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PHYLIX OWUSU-BEMPAH

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AN ASSESSMENT OF INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS COMPLIANCE IN GHANA'S LOCAL GOVERNMENT INSTITUTIONS.

BY

PHYLIX OWUSU-BEMPAH

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DECLARATION

Candidate's Declaration

I hereby declare that this thesis is the result of my own original research and that no part of it has been presented for another degree in this university or elsewhere.

Candidate's Signature: ..... Date: .....

Name: Phylix Owusu-Bempah

Supervisor's Declaration

I hereby declare that the preparation and presentation of the thesis were supervised in accordance with the guidelines on supervision of thesis laid down by the University of Cape Coast.

Supervisor's Signature: ..... Date: .....

Name: Rev. Dr. George Tackie

ABSTRACT

The study examined International Public Sector Accounting Standards (IPSAS) compliance at the local government level in Ghana using selected Metropolitan, Municipal and District assemblies. A descriptive survey design was employed where primary data was gathered. Both descriptive and inferential statistics were used to analyse data. Though the analysis found a very high compliance rate with various components of IPSAS in terms of the presentation of financial statements and comparative information, the overall compliance rate was very low at 18.18%. The results observed that the Assemblies complied very often with the minor components of the presentation of financial performance and cash flow; than those of financial position and notes on financial to the account. The Municipal and Metropolitan Assemblies were found to comply more with the statement of financial performance, statement of financial position and statement of cash flows than the District Assemblies. Further analysis revealed that implementers' level of education and years of working experience significantly explain their views about the Cash Basis System of reporting in Ghana. It was further estimated that implementers' perceived usefulness of IPSAS is statistically dependent on the perceived complexity of the standards, perceived operational benefits, perception of the cash basis system and the gender of the implementers. An inverse relationship was observed between the perceived level of IPSAS complexity and the perceived usefulness of IPSAS. The Ministry of Local Government needs to prioritize the presentation of financial statements at the assembly level by insisting on a uniform standard for all as stipulated by the IPSAS standards.

KEYWORDS

Accrual basis of accounting

Cash basis of accounting

Compliance

Dencentralised government administrative units

Financial statements

Perceived usefulness

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DEDICATION

To my friends and entire family

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LIST OF ABBREVIATIONS

CBS	Cash Basis System
CFA	Confirmatory Factor Analysis
IPSAS	International Public Sector Accounting Standard
MMDAs	Metropolitan, Municipal and District Assembly
SEM	Structural Equation Model
PFM	Public Financial Management
CAGD	Controller and Accountant General Department
GIFMIS	Ghana Integrated Financial Management Information System

CHAPTER ONE

INTRODUCTION

Financial reporting should have the ability to provide user with quality information that will help in making economic decisions. The cash basis of accounting was said not to provide user with financial statement that provided users with quality information. The move for the adoption of IPSAS in the public sector as a whole had this vision of providing users with quality accounting information for effective decision making (Sellami & Gafsi, 2019). However, high level of compliance by the institutions of the public sector will help in achieving this vision. Also the IPSAS compliance level can be affected by some factors of the implementers which can increase or reduce compliance of IPSAS.

Background to the Study

The public sector is the part of a country's economy operated and controlled by the government and is responsible for the provision of goods and services basically to maximize the welfare of their citizens without any profit motive (Oduro, 2015). The government of every country has the primary function of providing services to improve the well-being of citizens and other eligible service recipients. Services such as welfare programs, public education, military service, and national security mostly in a non-rivalrous environment and these services are non-exchange transaction (IFAC, 2016).

Resources are received and used by government, in turn, government accounting for the use of the resources to stakeholders for accountability and useful decision-making purposes and this is known as public sector accounting (Ijeoma & Oghoghomeh, 2014).

In recent times, the need for proper accountability and efficiency has increased and countries across the globe in their quest to increase transparency, accountability, governance, and reduce corruption have adopted many reforms in managing the financial resource of the public sector (Abimbola, Kolawole, Olufunke, 2017; Sellami & Gafsi, 2019). Most public sectors especially in Sub-Saharan Africa are challenged with issues of misappropriation of funds, corruption, poor performance, and lack of accountability which has reduced external stakeholders' trust in the financial reports of the government. Accountability and transparency help the government to gain the confidence and trust of the public (Citizens) and other stakeholders (Erin, Okoye, Modebe, & Ogundele, 2016).

Public Sector accountability focusing on financial accountability which is a historical cost reporting and explaining how money is used to deliver essential services by government agencies through annual budget appropriation providing information to the citizens on how resources were used during the financial year (Patrick, Danladi, Caleb, & Linda, 2017). Simply put, persons or organisations entrusted with public resources must be accountable for the political, managerial, and personal duties that have been bestowed upon them as well as to report to those who have bestowed these duties (Barke, Lauwo & McCartney, 2017).

About two decades ago the new public financial management reforms gained root in the public sector to ensure managing the public financial resources and delivering of public services effectively and efficiently (Sellami & Gafsi, 2018a). Reforms in the field of public financial management are commonly seen as key to achieving a range of objectives: ensuring that the

country's public resources and assistance can be accounted for, maximizing the efficiency and effectiveness of expenditure through public sector activities, and preserving financial stability and proper management of public assets and liability.

Presently, several reforms are being adopted in the public sector which includes Medium-Term Expenditure Framework, programme budgeting, International Public Sector Accounting Standards (IPSAS), Treasury Single Account, E-procurement, strengthening internal audit and external audit, and others (Fritz, Verhoeven, & Avenia, 2017). These reforms have recorded a high success rate as most countries have adopted them and multilateral institutions are encouraging countries to join in the success story of Public Financial Management (PFM) reforms. Also, these reform implementations have become lending assistance conditions for developing countries, especially by World Bank and International Monetary Fund (IMF) (Neu, Everett, & Rahaman, 2009; Wang & Miraj, 2018).

The Ghana government in its quest to join the global trend and enjoy the benefits associated with these reforms has also adopted some reforms to strategically improve resource allocation, ensure effective budgeting, budgetary controls and management, enhance financial controls and reporting in the public sector and improve fiscal discipline by the government (CAGD, 2019).

The Public Financial Management Reform Project (PFMRP) of Ghana is part of a longer-term strategy aimed at improving budget management, financial control, and reporting (CAGD, 2019). The projects include the use of Government Integrated Financial Management Information System (GIFMIS), the empowerment of the audit services both internal and external, and the public

accounts committee, the single treasury accounts, the adoption of IPSAS, and the enactment of the PFM Act, 2016 (Act 192) to give legal backing to some reforms adopted in Ghana and a host of others. The implementation of accrual-based accounting and the evolution of IPSAS are the most important developments in new public financial management reforms currently.

Before the adoption of IPSAS, the traditional system of preparing financial statements on a cash or modified cash basis in the public sector was the order of the day. However, this system was coupled with issues of mismanagement and the statement not showing the true performance of the public sector institutions (Christiaens, Vanhee, Manes-Rossi, Aversano & Van, 2015). Under the cash basis of accounting, transactions and events recognize only when cash is received or paid' (IFAC, 2008) It measures financial results for a period by considering cash raised, the uses of the cash, and the cash balance at the reporting date. The measurement focus is cash balances and the changes therein. Cash flow statements and statements of receipts and payments of cash are the most common statement prepared on this basis. (IFAC, 2008; IFAC PSC, 2000).

A modified cash accounting basis is similar to the cash basis of accounting except that the books of accounts are held open for a specified period after the year ends. However, it also takes into account the payables and receivables of the year and any cash paid or received during the specified period which originates from the previous financial year (IFAC, 2000). This system of accounting in the public sector was crippled with issues such as its inability to give a realistic picture of the financial position of government agencies (Patrick *et al*., 2017). In certain situations, details found in the cash-based financial

statement were inadequate for countries to forecast and escape crises in sovereign liquidity (ACCA, 2017), which can distort the true operations of the activity and incorrectly reflect the revenue and expenses of the government since not all activities of government has been included.

