INVESTIGATIONS OF INSTITUTIONAL INSTIGATIONS OF INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS) ADOPTION IN GHANA

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ABSTRACT

Purpose: This paper is geared towards exploring the factors that influence the implementation of the International Public Sector Accounting Standards (IPSAS).

Methods: The research is based on a comprehensive review of various sources, including journals, research papers, newspaper articles, magazines, official documents from accounting bodies, and conference material such as seminar and workshop materials.

Results and Conclusion: The paper examines ten critical factors essential for the successful implementation of IPSAS in Ghana. These factors include Awareness and Understanding, Cost Implications, Sufficient Technical Skills, Higher Education and Professional Experience, Availability of Relevant Expertise, Support from Key Management, External Pressures, Adoption of Suitable Technology, Effective Transition Management, and Strategic Planning and Evaluation.

Research Implications: The research pinpoints the factors that are vital for the country's IPSAS implementation, with the relationship between awareness, skills and strategy being the central theme.

Originality/Value: This research paper points out top ten factors for successful IPSAS adoption in Ghana that stresses the need for comprehensive preparation and adequate resource allocation.

Keywords: IPSAS, Ghana, Public Sector Accounting, Adoption Cost, Technology Adaptation.

INVESTIÇÕES DE INSTIGAÇÕES INSTITUCIONAIS DE ADOÇÃO DE NORMAS INTERNACIONAIS DE CONTABILIDADE DO SETOR PÚBLICO (IPSAS) EM GANA

RESUMO

Objetivo: Este artigo tem como objetivo explorar os fatores que influenciam a implementação das Normas Internacionais de Contabilidade do Setor Público (IPSAS).

Métodos: A pesquisa é baseada em uma revisão abrangente de diversas fontes, incluindo periódicos, trabalhos de pesquisa, artigos de jornais, revistas, documentos oficiais de órgãos contábeis e material de conferências, como materiais de seminários e workshops.


Implicações da Investigação: A investigação identifica os fatores que são vitais para a implementação das IPSAS no país, sendo a relação entre sensibilização, competências e estratégia o tema central.

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INVESTIGACIONES DE INSTIGACIONES INSTITUCIONALES PARA LA ADOPCIÓN DE NORMAS INTERNACIONALES DE CONTABILIDAD DEL SECTOR PÚBLICO (IPSAS) EN GHANA

RESUMEN

Propósito: Este documento está orientado a explorar los factores que influyen en la implementación de las Normas Internacionales de Contabilidad del Sector Público (IPSAS).

Métodos: La investigación se basa en una revisión exhaustiva de diversas fuentes, incluidas revistas, artículos de investigación, artículos periodísticos, revistas, documentos oficiales de organismos contables y material de conferencias, como materiales de seminarios y talleres.

Resultados y conclusión: El documento examina diez factores críticos esenciales para la implementación exitosa de las IPSAS en Ghana. Estos factores incluyen conciencia y comprensión, implicaciones de costos, habilidades técnicas suficientes, educación superior y experiencia profesional, disponibilidad de experiencia relevante, apoyo de la gerencia clave, presiones externas, adopción de tecnología adecuada, gestión eficaz de la transición y planificación y evaluación estratégicas.

Implicaciones de la investigación: La investigación señala los factores que son vitales para la implementación de las IPSAS en el país, siendo el tema central la relación entre conciencia, habilidades y estrategia.

Originalidad/Valor: Este artículo de investigación señala los diez factores principales para la adopción exitosa de las IPSAS en Ghana y enfatiza la necesidad de una preparación integral y una asignación adecuada de recursos.

Palabras clave: IPSAS, Ghana, Contabilidad del Sector Público, Costo de Adopción, Adaptación Tecnológica.

INTRODUCTION

1.1 BACKGROUND

The processes of globalization and technological advancement have profoundly impacted public sector accounting, promoting data sharing, comparability, and transparency to enhance governmental accountability (Lima et al., 2009; Sellami & Gafsi, 2019). Consequently, numerous countries are adopting or considering the International Public Sector Accounting Standards (IPSAS). These standards are crucial for the public sector as they ensure the production of high-quality reports and financial statements. According to the International Federation of Accountants (IFAC, 2019), 14 countries have officially adopted IPSAS, while 64 countries are in various stages of implementation. Another 46 countries are still deliberating on
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whether to adopt these standards. The adoption of IPSAS is driven by the need for improved accountability and transparency in government financial reporting, aligning with international best practices and facilitating better governance.

