as the primary basis for this study, which aims to evaluate and analyze institutional, political, and cultural factors that influence a nation's propensity to adopt IPSAS.

Considerations That Influence IPSAS Adoption

Acceptable Awareness Level

Efficient coordination and communication are crucial for the smooth implementation of IPSAS and its implications for preparers, regulators, and educators, among other stakeholders (NASB, 2010). The managers of most entities tend to view the transition process as a way to increase reporting costs, ignoring the benefits that come with the process as a whole. This is despite the fact that various stakeholders and regulators have made an effort to raise awareness among targeted audiences across the nation by organizing a series of sensitization workshops and other events.

Associated Adoption Cost

Many nations view the first implementation of IPSAS as expensive, mostly because it involves hiring consultants, paying for employee training, and modifying the current accounting system to implement the change. The money required for training, purchasing new technologies, employing specialists, and other adoption-related expenses is known as the cost of implementation. The political leadership or the entity's governing board must be notified of all the information, including the expected cost of implementing IPSAS, as part of the first proposal (Aggestam-ca, 2010).

These underlying concerns have prompted research into the switch to accrual-based accounting (Adnan & Khan, 2021). In addition, we investigate the function of innovation theory in forecasting IPSAS adoption preparedness, in response to a request for studies on the shift from cash to accrual-based accounting in developing nations (Nwali & Dame, 2020). Other obstacles include low understanding and low participation in the IPSAS framework, inadequate infrastructure and technology, the costs and associated training associated with updating them, and high implementation costs (Abdulkarim, Umlai, & Al-Saudi, 2020).

Local bodies responsible for establishing standards have occasionally opposed the adoption of IPSAS. According to Polzer, Grossi, and Reichard (2021) they worry about losing some of their power or becoming obsolete. As a large project, however, it would also be essential to provide public sector people with the requisite knowledge and experience (Nilsen & Reite, 2021). Government organizations adopt IPSAS because they need to improve public resource management's efficiency, accountability, and expertise (Kuroki, Ishikawa, & Yamamoto, 2021). Furthermore, as per Ojiagu, Nzewi, and Arachie (2020), the agency theory posits that enhanced



transparency and optimal utilization of government resources can be achieved through education of officials and other stakeholders, as well as the disclosure of financial statement information.

Research has indicated a noteworthy and positive correlation between the adoption of IPSAS and the implementation cost. Implementation costs can be a significant factor in how TQM systems are carried out because lower IPSAS acceptance corresponds with greater implementation costs (Dineen-Griffin et al., 2019).

Adequate Technical Capacity

According to scholars and professional accounting bodies, insufficient competence and abilities impede public sector accounting training (Abdulkarim et al., 2020). Together with insufficient infrastructure and technology, other issues include low stakeholder participation and a lack of knowledge of IPSAS, as well as the significant expense of updating and training related to these issues (Gomes et al., 2021). Yet, in order to carry out a major program, specialists must be found, and public sector workers must get in-depth training (Abdulkarim et al., 2020).

According to Gómez-Villegas et al. (2020), the adoption of cash-based IPSAS in less developed nations was mostly a fiction due to technical uncertainties and inadequate training and instruction for public managers. Further stages of IPSAS introduction are necessary, and the experiences of other nations with its implementation should be considered (Haija et al., 2021).

Furthermore, considering the complexity of IPSAS, training programs should be implemented even if the public sector employs highly skilled people. (Polzer et al., 2021). A government accounting transformation has several preconditions, one of which is staff training and skill development (Jayasinghe, et al., 2021). Building on particular nations or comparative studies, there is also an increasing body of evidence indicating the consequences of a lack of competence on the advancement and realization of accrual accounting's intended advantages (Salvo, et al., 2021).

According to this accountancy professional organization, one of the biggest obstacles governments faces when transitioning to accrual accounting is a shortage of competent staff. Compared to the cash accounting procedure, the accrual accounting method is more challenging (Jafi & Youssef, 2021). Research has indicated a noteworthy and direct correlation between the implementation of IPSAS and Staff Training. According to Duréndez and Madrid-Guijarro (2018), staff training increases the number of competent personnel, which also increases the adoption of IPSAS.

Advanced Education and Experience

The terms "knowledge" and "experience" refer to the acts, information, and skills that are obtained via education or experience. One can obtain knowledge or skills by thoroughly experiencing something, particularly in a particular profession, or by conceptually or practically understanding a subject (Bugaj, et al., 2019). Public sector accountants lacked the requisite knowledge and expertise of accrual-based accounting principles necessary for private accounting (Jafi & Youssef, 2021). Furthermore, professional associations in the nation seemed uninterested in attempting to alter the government's chosen accounting system and had minimal influence over



it (Bisbee & Honig, 2021). Therefore, researching the use of IPSAS and the obstacles to the business environment might be beneficial, particularly for other nations considering or now implementing IPSAS.