Accrual accounting reform was introduced in the public sector to curtail the disadvantages that were associated with the use of cash basis accounting. This basis of accounting has been defined by IFAC as a system of accounting in which transactions and activities are recognised when occurring and not when cash and its equivalent are received or paid. The transactions and activities are then reported in the financial reports based on the period to which they relate. Assets, liabilities, equity, revenue, and expenditure are the main component known under accrual accounting.

According to Bergmann, (2012) and IFAC (2011) benefits for any government that adopt accrual accounting are as follows; it strengthens financial management by giving a comprehensive view of the financial performance and position of the public sector; it encourages transparency and accountability in the public sector by providing information that helps stakeholders to determine whether their priorities are being accomplished by government programs and activities; by having a long-term commitment and estimating long-term conditions, accrual accounting leads to stronger long-term financial sustainability.

The move to comply with IPSAS was followed by the implementation of accrual accounting. Starting from the notion that high-quality global standards are required to improve reliable financial reporting, in 1997 the International Public Sector Accounting Standards Board (IPSASB) launched its

standard program, choosing to focus on full accrual accounting but also meeting the concerns of the cash-based reporting constituents (Deloitte, 2013). Hence IPSASB has issued 37 accruals based IPSAS to be applied to public sector entities that adopt them (IPSASB, 2020). IPSAS has many benefits for a government that adopts them. Public resources are best utilized and handled with accrual based IPSAS, especially in terms of strengthened financial reporting, improved accountability and transparency (Muraina & Dandago, 2020). Also, public funds are required to be handled in a responsible and accountable manner to ensure and sustain people's trust in the government. Fraud and corruption could be reduced to the barest minimum by transparency. This is because the implementation of IPSAS has been able to assist the government controversially in maintaining greater influence over their revenue, expenditure, payables, and receivables (ACCA, 2017). Huang, 2013 identified the benefit of IPSAS concerning capital expenditure, as it helps the government to make a proper decision on the acquisition or construction of PPEs, Investment property and intangible assets as the decisions in this area are important for stability in economic terms.

The public sector in Ghana comprises; the central government (MDAs), the local government (MMDAs), and State-Owned Enterprises or Government Business Enterprises (Oduro, 2015). The adoption of the IPSAS for the preparation of financial statement applies to all public sector entities that are the central government and local government except state-owned enterprises as they are profiting-making organizations and therefore uses the International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) in preparing their accounts (IFAC, 2019)

Statement of the Problem

Public sector accounting is a process that collects, documents, classifies, and summaries as financial statements, the financial transaction that occurs in the public or government sector, and interprets them as required by the users of financial reports for accountability and transparency purposes (ICA-Ghana, 2010). The preparation of financial reports by the government sector and its importance has been established already and the adoption of IPSAS for the preparation of the financial statements of the Ghana government was to ensure transparency in the public sector accounts and proper accountability for the funds entrusted to the various government sectors (Atuilik, 2016).

The decentralised government administrative unit has become a core and important part of the governance of Ghana as they serve as a bridge between the central government and the citizens. The continuous creation of new Assemblies by the local government ministry shows how important the assembly's activities are to the central government in achieving its objectives for the citizens. In the area of accounting and reporting, the Assemblies present data that is consolidated with information from other parts of the economy to represent the activities of the country for any financial year. The figures presented on the financial statement form the basis for policymaking and implementation to some extent. The creditability of the financial reports is therefore important to ensure that the general public gains and maintain confidence in the assembly system in Ghana.

Empirical evidence, however, suggested that the level of compliance with IPSAS, the UN required standard for public institutions, is low among public institutions such as Assemblies in Ghana (Fritz, Verhoeven, & Avenia,

2017; Atuilik, 2016). An analysis by Fritz and Avenia (2017) on the PEFA assessment of countries based on a regional basis had shown that the Sub-Saharan Africa region scored the weakest based on the PEFA pillars on accounting reporting such as IPSAS. In the accounting and reporting pillar, the assessment of the Sub-Saharan region scored a little above 1 which indicates a D+ per the PEFA score in comparison with what is the internationally accepted standard. In the Ghanaian context, Atuilik (2016) observed that full compliance with IPSAS is very low among Assemblies. The fact that Assemblies do not generally comply fully with IPSAS despite being a national and international requirement is not in doubt in Ghana.

The research gap has to do with knowledge on which component of IPSAS the assembly least complied with, information on which will allow policymakers to target such components during training and supervision. That is, empirical inquiries on IPSAS compliance have either been at the cross country (Fritz, Verhoeven, & Avenia, 2017; Lassou, 2017)) or document analysis using a checklist (Utile, Zayol & Ikya, 2020; Sellami & Gafsi, 2019; Atuilik, 2016) which ignores the issues of compliance with sub-components of the main components of IPSAS.

Again, the analysis ignores the role the type of assembly may have on the level of compliance as well as how the views of the implementers (assembly workers) and their demographic traits could influence the compliance process. That is, though compliance is an assembly decision, the perception and commitment of the workers and their predisposition about IPSAS may well foster or hinder the compliance process. A notable issue of perception is how attached the implementers are to the previous reporting system (such cash basis

of reporting), how useful they perceive IPSAS as well as the level of complexity they perceive in adopting IPSAS as compared to what they were used to in the past.

This study, therefore, took the issue of IPSAS compliance among Assemblies a step further by first assessing the current level of compliance, determining whether compliance differs among assembly types as well as the role that implementers' demographic characteristics may be influencing their perceived usefulness of IPSAS. The study also dived from respondents' view of the Cash Basis System that IPSAS replaced as well as how much perception influences their perceived usefulness of IPSAS among the implementers.

Purpose of the Study

The main purpose of the study was to examine the assembly's level of compliance with the IPSAS level at the aggregated and sub-component level as well as the role of implementers' profiles in the level of perceived usefulness of IPSAS at the assembly level in Ghana.

Research Objectives

The specific objectives of the study were to:

1. Assess the level of compliance of IPSAS of decentralised government administrative units in Ghana.
2. Examine the role of type of assembly in the level of compliance with IPSAS in the Ghanaian context.
3. Determine the perception of implementers about the Cash Basis System of reporting at the assembly level in Ghana.
4. Determine the perception of implementers about IPSAS standards at the assembly level in Ghana.

5. Examine how implementers' view and demographic profile affect their perceived usefulness of IPSAS at the assembly level in Ghana.

Research Questions

The first, third and fourth objectives were assessed with a research question as presented below:

1. What is the level of compliance of IPSAS of decentralised government administrative units in Ghana?
2. What is the perception of implementers about the Cash Basis System of reporting at the assembly level in Ghana?
3. What is the perception of implementers about IPSAS standards at the assembly level in Ghana?

Research Hypotheses

The second and fifth objectives were evaluated as hypotheses as presented below:

1. H_o: There is no statistical dependency between the level of compliance and the assembly type in Ghana.

   H_a: There is a significant dependency between the level of compliance and the assembly type in Ghana.

2. H_o: Implementers' commitment to Cash Basis System has no statistically significant effects on their perceived usefulness of IPSAS

   H_a: Implementers' commitment to Cash Basis System has no statistically significant effects on their perceived usefulness of IPSAS

3. Ho: Implementers' demographic profiles and views have no statistically significant effects on their perceived usefulness of IPSAS

Ha: Implementers' demographic profiles and views have no statistically significant effects on their perceived usefulness of IPSAS

Significant of the Study

The study provided an analysis and evaluation of the level of compliance with the reporting provisions of IPSAS among decentralised government administrative Units in Ghana and the quality of financial reports prepared by them. The study is useful to PEFA analysts and PFM researchers, by serving as empirical studies for further research. For donor partners interested in the accounting reforms of Ghana, the finding will help them to evaluate the success or otherwise of IPSAS adoption in the country. Lastly, the study will help the Controller and Accountant General Department to ascertain how best the accountants at the decentralised government administrative units are complaining of the accounting policies of the government and measures to put in place for effective compliance if the need be.