Schmidt et al. (2020) argue that IPSAS aims to support developing nations by enhancing the comparability, completeness, and understandability of financial information, thereby providing a solid foundation for decision-making and the strategic utilization of financial data. Endorsement from influential international bodies such as the International Monetary Fund (IMF) and the World Bank lends governments international credibility (Chan, 2006). Pressure to adopt these accounting standards has also come from various organizations including the African Union, ECOWAS, the Commonwealth, and the World Bank, with scholars such as Judge et al. (2010), Guerreiro et al. (2014), and Nitri (2018) documenting these efforts.

Research on the adoption of IPSAS has been conducted worldwide, examining various regions including the Americas (Araya-Leandro et al., 2016), Europe (Argento et al., 2018; Mattei et al., 2020), Asia (Boolaky et al., 2019), and Africa (Sellami & Gafsi, 2019). Despite these efforts, there remains a significant gap in understanding the institutional and environmental factors that influence countries' decisions to adopt IPSAS. In particular, there is limited research on how political and cultural aspects affect the adoption process. Exploring these dimensions is crucial, as they play a significant role in shaping the public sector's accounting practices and the overall effectiveness of IPSAS implementation. More comprehensive studies are needed to identify and analyze these factors, providing a deeper insight into the challenges and drivers of IPSAS adoption across different national contexts (Sellami & Gafsi, 2017). Such a gap indicates the necessity of conducting further research on the intricate elements that influence the IPSAS implementation decisions of the countries, considering the intricate relation between the institutional frameworks, political contexts, and cultural aspects. Identifying these elements is vital for policymakers and stakeholders that are concerned with the successful implementation of IPSAS within different national situations. This gap raises the research question: what are the determinants of IPSAS adoption including the political and the cultural factors?

The main aim of this study is to determine the factors that affect the choice of a country to use IPSAS through the lens of institutional, political, and cultural aspects. The culture and the policy-oriented aspects of the adoption process should be subject of a critical assessment of the principle of such regulations (Chow 2019).
The significance of this research lies in the fact that it could provide data to policymakers for the formulation of public policies and the proper planning of the implementation of IPSAS. Proper implementation of IPSAS will entail investments in infrastructure, supporting systems, training, local regulations, and involvement of stakeholders within the cultural and political contexts (Haija et al., 2021). Such research can as a result act as a catalyst for the non-adopting states which have the same structural features of adopters in giving the issue of adopting such standards a thought.

1.2 OBJECTIVE OF THE WORK

The study presents a conceptual model highlighting the key factors that should be considered in the process of the country's transition to IPSAS, revealing that a combination of the awareness, competence, and strategic planning is essential for successful implementation.

2 LITERATURE REVIEW

2.1 INSTITUTIONAL THEORY

The institutional theory looks at the implementation or adaptation of IPSAS by identifying the problems and challenges that may be encountered (Polzer et al., 2019). In their article, Jorge et al. (2016) argue that the organizations turn to concepts such as IPSAS as a resource for them to gain legitimacy and stability by assimilating discourses and institutions. Institutional isomorphism, which makes organizations similar, operates through different mechanisms: normative isomorphism is a form of professionalization, mimetic isomorphism is associated with the uncertainty and standard responses, and coercive isomorphism is related to the legitimacy issues (DiMaggio & Powell, 1983).

The IPSAS and accrual accounting are globally recognized which makes them legitimate in the adopting nations thus (Bergmann & Schuler, 2019). The endorsement of politicians and governmental officials reduces fiduciary risk and ensures the fulfillment of the standards and regulations (Gómez-Villegas et al., 2020). On the other hand, deficiency to implement or revise the IPSAS can lead to the nation's investment reputation being damaged (Opanyi, 2016). In the context of public choice theory, agency theory, and institutional theory,
a lot of theories have been put forward to explain government management reforms (Carpenter & Feroz, 2001).