When it comes to IPSAS, accrual-based accounting, and public sector accounting reforms, certain experiences have gone better than others (Mnif & Gafsi, 2020). As part of a wider reform movement, nations with internal reform requirements used accrual-based accounting (Abdulkarim et al., 2020). As opposed to the potential advantages, accrual-based accounting rules have been linked to corruption in nations that were compelled to use them (Legese, 2020). According to Zammit et al. (2020), the selection of participants was predicated on their engagement in accounting or auditing for government ministries and divisions. The candidate must be familiar with applying accounting standards in government departments or ministries and have expertise with accounting functions in the public sector.

The knowledge and experience gained from adopting IPSAS has a substantial impact on the quality of financial reporting. According to researchers from earlier studies, knowledge and experience foster an environment of learning at work that includes lessons that speed up the adoption of IPSAS (Dalla Via et al., 2019).

Availability of Appropriate Expertise

According to Rapanta et al. (2020), the development of specialized information or skills through formal training, study, or practice is known as expertise availability. The main barriers to IPSAS implementation are institutional commitment, funding, availability of knowledge, legislation modifications, and political will (Beredugo, 2021). It is evident that individuals holding political authority are not as excited about the implementation of IPSAS based on accrual, for a variety of reasons (Polzer & Reichard, 2019). The respondents also expressed the opinion that accrual based IPSAS implementation remains impeded by the high implementation costs (Hopkins, Keane, & Balaskas, 2020). These costs include those associated with consultants, training, IT upgrades, and the creation of suitable guidance and translation tools.

The adoption of IPSAS has also resulted in a deficiency of knowledge on accrual-based accounting technology support (Beredugo, 2021). Furthermore, structural transformation is necessary to meet the requirements of accrual-based IPSAS; however, there is little to no commitment to guarantee the timely implementation of accrual-based IPSAS (Mssusa, Chalu, & Temu, 2021). The government's reluctance to fully implement IPSAS, together with statutory modifications and institutional commitment, have all contributed to the ongoing decline in the effectiveness of IPSAS implementation in companies (Ebrahimi, 2020). Adequate financing should be given for IPSAS implementation initiatives, since the majority of public sector institutions ascribed their inability to implement IPSAS Accrual to a lack of finance (Press, 2018).

Adoption may be hampered by capacity building and the availability of professional accountants in poor nations (Matekele & Komba, 2020). In addition, implementing IPSAS is thought to be difficult due to reluctance to change, a lack of preparedness on the part of those engaged, and the availability of trained experts who are conversant with international standards



(EBISSA, 2020). Additionally, the creation of manuals was necessary as the public sector lacked the necessary expertise, necessitating standardization and system training (Beredugo, 2021).

Recent research has demonstrated a clear correlation between the availability of IPSAS adoption knowledge and the quality of financial reporting. According to earlier research, having knowledge on hand enhances the use of IPSAS and advances its utilization (Hirschhorn et al., 2020).

Appreciable Key Management Support

Senior management assistance and intervention in the adoption process is known as top management support. If upper management recognizes the value of information systems, participates in them directly, and supports them, there is a favorable correlation between user support and organizational performance (Paillé et al., 2014).

The quality of an organization's financial reporting is determined by several elements, such as the composition of the senior management team, internal incentives, accounting decisions, local laws, global standards, and oversight frameworks (Alkebsee et al., 2021). Diversity in top management teams might impact FRQ, but only if officers who are really in charge of the organization's financial management process or accounting and financial statement preparation are taken into consideration (Cohen et al., 2017). Top management teams are made up of a steady core and a dynamic perimeter (van der Kamp, 2021).

Accordingly, the study's specific goal was to find out how ethnic diversity affected the caliber of financial reporting in state-owned commercial enterprises (Gardi, 2021). The person will behave opportunistically to the degree that their activities will have an impact on the caliber of the financial accounts, supposing that every individual behaviors are driven by self-interest (Galvin et al., 2021). Although accounting choice studies explain why a single accounting technique (depreciation) was chosen rather than a combination of accounting policies, they do provide possibilities and incentives that senior management teams may take advantage of to enhance the financial performance (Kang, 2020).

The implementation of IPSAS is directly correlated with top management support, according to several research. According to Dobson et al. (2018), top management support enhances IPSAS use and develops its implementation, highlighting the significance of IPSAS adoption.

Aggressive External Pressure

The influence from the global community, international organizations, and any other outside source is known as external pressure. Under internal and external pressure to secure independence and access to freedom, the accounting system seeks widespread adjustments and improvements (Khudir, 2021). Issues with the current accounting system, the applicability of IPSAS to solve these issues, government sector comprehension of IPSAS, and forces from both the inside and outside pushing for IPSAS implementation (Wodajeneh, 2020). According to Davis and Rhodes (2020), one of the main features of public sector accounting reform is the



impact of external constraints on governments' capacity to obtain technical competence and resources.

Due to this, foreign donors put pressure on developing nations to incorporate into their recommendations the adoption of global best practices for increasing public sector accountability and transparency (Amiri & Hamza, 2020).