Delimitation of the Study

This study concentrated on the determinant of perceived usefulness IPSAS compliance and how they affect the overall compliance with IPSAS in the decentralised government unit of Ghana. For this study, the determinants comprise of elements based on the model developed by Fontes, Rodrigues and Craig (2016). These are individual factors, technical factors and change process factors however other factors such as organisation factors are not considered in this study. The study focused on sampled assemblies across the entire country from the southern, middle and northern zones.

The population consisted of Metropolitan, Municipal and District Assemblies in Ghana and the accountants at these Assemblies. However, the

assembly types were collapsed into two as district on one side and, Metropolitan/Municipal assemblies on the other side. The dichotomous view of the assembly type was based on the fact that the metropolitans were few (only three in the entire sample). For the measurement of compliance level, a questionnaire based on IPSAS 1, IPSAS 2, IPSAS 3, IPSAS 14 and IPSAS 24 was used. The use of the checklist and Cooke's dichotomous method for the measurement of compliance level was not applicable since the financial statements of the MMDAs were not available. Therefore, this study should be viewed as such.

Limitation of the Study

The major limitation of the study was the scope which was so wide that the sample of 55 Assemblies was still less representative; though it was larger enough to ensure consistency and validity. That is, sampling 4 respondents from each of the 55 assembly expanded the sample size to improve representativeness of the sample. Future studies that access funding could expand the scope of the study to cover more Assemblies across the wider scope of Ghana. The study population was also limited to only accountants who are directly involved in the preparation of the financial reports of the Assemblies.

Organisation of the Study

This study is organised into five chapters. Chapter one presents the general introduction. This chapter covers the background to the study, statement of the problem, research objectives, research questions, significance of the study, delimitation, definition of terms and organisation of the study. Chapter two reviews related literature. Chapter two presents the theoretical review,

evolution of IPSAS, history of Ghana's adoption of IPSAS, empirical review, research gap, conceptual framework and definitions of the variables.

The methodology is also examined in the third chapter. This includes the study design, research approach and strategy, population, sampling techniques used. The research instrument and data collection procedure as well as the reliability test of the instrument are present in the third chapter. Chapter four presents the results and discussions. It includes the analyses of results and major findings from the study. The summary, conclusions and recommendations are presented in chapter five.

CHAPTER TWO

LITERATURE REVIEW

Introduction

This chapter presented a review of related literatures to the study. This chapter begins with the theoretical framework with emphasis on the theories underpinning the study, evolution and relevance of IPSASB, history of Ghana's adoption. It also discussed empirical studies on IPSAS compliance and factors affecting compliance and research gap and lessons learned from various literature reviewed. The chapter concluded with the conceptual framework and briefly discussed the operational variables of the study.

Theoretical Review

Agency theory

An agency relationship is simply defined as a relationship whereby one person acting on behalf of the other is called the principal.

Klein, Ramseyer and Bainbridge, (2015) argued that agency relations are a contract in which one or more parties (the principal) hire another individual (the agent) to conduct a service on their behalf, with the agent having some authority to make decisions on their own. The agent-principal relationship asserts that a firm is made up of a network of a contract between the owners of resources to the managers in charge of utilizing and managing those resources (Adams, 1994), here the principal with the economic resources available employs the agent to perform the task of managing the resources on his behalf because the principal may lack the requisite ability and skills to manage his resources personally (Mohammed, & Muhammed, 2017). The separation of ownership from managers could result in a likely goal conflict between the

agent and principal. The theory further suggests that the agents are independent and are prone to increase their gains to the detriment of the principals (Sharma, 1977).

The agency theory is usually used in the private sector to describe the issues in the relationship between shareholders and managers or directors of a company and the best way to minimise it. This theory has gained acceptance in the public sector. Some public sector reforms have been implemented as a result of agency theory ideas. The key elements of New Public Financial Management reforms, according to Boston (2016), were formed on the assumptions from principal-agent theory. A government official is voted into office or appointed to serve as an agent on behalf of the public (Citizens), directing and regulating resources on the public's behalf (principal) (Duenya, Upaa & Tsegba, 2017). In Ghana, the constitution simplifies this relationship in Article 1(1) which states "The Sovereignty of Ghana resides in the people of Ghana in whose name and for whose welfare the powers of government are to be exercised in the manner and within the limits laid down in this Constitution". The citizens of Ghana are the supreme Authority (principal), and the government in power or appointees are the representatives (Appau & Anku-Tsede, 2015).

An assumption of information asymmetry is present in all principal-agent models. The agent is assumed to have confidential information that the principal cannot have access to and that is the principal's ability to perfectly control whether their needs are accurately addressed by the agent, and this is hindered by information asymmetry. The agency theory addresses the best way to organise this relationship between the agents and principals to reduce the discrepancy in information availability levels.

The theory assumes that there is a conflict between the principal and the agent due to the assumptions of self-interest and wealth maximisation on the part of the agent. In the public sector to be specific, some administrators, according to Chang and Chen (2013), frequently engage in harmful tax policies and excessive expenditure that led to financial or debt crises. In the end, these public officials do not share citizens' interests, and which necessitates tension diffusion mechanisms to reduce it (Klein, Ramseyer & Bainbridge, 2015).

One of these methods to reduce the tension is the use of financial statements as it provides information to the citizenry on government appointees and public managers' activities (Duenya, Upaa & Tsegba, 2017; Glaum, Schmidt, Street & Vogel, 2013). Booth (2003) believes that financial statement has certain qualitative features, by which information asymmetry can be reduced in an agent-principal relationship. Compliance with IPSAS helps to provide a financial statement of quality which boosts confidence and public trust between citizens and public managers, limiting conflict between citizens and government appointees. These qualitative characteristics include relevance, understandability, faithful representation verifiability and comparability. The impact of this information asymmetry is reduced by using quality accounting standards, which provide direction in generating financial reports. As a result, the more accurate the financial reports are the more effective the principal's control over the agent (Navarro-Garcia & Bastida, 2010).

Legitimacy theory

Suchman (1995, p.574) defines legitimacy as "a generalised perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and

definitions". The legitimacy of an organisation can be considered as something wanted or sought by a firm by its people. Thus, legitimacy is an asset or a possible resource for companies to thrive (Nengzih, 2016). This theory is derived from the private sector literature and mostly underlines how a firm's management can respond to group expectations to increase their acceptance by that group. Thus, according to Suchman, the management of legitimacy is primarily dependent on communication. Effective communication by way of information disclosure and dissemination to stakeholders has an impact on the legitimacy of a firm's actions.

Compliance with the internationally approved standard is a technique to legitimate the activities and actions of an organisation to their stakeholder as compliance leads to transparency of the organisation's financial activities (Vigneau, Humphreys & Moon, 2015). As such, IPSAS adoption and compliance might be viewed as a government effort to demonstrate that it is attempting to overcome the accountability gap in dealing with economic financial rules by disclosing more information in its financial statements. Furthermore, projecting a positive image of excellent administration is a strategy to maintain legitimacy and improve the reputation of local government (Pina, Torres, & Royo, 2010). According to this theory, if organizational legitimacy is undermined, organizations would share information to restore it. The dissemination of information could be used to reclaim citizens' trust and seek to influence citizens' perceptions of how the organization operates.

Conceptual Review

International Public Sector Accounting Standards

The International Federation of Accountants International Public Sector Accounting Standard Board (IPSASB), previously called the public sector committee, focuses on the accounting, financial reporting, and auditing needs of the public sector (central and local government) and other international organizations they serve (United Nations, Organisation of American States, African Union, etc.). The mission of the board is to improve the quality and standardization of financial reporting around the world by promoting high-quality standards for the public sector and facilitating the unification of international and national standards. The board achieves this mission by issuance of International Public Sector Accounting Standards. encouraging the adoption and acceptance of the standards and international harmonization of these standards.

The IPSASB is made up of 18 members, 15 of whom are recruited from IFAC member organizations and the last 3 are public members with experience in financial reporting in the public sector (TBS, 2011).