As Abduladid (2021) states, the adoption of accounting innovations by users makes the institutions use these innovations more relevant. Moreover, institutions and people's daily life are connected by Loi, Lei, and Lourenço (2021). In spite of the objective of IPSAS implementation, in practice, isomorphism occurs as financial statements have low use in decision-making of government (de Araújo & de Souza, 2020).

Research into the process of IPSAS and IFRS adoption (Ahn et al., 2014; Baker & Rennie, 2006; Mnif Sellami & Gafsi, 2017; Pilcher, 2011) often refers to institutional theory, regarding institutional pressure (isomorphism) as a crucial condition for implementing global models and endorsing national best practices. Institutions are under pressure from social, political, and legitimate aspects, so they become more homogenous and legitimate their existence through best practices and legal compliance (Glynn, 2020; Legese, 2020). According to DiMaggio & Powell (2000), organizational isles emerge through three mechanisms of coercive, mimetic, and normative.

Multilateral institutions assist countries in bringing their accounting systems in accordance with the global standards on uniformity, transparency, and sound financial management. This in turn improves investor confidence and strengthens the economic and fiscal standing of the countries (Ahinsah-Wobil, 2021). Accountants and auditors should follow the latest rules and regulations to make their job easier and to make sure that the wealth is distributed equally (Alam et al., 2020). The tendency to follow the practices of international financial institutions is higher if a country decides to adopt IPSAS (Amiri & Hamza, 2020).

Institutional theory proposes that organizations can learn from other organizations by borrowing effective practices from them (Rana et al., 2021). Some of the key determinants of IAS implementation are globalization, international governance institutions, openness to trade, and global competition (Silva et al., 2021). These factors explain why the world is a global village and why there is need for international accounting harmonization. Harmonization makes it easier for cross-border trades to take place, increases clarity, and provides consistency in the financial reporting of markets with varying economic structures. This explains why there is a need to reconcile differences in accounting regulations to address the needs of a globalized economy.
2.2 IPSAS ADOPTION AND INSTITUTIONALISM

North (1991), in turn, brought institutional theory to the table, highlighting both the formal rules (laws, decrees, regulations) as well as the informal rules (customs, conventions, behavioral norms, codes of conduct). Therefore, this theory demonstrates that outside institutional factors affect accounting changes (Polzer et al., 2019).

Institutional context inevitably affects the process of accounting report preparation (Ball et al., 2006). Institutional changes often stem from a global trend toward adopting universally accepted norms, although these norms may clash with local regulations (Argento et al., 2018; Lima et al., 2009). Influential global organizations like the World Bank, IMF, OECD, and NATO wield significant sway and may exert pressure on less developed nations to conform to international standards (Baskerville & Grossi, 2019; Chan, 2006; Gómez-Villegas et al., 2020). Consequently, governmental reforms necessitate the backing of political leaders, who play a crucial role in implementing legislative mandates (Ball et al., 2003). This dynamic underscores the complex interplay between global norms, local regulations, and political leadership in driving institutional changes within public sector accounting frameworks.

In addition, national culture gives way to national accounting system (Houqe et al., 2017). Although the New Public Administration advocated for international harmonization as its goal, the deeply embedded bureaucratic culture may be resistant to this idea (Borges et al., 2016). Baskerville and Grossi (2019) state that the accounting culture which is deep-rooted within the countries will not be affected by the introduction of the IPSAS even if they are institutionalized. Polzer et al. (2019) observe that in many countries, accounting cultures that have become dominant make the implementation of the global standards rather complicated.

Cultural conservatism, religious traditions, and beliefs are the important hinders of IPSAS implementation, as was found by Callegário (2015), Boolaky et al. (2019), and Abdulkarim et al. (2020). This research demonstrates a profound impact of unwritten traditions, which are influenced by politics and culture, on the acceptance and compliance with international accounting standards. Aside from these hurdles, the key factors that can lead to successful public sector reforms are also: These elements, such as political will and leadership, active participation of stakeholders, capacity building, transparent governance, flexibility, efficient resource management, and effective monitoring and evaluation, are crucial. Through the consideration of these factors, policymakers and stakeholders are able to overcome the
challenges brought about by the cultural and institutional aspects and thus the implementation of the reforms and the international accounting standards.