Development countries face external pressure to adopt these standards since the World Bank and other donors encourage the use of IPSAS standards when extending loans and grants to these nations (Haija, et al., 2021). But because developing nations were supposed to be the primary beneficiaries of these standards, it is surprising that these nations did not emphasize their early adoption (Onderco, 2021). These standards were not exclusive to developing nations. The desire for legitimacy in the state's engagement with transnational organizations was seen as a major driver of public demand for increased accountability in relation to public sector accounting changes (Lino et al., 2021).

Therefore, by generating outside pressure, the absence of stringent accounting regulations and standards makes system transformation easier (Moore et al., 2021).

Numerous studies have demonstrated the connection between outside pressure, IPSAS implementation, and the caliber of financial reporting. It is challenging to execute work strategies and adjust to changes due to external pressure, which has an impact on the adoption of IPSAS (Kassem & Stefan, 2019).

Adaptation Of Appropriate Technology

The presence of necessary technology for effective implementation is referred to as the technology factor. The substantial assistance of contemporary technology can improve the application of IPSAS. Adoption of IPSAS is facilitated by having a sufficient networking infrastructure, accessible computers, new software being developed, and its interaction with various databases and platforms (Haija et al., 2021).

When implementing IPSAS, expenses for research, training, and technology must be considered (Ademola et al., 2020). According to Ademola et al. (2020), all of these activities will undoubtedly need a significant investment of money, time, and resources in hiring IT specialists. It is also impossible to finish IPSAS deployment without a computerized information system (Ikechi et al. 2021). There will undoubtedly be some difficulties when implementing any new system, and it will be required to assess them and gather the resources needed to address them (Carneiro et al., 2021). Some obstacles that must be overcome in order to establish and execute public sector standards might impede efforts if they are not recognized (Haija et al., 2021).

The barriers and other factors influencing the adoption of IPSAS, such as technical issues with ICTs and devices, staff training in technology, the accountant's proficiency with programming languages, and their aptitude with contemporary computer technologies (Dyczkowska, 2021). The accounting skills-related business hurdles application of requirements, workers' appropriate comprehension of financial information created using requirements, workers' training for upholding standards, the administration's choice and commitment to use accumulation basis, and company construct (Qader et cetera, 2021).



Financial issues, communication, and networks for dependable standard implementation the high cost of implementing these criteria, the costs associated with team training, the costs of adding more units and equipment, and the gear required for the implementation of standards (LUNGA, 2021). Among the challenges were the effects of implementing global social sector standards on curriculum modifications at different colleges (Knake et cetera, 2021). Studies have shown that technology aspects are important for both the quality of financial reporting and the adoption of IPSAS (Lo et al., 2018; Sandal et al., 2021).

Applicable Transition Management

The adjustment that government reporting bodies must make in order to implement the new system is one of the factors influencing the adoption of IPSAS. This component entails handling new data items and overseeing the effort of switching to a new reporting mechanism. Analogously, concurrent comparison reporting based on the new standard and the current standard is also necessary for the implementation's early stages in order to comprehend their differences.

Active Strategic Planning And Evaluation

Converting to IPSAS is not only a technical exercise or a simple switch from one set of accounting principles to another. In order to properly comprehend how the proposed IPSAS conversion would effect pertinent aspects of their entity and to make appropriate plans for a smooth implementation process, entity executives must be aware of their organization's overall picture. As a result, concerns pertaining to accounting, taxes, statutory reporting, internal procedures, and organizational challenges will often be included in the planning process. Therefore, starting the IPSAS conversion process early will enable entities to achieve the deadlines outlined in the implementation plan and submit reliable IPSAS reports.

Conclusion

The purpose of this conceptual paper is to identify the determinants of IPSAS adoption that were studied in the previous empirical studies of IPSAS implementation and adoption. Ten antecedents can be identified; Acceptable Awareness Level, Associated Adoption Cost, Adequate Technical Capacity, Advanced education and Experience, Availability of Applicable Expertise, Appreciable Key Management Support, Aggressive External pressure, Adaptation of appropriate technology, Applicable Transition Management, and Active Strategic Planning and Evaluation

Adoption of IPSAS is undoubtedly a monumental undertaking, making it a significant issue that calls for a great lot of resolve and dedication from political players. In light of the aforementioned, Ghanaian public sector and corporate organizations ought to perceive the implementation of IPSAS as both a challenge and a chance to harmonize their financial reporting procedure with international best practices, considering the substantial advantages that come with doing so. Fundamentally, the implementation of high-quality accounting standards will enhance accounting data, enable international investment and commerce, and promote comparability, transparency, and a reduction in information asymmetries between nations.



Statement Of Declaration

We declare that this research is solely the work of the researcher for academic purposes and not sponsored by any organization or individual. The research is in fulfillment of academic requirements for completion of Ph.D. and is not financed by any organization.

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