In 1986, the IFAC established a Public Sector committee to focus on the sector's unique needs. The task of the committee was to design a program to improve accountability and financial management in the government sector. Its main responsibilities included the development of principles to improve public sector financial reporting and management. The Public Sector Committee published a significant number of directives, studies and research reports in its early years. However, these reports did not serve the same role as IPSAS do today nor did they gain much attention as IPSAS. The Public Sector Committee's standards project, which began in 1996, was a pivotal event in the organisation's history. The standards project goal was to develop IPSAS that

would improve public sector financial management and accounting while also integrating public accounting on a global scale. This initiative completely changed the Public Sector Committee's perception of itself; it was now viewed as an independent committee for the standardization of public sector practices. The IPSASB has created IPSAS for both accrual and cash basis of accounting (Toudas, Poutos & Balios, 2013). IPSAS governs rules for transaction and events recognition, measurement, presentation, and reporting in the general-purpose financial statement. The IPSASB has also issued non-authoritative recommendations and other publications: "The Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities, "Recommended Practice Guidelines (RPGs) for the preparation and presentation of GPFRs".

In the early stages of the IPSAS development, the IPSASB developed the IPSAS consistent with the requirement of IAS/IFRS. The board converted the IFRS into IPSAS by following a formal process to access the accuracy of the IAS/IFRS to faithfully depict the economic substance of events and transactions in the government sectors. The board chose this approach because government programs and activities are often similar to corporate practices. The accounting requirements and original text of the IFRS were maintained for the IPSAS of similar nature (Cretu, Sirbu, Gheonea & Constandache, 2011). However, certain issues which are peculiar to the public sector warranted new standards which are not based on existing IAS/IFRS. The IPSASB has developed 37 accrual standards and 1 cash-based standard for recognition, measurement, presentation and reporting in the general-purpose financial statement. This is shown in the Appendix.

Accrual base IPSAS Accounting

The accrual basis of accounting is an accounting concept of recording and recognising transactions as and when they are incurred but not when the consideration for them is received or paid. This basis of accounting allows for the recognition of receivables and payables so long as they relate to the accounting year. This basis of accounting was adopted from the private sector into the public sector about two decades ago as it increases the quality of general-purpose reporting by government agencies and it has led to a better-informed analysis of government resources allocation decisions, resulting in more accountability and transparency in the government agencies (Haija, AIQudah, Aryan & Azzam, 2021).

The IPSASB has stated the financial and sovereign debt crises have brought to light several important issues regarding the need for improved financial reporting by governments around the world, as well as changes in public sector resource management (ACCA, 2017). Assets, liabilities, equity, revenue, and expenditure are the main component known under accrual accounting. According to IPSAS 1, financial reports prepared under accrual accounting must consist of six basic financial statements (IPSASB Handbook, 2011).

Table 1: Content of a complete set of financial statements

Financial statement	Elements
A statement of Financial Position	Assets, Liabilities and Accumulated Fund
A statement of Financial Performance	Revenue, Expenditure and Surplus/Deficit
A statement of Changes in Net Assets	Revenue and Expenditure required by other standards to be presented here, surplus/deficit and Accumulated Fund
A Cash Flow Statement	Cash Receipt and Payment
A comparison of Budget with Actuals	Budgeted Revenue and Expenditure, Actual Revenue and Expenditure
Note to the Account	Note on accounting policies and disclosures to the accounts

Source: IPSASB handbook (2011)

A complete financial statement shows all government assets and liabilities, revenue and expenditure, cash receipt and payment, and a budget comparison statement. This heightens the depth of information provided by the government to its stakeholders, thereby improving government accountability to its citizens.

Importance of Accrual IPSAS to Government

The request for transparency in government actions has been overcome by IPSAS financial reports. The government, whether Central or local has many functions it performs and all need to be adequately accounted for. Under the accrual based IPSAS government is provided with standards that guide them in the recognition, measurement and presentation of these functions. IPSAS is compatible with complicated government intervention programs and gives guidelines for its recognition and measurement.

In the allocation of resources function of government, fiscal policy, through public spending on economic infrastructure with different schemes has an incentive influence on a good economy (Kartiko, Rossieta, Martani, & Wahyuni, 2018). For example, government infrastructures (like Capital expenditure) can be funded with public sector procurement and accounted for with IPSAS 17 or IPSAS 11. In case government borrows to finance the capital expenditure, IPSAS 3 will be used to account for the interest. The government can also use public-private partnerships utilizing service concession arrangements (IPSAS 32) or leasing (IPSAS 13) to finance and account for public infrastructures. The redistributive function of government seeks to achieve social welfare through non-exchange transactions (IPSAS 23). The government's main source of revenue is through the imposition of tax on the public. The tax imposition is a non-exchange transaction since the government does not directly provide any goods and services in return for the government provision of assistance to the public in cash or kind (IPSAS 42).

Other benefits of accrual-based IPSAS are: it enhances transparency by presenting a comprehensive picture of government operations and performance, it ensures accurate tracking of government performance for a high level of accountability, all accounting information of governments that have adopted IPSAS turns to have greater credibility as the same standards are used, it enables better decision making by utilizing high-quality data there is uniformity of financial statement and reports across nations. Lastly, government is able to keep track of its asset to prevent mismanagement and possible loss of the asset, the debt level and other liabilities of government are reduced as they report on them constantly.

History of Ghana's Adoption of International Public Sector Accounting Standards

Government has a part in fostering good governance as stakeholders would trust a government that is considered to have good governance. This will lead to good strategy and corporate culture. How a government uses its financial resources and properly accounts for them is an important feature of government governance (Sukmadilaga, Pratama, & Mulyani, 2015). The accuracy and reliability of data presented in financial statements foster stakeholders to decide on the governance level of a government. The need for greater accountability has become imperative to various governments which has led to the reforming of accounting standards reforms. The main objective of such reform is to enhance the quality of financial information and make effective resource allocation and risk management decisions. The introduction of IPSAS has been the most recent accounting reform and has triggered widespread efforts at adoption across countries (Fritz, Verhoeven, & Avenia, 2017)

In Ghana, The Institute of Chartered Accounts Ghana (ICAG) and the Controller and Accountant General Department recommended the adoption of accrual-based IPSAS to the Ministry of Finance which was later approved by the Ministry (IFAC, 2016). The Minister of Finance, in partnership with ICAG on 27 October 2014, launched the adoption of Accrual based IPSAS for the country. During the launch, it was revealed that the government initially adopted the Cash basis IPSAS in 2007 and this reporting system was to be ruled out for the Accrual based IPSAS implementation from 2016.

The Ministry, to show the government's readiness for the adoption, made a formal announcement of this program by including it in the 2015 Budget Statement and Economic Policy presented to Parliament in 2014. The controller

and Accountant General's department were given the responsibility to ensure that the implementation of the project was successful. To make this possible, the department has undertaken these activities.

a. Established a committee solely to manage and coordinate the process of implementation called the IPSAS Implementation Committee (IPIC) and IPSAS Secretariat at the department.
b. Capacity building through training programmes for Chief Directors and Budget Officers
c. CPD on IPSAS organised for Accounts Officers of MDAs and MMDAs in Ghana
d. Established a Fixed Assets (Non-Current Assets) Coordinating Unit (FACU) for MDAs responsible for data capturing and stock taking of Fixed Asset and Heritage (Legacy) Asset of the MMDAs and this has led to Non-Current Assets capitalization and depreciation charge since 2012.
e. The gap analysis between GIFMIS and IPSAS was carried out to determine the gap and prepare for the upgrade of GIFMIS to IPSAS compliance (CAGD, 2019)

Moreover, the Chartered Institute of Public Finance and Accountancy was employed by the Accountant General's Department to provide technical support by developing an IPSAS implementation strategy and a project plan (Breen 2018) to guide the successful implementation of the standards. The ICAG was also engaged in strategy development as well. The implementation of IPSAS was planned to be completed by 2019, however, due to funds constraints the plan was not achieved. A new roadmap has been launched with the goal of

complete implementation by 2023 with funds provided by the Swiss government and World Bank (IFAC, 2016).

Empirical Review

This section documented the findings of present studies closely associated with the research objectives. This section aims to identify existing gaps in the literature and how this study adds to filling such gaps. This part also establishes the groundwork for comparing the current study's findings to previous studies.