To sum up all, political and cultural elements, in addition to the institutional theory, play a role in the acceptance of IPSAS. National formal political legislation and informal cultural norms can affect national accounting change, developing the need to test hypotheses on how they would positively or negatively affect the acceptance of laws.

2.3 GOVERNMENTAL PROFESSIONAL BODIES AND IPSAS ADOPTION

The role of governmental professional bodies in the transition toward International Public Sector Accounting Standards. They are important in the realization of technical and professional standards as explained by Alesani et al. (2012). But insufficient use of laws and regulations may hinder this process. The other key stakeholders in the acceptance and adoption of IPSAS are academic institutions. They do so by creating awareness, conducting training and also CPD. It is worth noting that research carried out in countries like Australia, New Zealand and United Kingdom shows that professional associations and academic institutions have a critical role of promoting the reform agenda for IPSAS adoption. Their combined work helps promote the use of IPSAS principles in the public sector and improve awareness of IPSAS-related issues in the public sector (Harun, 2007; Christensen, 2002). These organizations assist the countries in solving the problems related to accrual accounting. Consequently, the adoption of IPSAS is improved in these countries as well (Danaee et al., 2016).

2.4 GOVERNMENT ACCOUNTANT AND IPSAS ADOPTION

Professional institutions are the institutions with the authority of the norms to ensure that the IPSAS standards are followed (Brusca, 2017). Besides that, they are the exclusive parties with the necessary information on accounting reforms (Jackson & Lapsley, 2003). Nonetheless, the communication flaw, complication and the absence of the proper separation between government accountants and professional groups can limit the IPSAS adoption process (Adhikari et al., 2019). The lack of preparedness of regulatory bodies, for example Finnish Professional Board, in implementing IPSAS has been found to be a kind of hindrance (Oulavirta, 2014).
The implementation of IPSAS comes with its own challenges in the developing countries. They include the cost of training and re-writing of manuals (Angahar & Gwar, 2019). The training of public sector accountants must enable them to be able to develop the necessary skills and expertise for the effective implementation of IPSAS (IFAC, 2019). Consequently, the regulators in the countries such as Ghana should be given a mandate to aid the public sector through seminars, CPD programmes and training workshops (Yensu & Agyemang, 2018; Adhikari, 2015).

2.5 GOVERNMENTAL PROFESSIONAL BODIES AND INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS) ADOPTION

It has been found out that the shortcomings of staff training are the major factors that retard accounting standards reforms implementation (Ademola et al., 2020; Salia et al., 2018). This is the obstacle which actually delays the IPSAS implementation because of the insufficiency of the qualified staff (Ademola et al., 2020; Kiugu, 2010). So both roles of the auditor general and government accountant are considered to be the foundation of the accrual accounting system (Adhikari et al., 2013). MDA’s in Ghana encountered difficulties during the first year of IPSAS implementation according to Agemang (2017) because of the high number of vacancies in the public sector.

Furthermore, the absence of the professionals who are knowledgeable about IPSAS and the accountants who are capable in using IPSAS can also not allow the successful implementation of IPSAS (Atuik, 2017; Atuik et al., 2016; Sanni, 2017). A study has revealed that the success of the implementation of IPSAS in countries such as UK has been associated to the presence of well qualified personnel (Wynne, 2007; Redmayne et al., 2019). Therefore, a proper match of human capital and resource reliance is imperative for the feasibility of IPSAS (Alesani et al., 2010; Mutah, 2016).

2.6 GOVERNMENT AUDITOR (AUDITOR GENERAL) AND IPSAS ADOPTION

Government auditors, including the Auditor General, play a vital role in ensuring IPSAS compliance. Their involvement from the outset of the IPSAS process is essential, as it requires technical acknowledgment and disclosure of key concepts to meet auditor expectations (IFAC, 2005). Adequate procedures must be in place to address IPSAS violations by public institutions,
and cooperation between accounting organizations and auditors facilitates IPSAS adoption (Ugwumadu, 2014).