Compliance level

Atuilik, (2016) explored compliance with the reporting requirements of PFM laws and IPSAS in the preparation of financial statements in Ghana. The study sought to assess how Ghana is performing in terms of meeting the requirement of the Financial Administration Law of Ghana and IPSAS in the preparation of financial statements of MDAs, MMDAs and consolidated fund accounts. The financial statements and Auditor Generals' reports of MDAs, MMDAs and the Consolidated Fund accounts were reviewed using the qualitative approach of document analysis design as a methodology to examine if they were prepared per Ghana's Financial Administrative Law and IPSAS. The financial statements on the consolidated fund account and Auditor Generals' report on the financial statement of MMDAs and MDAs for the periods of 2006 to 2012 were reviewed to accomplish the purpose of the study. Findings from Atuilik's study indicated that financial statements of various accounts of Ghana do not comply with IPSAS reporting requirements, though there is significant progress towards a significant level of compliance, there is still a long way off. These results suggest that the public accounts of Ghana have

a fragile reporting regime, limiting the level of transparency and accountability over public funds.

Lassou (2017) examined the state of government accounting reforms implemented by Ghana and Benin in West Africa. Lassou sought to throw light on how in these countries accounting reforms are decoupled and not implemented as intended. Using Ghana and Benin as a case study, the researcher interviewed stakeholders including politicians, donor partners, civil society and civil servants. A semi-structured interview was used as the main data collection technique which was complemented by document analysis. A total of 32 respondents were interviewed with 17 informants in Ghana and I5 respondents in Benin. Government financial statements and audit reports and policy documents were analysed to confirm or contradict most of the assertions made by the respondents. The researchers also use observations of circumstantial factors made during field visits to complement findings. The data collected was analysed using a cording technique. The data were coded concerning factors such as decoupling, patronage network, organisational façade among other factors.

The study discovered that government accounting reforms including IPSAS adoption in both countries were decoupled meaning that these reforms are established as "symbolic display for external legitimacy-seeking purposes rather than for operational-level practices and activities in the country." Government accounting reforms were a façade, only working on a paper to satisfy pressure from stakeholders but not put into action for the countries to reap the benefits associated with the reforms. This implies that the adoption of IPSAS in Ghana was not up to the preferred practice, but the country is not

complying with the reporting requirements of the standard to reap the benefits related to the adoption of the standard.

A similar study was conducted by Abushamsieh, Lopez-Hernandez and Ortiz-Rodriguez (2015) to investigate the level of transparency of public accounting in selected Arab countries. The main purpose of the study was to analyse the level of the financial information presented and disclosed by the government of selected Arab in their financial statements. A sample of six countries (Oman, Bahrain, Kuwait, Palestine, Jordon and Egypt) in this region were selected for the study for three consecutive financial years, from 2007 to 2009. The researchers used a two-level methodology developed by Caba and Lopez (2009) in assessing the information content of the financial statement of the sampled countries. With this method, level one is on the basic financial report that should be present in the final accounts this includes the statement of financial performance, statement of financial position, statement of changes in net assets, the cash flow statement and notes to the accounts. And level two focuses on the content information that should be included in any of the financial reports that are presented. A checklist based on IPSAS 1 and IPSAS 2 was developed as these standards commend minimum details to be included in final accounts of the government. A total of 76 items were included in the checklist on the five basic reports. A compliance index was calculated based on how the information present in the government account aligns with that of the IPSAS. The dichotomous method for computing the compliance index was used.

The analyses of the financial reports for level 1 showed that none of these countries presents all basic financial reports in their final accounts. All six

countries presented 2 out of the 5 basic statements. In the three years of study, only the statement of financial performance and notes to the accounts were provided. Findings based on level 2 analyses indicated that the overall IPSAS compliance among these countries is fairly weak with Kuwait having the highest index of 26%, followed by Bahrain at 18%, Palestine achieved 17%, Oman and Jordan had 16% while Egypt had the least of only 13% compliance. This shows that none of these countries meet the minimum information requirement of IPSAS in their government financial reports despite the reforms adopted by the countries. An observation from the study shows that no information on the population was provided making generalization of the results to countries in this category difficult. And the data for analyses were a little outdated because the study was conducted in 2015 for data from 2007 to 2009 was used for the study.

Using the two-level methodology developed by Caba and Lopez (2009), Araya-Leandro, Caba- Perez and Lopez-Hernandez 2016 examined the degree of compliance attained by Central American governments concerning the requirement of IPSAS in financial statement preparation and presentation. With 5 countries as the sample, Araya-Leandro *et al*. assessed the 2012 financial statement produced by these governments based on IPSAS 1 and 2. Level one of this method check the various report that should be present in the report on the final accounts based on IPSAS 1 without considering the information content of the report; the statement of financial performance, statement of financial position, statement of changes in net assets, the cash flow statement and notes to the accounts are the basic reports. And *level* two focuses on the content information that should be included in any of the financial reports that are presented. A checklist based on IPSAS 1 and IPSAS 2 was developed as

these standards commend minimum details to be included in final accounts of the government. A total of 76 items were included in the checklist on the five basic reports. A compliance index was calculated based on how the information present in the government account aligns with that of the IPSAS. The dichotomous method for computing the compliance index was used.

The level one analyses reviewed that only Costa Rica had all 5 required financial statements in its final accounts, Panama also had all statements in its final accounts excerpt statement of changes in Net Assets, El Salvador prepares only statement of financial performance, financial position and statement of changes in net assets, while Guatemala and Nicaragua prepared Statement of financial performance, financial position and Note to the accounts.

Factors affecting IPSAS compliance

A study on public management systems, accounting education and compliance with IPSAS in Sub-Saharan Africa was conducted by Sellami and Gafsi (2019) to assess the level of IPSAS compliance in Sub-Saharan Africa and how public management systems and accounting education affect this level. The study sampled the entities belonging to the Central government of six (6) countries in the Sub-Sahara like Burundi, South Africa, Kenya, Uganda, Mauritius and Tanzania. With an initial target population of 351 entities, some entities such as Government Business Enterprises (GBE) which includes trading and financial enterprise outside the scope of IPSAS were excluded. The final annual reports for the research were composed of 60 entities from the 2014 to 2017 financial years.

The study used a self-constructed disclosure checklist of 116 items based on IPSAS 1, IPSAS 2, IPSAS 3, IPSAS 14 and IPSAS 24. IPSAS 1 and

2 items on the presentation of financial statements and IPSAS 3, and IPSAS 14 cover the general disclosure provision and adjustments to financial statements, while IPSAS 24 provides information on Budgeting. The importance of the above-mentioned standards in terms of the basic and general information needed to be reported in all government financial statements prepared under accrual-based accounting warranted their selection. The reliability of the checklist was checked by an independent IPSAS expert, and the analysis method is a dichotomous index, with each item rated as disclosed (1), not disclosed (0) using the unweighted index method to compute the IPSAS disclosure index an aggregate compliance index was calculated for each government entity.

Findings from the study concerning compliance level with IPSAS across sub-Saharan African countries revealed that the government of South Africa presents the highest average level of IPSAS disclosure (80.4 percent), followed by Tanzania and Mauritius with average disclosure indices of 71.7 and 65.9 percent, respectively. The lowest average level of compliance with IPSAS belongs to the Burundian government (45.1 percent) and Uganda (57.1 percent). In conclusion, the results showed significant differences in the extent of compliance with IPSAS across sub-Saharan African governments, it also concluded that there was a positive association between accounting education, public management system and IPSAS compliance. Therefore, their findings revealed that despite attempts by public sector entities to improve public accounting, most African countries are still unable to ensure that these standards are complied with by the latter.

Utile, Zayol and Ikya, (2020) examined the compliance level and determinants of accrual International Public Sector Accounting Standards compliance in Nigeria in 2020. The main reason for the study was to attain the IPSAS compliance echelon and how training and technological advancement and accounting education and training influence the IPSAS compliance by the Federal Government Agencies in Nigeria during its transitional period. The population was 28 agencies from the Economic sector, which was scaled to 11 agencies as they were identified to have the relevant data for the study. The annual financial statements and reports from the agency's websites were used as the main source of data for the study. The study examined the financial statement of the agencies from 2016 to 2018 which was the transition period to full adoption of the accrual IPSAS. Based on the IPSAS compliance guide developed by the National Audit Office, the researcher assessed the level of compliance by these agencies. The compliance level was measured using the compliance guide, where 0ne (1) was allotted to comply and 0 to not comply. The level of compliance was arrived at by adding the total compliance (the 1s) divided by the total possible compliance. The independent variables which were accounting education and training and technology advancement were measured using dummy variables with the formation of an index for Accounting Education and training and training. An index was formed using the ratio of the total occurrences of these items to the total possible occurrence of all the items.

Findings show average accrual IPSAS compliance was high across all sampled agencies is high except in the areas of impairment and asset revaluation. Accounting education and training and technological advancement have a significant effect on compliance with IPSAS accrual by the Federal

Government Agencies in Nigeria. The determinants revealed 59.21% of the variation in the level of compliance with IPSAS accrual by the Federation Government in Nigeria. In conclusion, the level of compliance with IPSAS accrual by the Federal Government Agencies in Nigeria was high but the compliance level was not optimum.

A study on how education, training, professional experience and gender influence accountants' perception of the complexity of accounting for derivatives and ultimately the disclosure of financial instruments in financial statements was conducted by Malaquias and Zambra in 2019. The sample for the study was 440 auditors from Chile and Brazil and the respondent to the instrument were 155 indicating a respondent rate of 36.8%. Primary data was used for the study and the data collection was done by issuing questionnaires through e-mails to the respondents.

Perception of complexity which is the dependent variable was measured by how the auditors perceived accounting treatment for hedges, derivatives, financial instruments and fair value measurement to be difficult. Education as a determinant was measured by the number of courses undertaken by respondents in financial markets and accounting for derivatives, whereas training was measured by whether the participants have attended a training program for accounting for hedges or derivates or not. Professional experience was measured by the number of years of experience in accounting. A multivariate regression analysis was employed to determine the relationship between the perception of the complexity of financial instruments and the independent variables. Malaquias and Zambra found that education, training

and gender influence accountants' perception of the complexity of the financial instrument and their disclosure.

Conceptual Framework

A conceptual framework, according to Smyth (2009), is a structure that describes the probable relationship between variables under study. It's a framework or set of concepts that are used in a certain field of study. A model developed by Fontes, Rodrigues and Craig (2016) identify certain factors the affect stakeholders' perceived value for a new financial reporting system and is made useful in this study. The model identifies Human factors, technical factors and Change process factors as the independent variables that are likely to affect how individuals will accept and use a new financial system and, in this case, IPSAS compliance as the dependent variable. The study presents the framework for compliance level and determinants as shown in Figure 1:

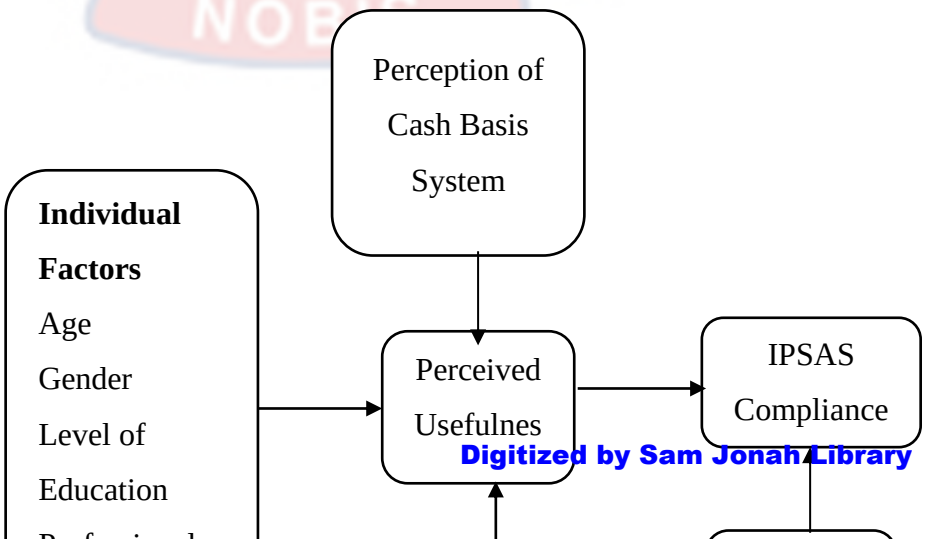

Figure 1: Conceptual framework for this study
Source: Author's construct (2022)

a. Perceived usefulness and individual factors

The introduction of a new initiative is most likely to face challenges that will prevent the smooth operations of the initiative. A survey of the United State by Majchrzak (1998) suggested that individual factors about technical and economic barriers have consistently been shown to play a vital influence in the effective acceptance of a new initiative.

The age of a person affects how they embrace changes. Zmud (1979) observed that older persons are more resistant to change than more youth generation. This may be attributed to age-related intellectual or cognitive decline, making it difficult for older people to master new skills (Kanfer &

Ackerman, 2014). Adaption to change is difficult for the elderly (Caldwell, Herold & Fedor, 2004). Thus, the level of IPSAS compliance should be influenced by the accountant's age.

An individual openness to change is linked to their degree of education (Anderson,1995; Zmud 1979). People with higher education are said to have stronger adaptive to respond to changes in their job requirements. Persons with higher educational levels are more likely to comply with IPSAS than those who are not (Heggestad & Kanfer, 2000).

b. IPSAS compliance and Technical Factors

User training to operate a new system has a significant impact on the user's attitudes and beliefs towards the system, as well as their willingness and ability to master and use it. Igbaria *et al*. (1995) discovered that training has an impact on task performance and users' belief in their ability to learn how to use a new system. Training users on a particular standard can boost their compliance level and the quality of financial statements prepared (Tawiah & Boolaky, 2019).

Perceived ease of use refers to the extent to which an individual believes that using a certain system will be comfortable. Perceive ease of use turns to increase the usage of computers (Igbaria *et al*., 1995). However, when one believes that the usage of a system requires a lot of mental effort then that will likely affect how the person will accept and use the system.

Expected operational benefits will influence one's perception of complying with the standard requirement. Generally, if a person is expected to benefit from the use of a particular device, then the user is likely to use it no matter the complexity of the device usage.

c. IPSAS compliance and Change process factors

Participation is frequently used as a change agent approach to persuade potential to change their minds. It is a method of minimizing uncertainty, promoting fairness perceptions and building a favourable attitude towards a proposed change to create a favourable atmosphere for change (Bordia, Hobman, Jones, Gallois & Callan, 2004). Participation creates a sense of belongingness and the will to achieve in the minds of users of a system.

The timing and method of implementing a change can influence a person's reaction to the change. Phan and Mascitelli (2014) studied how the time of standard implementation affects users' acceptance. The time of implementation of a change of accounting system can be favourable to the user and increase their compliance with the standard requirement or otherwise.

According to a previous study, there is a negative correlation between a person's commitment to a previous reporting basis and how they judge a new reporting basis. A study by Jermias (2001) demonstrated that the people's opinions on the effectiveness of a new reporting system were biased by their attachment to an old reporting system.

The degree to which an individual believes that a system will increase their job performance is perceived usefulness. User acceptance of computers or information systems is driven by the usefulness of the system. The value of financial statements to stakeholders has been studied (Igbaria, Guimaraes & Davis, 1995). They argued that one's view of financial information impacts his perception of a proposed standard. Borrowing from these ideas, the level of compliance of IPSAS will be affected by how the financial statement preparers perceive the standard to be useful in the account's preparations.