2.7 GOVERNMENT OFFICIALS AND IPSAS ADOPTION

The IPSAS has got the potential to bring a dramatic change in the financial accounting and management of governments. Still, achieving this potential requires a fundamental change in the culture of government managers and officials. Such a transformation is only possible through effective change management processes such as training programmes, improved financial controls, awareness raising, and organisational and process reforms (PWC Belgium, 2020).

One of the most significant challenges that hinder the successful implementation of IPSAS is the low awareness of the population regarding the necessity of reforming the government’s finance. In addition, there is insufficient pressure from management and governance bodies to drive the acceptance and timely adoption of IPSAS, and bureaucratic resistance poses a major challenge to the implementation process. Addressing these issues requires continuing awareness campaigns to inform stakeholders about IPSAS and the value of adopting the standards and leadership and governance systems that actively support and champion reform. These barriers and challenges can be overcome and the supportive environment for IPSAS can be created by the governments for faster IPSAS implementation and achieving its ultimate goal of financial transparency and accountability (Harun, 2012).

As discussed by Hamisi (2012), the management change is one of the key factors in making the transition to IPSAS reforms easier. Not all the administrative instruments and systems can be applied and implemented by IPSAS (Sanni, 2017), and the absence of administrative direction is the major issue in the implementation of IPSAS. Resistance to change, which is caused by an increase in paperwork and information collection requirements, is one of the major problems among the public employees (Curristine et al., 2007). Nangonzi (2019) highlights that the IPSAS procedures are complicated, and they require an advanced organizational culture. Managers and other senior public officials should be the ones to lead by example in modeling this change which is not always a straight-forward process. Opposition is an integral part of the implementation process which should be addressed.

Ouda (2014) highlights that the initial users' feedback demonstrates the necessity of close and continuous interactions with process management and governance. The change is a
cultural one in how managers think and approach financial data, and with that change, the management change process is a roadmap to successful IPSAS implementation. The unknown is the root of fear. Angahar & Gwar (2019) believe that the fear of the unknown will cause resistance against the IPSAS implementation. Public sector officers who are accustomed to cash-related accounting should be ready to make the necessary adjustments to the new accounting basis.

The reforms shall only work if the institutions are in a position to embrace the changes. Ouda (2005) highlights the inward concerns and puts forward the theory that bureaucracy and the internal disputes in the public sector often arise from the change management process in the developing nations. The absence of rules and regulations or their ineffective implementation will certainly face strong opposition (Alesani et al., 2012).

Pickell (2010) argues that for the reform of accounting to be put in place there is a need for cultural shift not only at the MDA but also at interdepartmental level. Comprehensive changes in the political and managerial culture, attitude and perception at the public sector level are critical for the success of public sector accounting reform (Chan, 2013). According to Amar & Hassan (2019), most institutions of the Romanian government address with reluctance the changes that are necessary for the incorporation of the IPSAS into their financial reporting.

3 METHODOLOGY

The study performs an in-depth analysis of institutional, political, and cultural factors that determine a country’s propensity to adopt IPSAS. It refers to the information that is gathered from various sources such as academic journals, research papers, newspapers, publications of professional accounting bodies, and conference, seminar, and workshop papers. Through the integration of information from these diverse sources, the study will seek to achieve the goal of offering an in-depth insight into the multiple factors that may be shaping the implementation process of IPSAS in various countries.
4 CONSIDERATIONS THAT INFLUENCE IPSAS ADOPTION

4.1 ACCEPTABLE AWARENESS LEVEL

Effective coordination and communication are the crucial components of IPSAS implementation with its influence on the preparers, regulators, and educators (NASB, 2010). Managers mostly perceive the switch to IPSAS as an expensive process; however, they do not consider the other benefits. Stakeholders and regulators arrange for workshops across the country to raise awareness among the public. This is a way of underlining the importance of IPSAS and its benefits, which are related to the quality of reporting and transparency. The establishment of clear communication channels ensures that the course of the problem is overcome and that cooperation between all stakeholders is strengthened. This way, the implementation will be successful and the financial management in the public sector sector will be enhanced.