Chapter Summary

The theoretical and empirical review suggested that IPSAS adoption and compliance of government have attracted a lot of interest from stakeholders and scholars in the recent past because of the need for a more transparent and accountable government. This has been observed from numerous studies which have covered the area of implementation and adoption issues as well as the level of compliance of IPSAS of government using it. However, despite the attention that IPSAS adoption and implementation have attracted in the literature recently, studies on the determinates of IPSAS compliance are relatively scarce as observed from the empirical perspective. That is the empirical studies are mostly at the aggregated national level and purely qualitative. The aggregated data, however, does not allow compliance with the individual component of IPSAS to be observed; while the small sample size involved in the qualitative analysis limits their external validity in terms of the ability to generalise the outcome.

Also, the study observed a gap in the area of implementers' view on IPSAS and Cash Basis system since the process of transition is expected at the assembly level. The role that the type of assembly plays as well as the role of demographic variables of implementers on the perceived usefulness of IPSAS has also received limited attention in Sub-Sahara Africa, particularly in Ghana. This knowledge gap has indisputably informed the path of this study with particular attention to a compliance level, determinants of compliance and reporting of results.

CHAPTER THREE

RESEARCH METHODS

Introduction

This chapter discussed the data collection instrument used, the procedure for collecting the data and the data measurement, the pre-test and the reliability test. It also describes the research approach, design, study areas, population for the study and the sampling and sampling procedures used for the study. Finally, this chapter ends with the data analysis procedure, ethical consideration and the chapter summary.

Research Approach

The philosophy that underpins this study is the positivist philosophy, which posit that social realities can be objectively measured (Bryman & Bell, 2007). Consequently, the quantitative research approach was adopted for the study. This approach also allows for the possible use of quantitative and statistical methods to analyze data. The study therefore quantified all major constructs which eventually allowed for rigorous statistical analysis and generalization of the outcome (Naoum, 2013).

The quantitative approach is a research approach designed to ensure that the findings are accurate, consistent and generalizable (Saunders *et al*., 2012). It accomplishes this by formulating testable hypotheses and theories which can lead to generalization. Questionnaires, personality tests, surveys and standardized research instruments are some of the data collection methods employed in the quantitative approach and the current study used questionnaire for data collection (Saunders *et al*., 2012).

Research Design

The study adopts both the explanatory and descriptive research design. An explanatory design is used when it is necessary to explore the impact of one variable on another. This study design is useful for discovering explanations for a variety of processes and analyzing the influence of changes on existing norms, as well as assisting in study replication if necessary and providing a higher level of internal validity due to systematic subject selection (Abdul-Fatahi, 2018). While descriptive design underpins a study that focuses on observing and analyzing a subject's behaviour without altering it (Creswell, 2014). The study adopted this design because it seeks to describe the IPSAS compliance level of MMDAs and assess any challenges affecting the effective implementation of the standards in MMDAs. Also, the explanatory design was employed because the study aimed to establish a cause-and-effect relationship between the level of compliance and some factors affecting it.

To achieve the study objectives, this study used a cross-sectional survey strategy. When a study requires data and analysis from multiple cases at the same time, this strategy is the best fit. According to Saunders *et al*. (2012), this strategy enables quantitative data to be used to investigate the relationship and variations between elements. Furthermore, the cross-sectional design allows for comparisons between distinct population groups at a single time point and depends on the existing difference in sample selection. Surveys are a form of deductive research strategy that entails gathering and analyzing a large amount of quantitative data from a study sample using descriptive and inferential statistics (Williams, 2011). They are a common and authoritative research strategy, affording the researcher control over the research process.

Study Areas

The study is centred on a decentralised government administrative unit in Ghana. Ghana shares boundaries with Burkina Faso to its north and Togo to its east. The western part is shared with Ivory Coast as the Gulf of Guinea covers the southern part of the country. According to the 2021 population census, the country has about 30.8 million citizens, of which 49.3 percent were males and 50.7 percent were females. Ghana is considered a developing country by the World bank classification of countries per developing.

Ghana has sixteen (16) administrative regions which are further subdivided into two hundred and sixty-one metropolitan, Municipal and District Assemblies. These MMDAs were created on the assumption of decentralising the administration of the country's activities. They are the utmost political and administrative authority in the assembly.

Population

The population of a study is defined as a set of persons, items, or subjects with common features as stated by the researcher's sampling criteria. A population, according to Babie (2007), is a group in which the researcher is interested in the purpose of generalization. while the target population is the population of importance that the researcher is interested in, and tries to make statistical conclusions on (Mugenda, 2003). Such group should have information useful to the researcher. The target population for the study comprises all projected 500 accountants of the various 261 MMDAs in Ghana (all attempt to access official data on number of accountants at the assembly level provide futile). By the breakdown, there are District Assemblies, Municipals and metropolis. This projection was arrived at by the assembly's

projection of at least 2 experience accountants in an assembly no matter how small. That is, the accountant to be included should have served for at least a year in the assembly setup as an accountant or someone directly related to the IPSAS report generation.

Sampling Procedures

Lavrakas (2008) defined a sample in a survey analysis as a group of entities taken from a wider population. That is, a sample is a group of units selected from a target population to represent it. According to Zikmund, Babin, Carr and Griffin (2013), sampling is necessary as it is not always important to investigate all possible elements to comprehend the phenomenon in question. Based on the Krejcie and Morgan (1970) sampling table, a total of 220 respondents were selected from the projected target population of 500. Since the unit of analysis of the study was both the individual and the assembly; 55 Assemblies were sampled based on the 220 sample size with the distribution as 4 respondents per assembly. The simple and stratified random sampling technique was used to select the 55 Assemblies out of the entire population of 261; since this probability sampling technique gives all elements of the target population an equal chance of being selected and prevents biases in the sampling selection. Stratified random sampling was used to ensure that there was enough representation from each type of assembly as well as every region in Ghana. The individual respondents were, however, sampled through the purposive and incidental sampling techniques since the respondent of the study were specific group workers (those involved in accounting issues) of the assembly. A total of 220 workers of the Assemblies whose work is related to finance, accounting and auditing were sampled from the 55 Assemblies to

constitute the implementers' sample size for the data collection. The 55 Assemblies were random samples with at least 20 Assemblies from the southern, 20 from central and 15 from the northern zones of the country. Based on the experts sampled (finance, accounting and auditing) four individuals each were sampled from each assembly.

MMDAs were selected for this study because of the developmental role they play in every District in Ghana, in Article 240 of the 1992 Constitution the various MMDAs are tasked to plan, coordinate, monitor and executive developmental projects and programs in a particular District to enhance the improvement of the standard of living of citizens in the community. This implies that the immediate contacts responsible for the improved standard of living of the ordinary Ghanaian are the MMDAs. The main source of revenue to the MMDAs are monies from District Assembly Common Fund, Developmental Grants (not less than 5% of total tax revenue of government) and internally generated funds (IGF), though these monies amount to nothing much is expected to be done with it and appropriate use of these funds is necessary. However, cash mismanagement and other irregularities in the MMDAs are very high and compliance with IPSAS should help reduce these occurrences by increasing transparency. Thus, the researcher thought it useful to assess the IPSAS compliance level of MMDAs in Ghana.

Data Collection Instrument

The study used questionnaire administration to collect data from the respondents (Appendix 2 and 3). The questionnaire was chosen for this study because it is a dependable, economical and widely used instrument for gathering research-relevant information from a large number of people who all answer

identical questions. Again, it is a self-report measure that guarantees anonymity, and consistency and is, therefore, more likely to produce a truthful response to the information required from the respondent (Achina, 2014). Despite these benefits, this instrument has a limitation in that it is prone to providing biased information from respondents. It also requires a lot of time to administer and the lack of corporation form respondents.

A closed-ended questionnaire was structured to elicit information based on the specific objectives of the study. The questionnaires were in two different sets. The first set is on IPSAS compliance and the second form is on the factors affecting perceived usefulness. The first set on compliance was espoused from the checklist developed by Ernst & Young, 2017 with emphasis on IPSAS 1, IPSAS 2, IPSAS 3, IPSAS 14, and IPSAS 24. These five standards were selected following Sellami and Gafsi (2019). According to Sellami and Gafsi, these standards contain the general and fundamental disclosures that must be included in all public sector financial statements prepared under the accrual basis of accounting. This set was made of 29 items grouped into seven sections (A, B, C, D, E, F and G) as attached in Appendix 2.