4.2 ASSOCIATED ADOPTION COST

Countries that are going to implement IPSAS are faced with the financial cost of hiring consultants, training employees and redesigning the existing account system. These costs involve many areas, such as training programs, technological upgrades, staffing of specialists, and other related expenses. It is of utmost importance that political leaders or the governance boards of entities are fully informed about all needed data, including estimated implementation costs, before they come up with the proposals (Aggestam-ca, 2010).

The issues related to the transition to accrual-based accounting have encouraged the researchers to conduct the research on the same as Adnan & Khan (2021). However, scholars have also examined the applicability of innovation theory in explaining the implementation of IPSAS, especially in developing countries that are transitioning from cash to accrual accounting (Nwali & Dame, 2020). But, despite these inquiries, there are still several barriers. These include lack of knowledge and application of IPSAS framework, lack of technological support, cost of updates and implementation. These challenges need to be addressed in order to ease IPSAS standards transition and increase the effectiveness of IPSAS standards adoption globally (Abdulkarim, Umlai, & Al-Saudi, 2020).
Sometimes, the local standard-setting institutions have opposed IPSAS adoption, fearing the loss of their authority or a future obsolescence (Polzer, Grossi, & Reichard, 2021). The idea of preparing public sector employees with the necessary knowledge and expertise will have to be taken into consideration (Nilsen & Reite, 2021). Public sector agencies begin to use IPSAS as a means to elevate efficiency, transparency, and competence in the management of public funds (Kuroki et al., 2021). In this case, agency theory suggests that high transparency and optimal use of public resources could be attained by educating officials and stakeholders and disclosing financial statement information (Ojiagu, Nzewi, & Arachie, 2020).

Scientific evidence proves a very highly positive correlation between the cost of IPSAS implementation and adoption. Low IPSAS adoption rate is linked to higher implementation costs (Dineen-Griffin et al., 2019).

4.3 ADEQUATE TECHNICAL CAPACITY

Thorough knowledge and competence in the field of public sector accounting curriculum are considered among the main difficulties for the adoption of IPSAS (Abdulkarim et al., 2020). Nevertheless, inadequate infrastructure and technology only exacerbate the difficulties. The other challenges are the low contribution of stakeholders, the lack of IPSAS knowledge, and the high expenses on updating and training (Gomes et al., 2021). For the successful implementation of key programs, it is highly desirable to find the experts and ensure the public workers are trained thoroughly (Abdulkarim et al., 2020). According to Gómez-Villegas et al. (2020), less developed countries encounter problems with the shift to cash-based IPSAS because of technical insecurity and managerial training insufficiencies. Haija et al. (2021) emphasize the need for the later stages of IPSAS adoption to consider lessons from implementation of other countries.

Though the IPSAS is a complicated system, it does not necessarily mean that the public sector need not conduct training programs even when there are highly skilled individuals (Polzer et al., 2021). Bringing in and developing the staff’s skills are key to government accounting transformation (Jayasinghe et al., 2021). Research indicates that competence deficiency is one of the main factors that impede the implementation of accrual accounting and thus the achievement of its benefits (Salvo et al., 2021).

The most important problem in governments’ transition from cash to accrual accounting is the lack of sufficient competent staff, because the complexity of accrual accounting is much
bigger than cash accounting (Jafi & Youssef, 2021). Research shows that there is a direct relationship between the implementation of IPSAS and staff training, with the staff training leading to more capable personnel which results in a higher IPSAS adoption rate (Duréndez & Madrid-Guijarro, 2018).

4.4 ADVANCED EDUCATION AND EXPERIENCE

The ability to acquire knowledge and skills through formal education or practical experience is central to a successful implementation of IPSAS. It is not surprising that public sector accountants are not aware of the importance of accrual-based accounting principles that are adapted for private sector accounting (Jafi & Youssef, 2021). On the other hand, professional associations have shown a weak willingness to interfere in the government's chosen accounting system (Bisbee & Honig, 2021). By investigating the utilization of IPSAS and the limitations within the business environment, countries exploring or applying IPSAS adoption can get valuable insights.

Different countries have various kinds of experience in the IPSAS, accrual-based accounting, and public sector reforms (Mnif & Gafsi, 2020). Some countries have seen accrual-based accounting as a part of their reform efforts and others have associated accrual-based accounting rules with corruption, when introduced (Abdulkarim et al., 2020; Legese, 2020). Participants should be chosen whose knowledge about government accounting standards and public sector account functions is sufficient (Zammit et al., 2020).

IPSAS adoption has a lot of influence on the quality of financial reporting, thus, it helps to build a learning environment that speeds up the process of IPSAS adoption (Dalla Via et al., 2019).

4.5 AVAILABILITY OF APPROPRIATE EXPERTISE

Getting the necessary skills through schooling, training or practical experience is one of the important factors for implementing IPSAS (Rapanta et al., 2020). The main obstacles for the IPSAS implementation include the lack of dedication among the institutions, budgetary constraints, lack of information, legislative amendments, and political will (Beredugo, 2021). It is observed that the political leadership is not too much in favor of the introduction of IPSAS on accrual basis which is attributed to the factors (Polzer & Reichard, 2019). The costs of the
Implementation include paying consultants, training programs, IT system upgrades, and the creation of guidance and translation tools which are all very expensive (Hopkins et al., 2020). Lack of knowledge about accrual-based accounting technology support can become a problem in the process of IPSAS implementation as well (Beredugo, 2021). While the structural changes are considered very important, the implementation of IPSAS often gets ignored (Mssusa et al., 2021). Governments’ indecisiveness, legal revisions and institutional commitment problems are the main issues that lead to the decrease of the effectiveness of IPSAS implementation (Ebrahimi, 2020). Enough funding is a must. Many of the public sector organizations cite their failure to adopt IPSAS accrual as a result of lack of sufficient funds (Press, 2018). The emergence of capacity and the existence of well-trained accountants in developing countries (Matekele & Komba, 2020) is a notable challenge to be addressed. Adaptation to change, unreadiness, and lack of experts who are well acquainted with international standards is one of the issues that pose a challenge for the implementation of IPSAS (EBISSA, 2020). The manuals and standardization development are the most essential aspect since the public sector does not have enough expertise (Beredugo, 2021).

The latest findings emphasize a well-defined link between the scope of IPSAS knowledge and the quality of financial reporting, which, in turn, highlights the significance of raising the use of IPSAS and the degree of adoption (Hirschhorn et al., 2020).

4.6 APPRECIABLE KEY MANAGEMENT SUPPORT

Top management support for IPSAS within an organization is therefore a very critical factor. There is a positive correlation between user support and organizational performance when senior executives show support for information systems, are involved in systems, and promote systems (Paillé et al., 2014). There are numerous factors that affect the quality of financial reporting such as the dynamics of the senior management team, incentives within the company, accounting decisions, domestic laws, international norms, and regulation, and external monitoring mechanisms (Alkebsee et al., 2021). In addition, the diversity of top management teams has a direct influence on the quality of financial reporting, especially if the position is related to financial management or accounting preparation. It is vital for organizations that want to improve their financial reporting quality and adopt IPSAS to understand these complex factors (Cohen et al., 2017).
Besides, it is also known that the presence of ethnic diversity in the senior management team is associated with the quality of financial reporting (Gardi, 2021). Selfish behaviors of individual agents can deteriorate the quality of financial accounts (Galvin et al. 2021). Financial performance improvement perspectives may be provided by senior management through the analysis of accounting choices (Kang, 2020).

Much research has evidenced that the support of top management is not only a factor but the primary factor in the success of IPSAS implementation. As per Dobson et al. (2018), however, IPSAS utilization and implementation is highly dependent on the top management support which is, therefore, vital to the adoption of it.

4.7 AGGRESSIVE EXTERNAL PRESSURE

The influence from the outside coming from international organizations and other sources is a major factor in the changes of how the public sector accounts. This is true in the situation when people need to achieve independence and raise the level of freedom by adjusting the accounting system (Khudir, 2021). The main problems are whether IPSAS can solve, or if the government knows about IPSAS, or if there is an internal or external motivation for IPSAS implementation, all of that is very important (Wodajeneh, 2020).

The point Davis and Rhodes (2020) put forward is that the external constraints have a significant impact on the ability of government to get the desired level of technical expertise and resources for the purpose of public sector accounting reform. As a result, developing countries face pressure from foreign donors to adopt global best practices in order to enhance transparency and accountability in the public sector (Amiri & Hama, 2020). Organisations like the World Bank will usually link loans and grants to the adoption of IPSAS standards (Haija et al., 2021). Still developing countries have not ranked the early adoption of these standards as a priority though they are the primary beneficiaries of these standards (Onderco, 2021).

The quest to acquire legitimacy in engagements with transnational organizations stands as a crucial factor in the creation of public demand for increased accountability and reforms in public sector accounting (Lino et al., 2021). External pressure can be a driver of a system transformation through the highlighting of the issue that the area lacks tough accounting regulations and standards (Moore et al., 2021). Research shows that the external influence is related to the IPSAS implementation and the quality of financial statements, but also results in
difficulties in adjusting work strategies and in the overall adoption process (Kassem and Stefan, 2019).

4.8 ADAPTATION OF APPROPRIATE TECHNOLOGY

The key success factor of IPSAS depends on the availability and the willingness to adapt the technology. Modern technological discoveries highly multiply the use of IPSAS, supported by reliable networking infrastructure, available computers, advanced software, and smooth connection with the different databases and platforms (Haija et al., 2021). Implementation entails some additional costs. They comprise of research, training as well as technology investments which help in the recruitment of IT professionals and also ensure that the IPSAS is successfully implemented (Ademola et al., 2020; Ikechi et al., 2021).

The barriers can be overcome with adequate assessment and the allocation of resources to address them (Carneiro et al., 2021). The problems encountered in this area involve technical difficulties with the information and communication technologies (ICTs), staff training, acquiring programming languages, and knowing how to use the available computer technology (Dyczkowska, 2021). The financial constraints, communication systems, and the high costs related to both implementation and training of teams are also the main challenges (LUNGA, 2021).

It has been documented that technical factors are the major contributors for improving the quality of financial reports and the implementation of IPSAS (Lo et al., 2018; Sandal et al., 2021). Besides, the process of making college curriculum according to international public sector standards also faces other challenges (Knake et al., 2021).

4.9 APPLICABLE TRANSITION MANAGEMENT

Transition management includes data elements management as well as the transition to a new reporting framework. This calls for simultaneous reporting of the results of the new standards and the existing ones during the implementation period to know the differences between them.
4.10 ACTIVE STRATEGIC PLANNING AND EVALUATION

Transitioning to IPSAS needs to be more than just technical adjustments; it requires the whole organization to be aware of the repercussions of the different dimensions. Strategic planning has to include not only accounting practices, tax implications, statutory reporting requirements, but also internal procedures and organizational obstacles. Early commencement of the IPSAS adoption process ensures entities stick to the implementation deadlines and make reliable IPSAS statements.

5 CONCLUSION

The present paper is conceptual in nature and the determinants of IPSAS adoption are taken from past empirical research. It identifies ten key factors crucial for IPSAS adoption: their readiness level, adoption cost, technological capacity, education and experience, expertise availability, management support, external pressure, technology adaptation, transition management, and strategic planning and evaluation. The introduction of IPSAS is described as the major task that requires the huge responsibility of political actors. Ghanaian public bodies and corporate entities are advised to view IPSAS implementation as a challenge as well as an opportunity, which will help them to incorporate their financial reporting practices with international best practices so that it will enhance transparency, comparability, reduce information disparity. Implementation of high-quality accounting principles not only enhances the quality of financial data but also attracts foreign investments and trade as well as contributes to global financial reporting.

STATEMENT OF DECLARATION

This research is solely the work of the researcher for academic purposes, fulfilling Ph.D. requirements, and is not sponsored or financed by any organization or individual.

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