Section A centered on the presentation of the complete set of financial statements. Section B collected information on the provision of comparative financial statements, Section C centered on the content of the statement of financial position, and Section D sought information on the content of the statement of financial performance. Information on the content of the cashflow statement was in Section E, and Sections F and G were on the notes to the financial statement and presentation of the financial statement respectively. All the questions in this set sought information on the frequency of including the

items in the financial reports of the assembly. They were on a five-point Likert scale of 0 to 4, with 0 indicating never, 1 for rarely, 2 for often, 3 for very often and 4 for always.

The second set of questionnaires on the factors' affecting compliance was grouped into nine sections (A, B, C, D, E, F, G) as attached in appendix 3 with thirty-four items. Section A addressed on respondent characteristics, section B to the section G was on the implementer views and perception of IPSAS in Ghana. All the responses in the scale were classified as strongly agree (1), agree (2), moderately agree (3), slightly agree (4) and do not agree (5).

Pre-Test of Data Collection Instrument

A test of the instrument was undertaken with the accountants of the five MMDAs that did not make it into the final sample in the central region. Pretesting helps the researcher to obtain quality information when the actual data collection is done. Pretesting helps to ensure that respondents do not have issues answering the questionnaire. It also helps to determine the reliability of the instrument to measure the constructs. A total of 25 questionnaires were administered to the respondent and retrieved on the same day. The complete questionnaires were examined, and they required a few modifications to some wording in the question. Most respondents had appreciable knowledge of IPSAS and did not find it challenging to understand the questionnaire.

Reliability is the capacity to generate the same findings every time a method is repeated or the extent to which a test produces similar results, given similar conditions. The establishment of reliability was accomplished by measuring the internal consistency of the instrument using Cronbach's Alpha coefficient, as this is the most commonly used method in statistics. According

to Namdeo and Rout (2016), to measure the internal consistency of test items, Cronbach's alpha (α) which is easy to calculate has a direct interpretation and is less time-consuming. The Cronbach's alpha coefficient ranges between 0 and 1 such that closer values to 1.0 indicates greater internal consistency of the items on the scale. Namdeo and Rout (2016) provided the rule of thumb which states that, if the value of alpha is greater than 0.9 then the consistency is classified as Excellent, between 0.8 and 0.9 is Very Good, between 0.7 and 0.8 is Good, between 0.6 and 0.7 is Acceptable, between 0.5 and 0.6 is Questionable and less than 0.5 is Unacceptable. Thus, a scale is considered reliable when Cronbach's alpha is 7.0 or preferably higher (Pallant, 2005). The Cronbach alpha coefficients for the pretest and main sample were presented in Table 3 for the questionnaire on Assemblies and Table 4 for the questionnaire on the respondents from the Assemblies.

The results of the questionnaire from the Assemblies suggested that the reliability of the *Presentation of comparative information* and *Notes to the Financial Statements* was acceptable both in the pretest and main survey, while that of the *Statement of Cash Flow* was excellent both in the pretest and main survey. However, items such as Presentation of Financial statements, Statement of Financial Position, Statement of Financial Performance and Presentation of Budget Information did not meet the minimum acceptable standard of 0.7 in the pretest but made the mark in the main survey. Because the items were based on the standards of IPSAS it was not within the remit of the researcher to add or drop a question due to low-reliability scores. Instead, the researcher improved the constructions of the questions and counted on the increased sample size in

the main survey after which the minimum threshold of 0.7 was achieved on all the items.

Table 2: Cronbach's alpha coefficient for IPSAS compliance data on Assemblies

Construct	Pretest	Main Survey
Presentation of Financial statements	0.6494	0.7604
Presentation of comparative information	0.7613	0.7537
Statement of Financial Position	0.6422	0.7631
Statement of Financial Performance	0.5938	0.7102
Statement of Cash Flow	0.9318	0.9385
Notes to the Financial Statements	0.7372	0.7545
Presentation of Budget Information	0.3232	0.7020

Source: Field survey (2022)

Apart from *Training on IPSAS implementation* and *Timing of implementation*, all the constructs on the respondents' questionnaire meet the acceptable standard of 0.7 or more in both the pretest and main survey. The reason for the low-reliability scores appeared obvious from the number of items on the constructs as 4 for *Training on IPSAS implementation* and 3 for *Timing of implementation*. Since the Cronbach Alpha is a direct function of the number of items on the construct; it was expected the items with fewer items may underperform. But as stated earlier, adding or deleting a question was not an option so the questions were rephrased which helped to achieve the minimum standards in the main survey. Together all the constructs meet the reliability standards based on the reliability test and were used for the analysis. The validity of the results was further strengthened by conducting the CFA on all constructs to ensure that all the items load significantly into the latent construct of the study in the main analysis.

Table 3: Cronbach's alpha coefficient for IPSAS compliance data on Respondents

Item	Pretest	Main Survey	Number of items
Commitment to the Cash basis of accounting	0.8285	0.8242	5
Perceived Usefulness of IPSAS	0.7437	0.7499	6
Complexity of IPSAS	0.8560	0.8592	5
Expected Operational benefits of IPSAS	0.7041	0.7070	5
Training on IPSAS implementation	0.6309	0.7383	4
Timing of implementation	0.5118	0.7064	3
Implementation challenges	0.7975	0.7990	6

Source: Field survey (2022)

Data Collection Procedure

Data collection was the major challenge of the study, but the researcher leveraged technology, advocacy and cooperation of the respondents to surmount the problem largely. Since the final sample was based on a purposive sampling technique, it was not too difficult to identify the respondent; hence the major issue was the wide scope of the study area.

The researcher used two strategies to collect the data across all the randomly sampled Districts. The first was the use of mail and phone conversation for advocacy to get Assemblies to fill and return questionnaires. An element of snowballing was present since once contact is established with one expert in the assembly; he or she pleaded to get other experts to fill since it was not difficult to identify who was to fill the questionnaire. The second strategy was to follow a conference that brings assembly members together and attend same to meet with some of the experts to fill out the questionnaire and to establish contact with the assembly through the participant. The researcher also

personally administered the questionnaire to nearby Assemblies especially those in the southern zone like central, Greater Accra, western and eastern.

Data Processing and Analysis

The study was purely quantitative hence both descriptive and inferential statistics were used for the analysis. The main descriptive statistics used for the analysis were frequencies, percentages, median, mean rating, standard deviation, or quartile deviation. Since all the main items were on a five-point Likert-rating scale, the initial variable created was at best ordinal but could be viewed as an interval when the data is normally distributed. Thus, the percentages and median were the dominant descriptive statistics for presenting and explaining individual components since normality could not be achieved for all items. However, combined variables created from the additive index or factor index were treated as interval-ratio variables and were analysed in terms of mean and standard deviations or the coefficient of variation.

Both parametric and non-parametric tests were used for inferential analysis. That is, where items were skewed, and the median ratings were used; the comparison across groups used a non-parametric test such as the Wilcoxon rank sum test since the Assemblies were grouped into two as District (1) and Municipal/Metropolis (2). However, the comparison of composite variables used parametric tests such as the independent sample t-test. The use of an independent sample t-test made assumptions such as equality of variance less of a concern to the consistency of the results since the test could be conducted under equality or non-equality of variance. Finally, Confirmatory Factor Analysis (CFA) and Ordinary Least Squares (OLS) regressions were used for further analysis of the drivers of compliance. The CFA in the traditional

Structural Equation Model (SEM) was used to ensure that all the items on a given construct load significantly into the latent variables they seek to measure. That is, the entire construct in the study was typically latent but had several observed aspects as prescribed by the IPSAS standards. Also, the CFA allowed for the latent variables to be predicted from the observed aspects as a factor variable to serve as an index for the OLS regression estimates.

The CFA Framework of the Study

The CFA framework allows the researcher to treat the items on the questionnaire as the observed aspects of the latent variables they seek to measure to ensure they are all significant observed aspects and load in the same direction. The generic framework was presented in Figure 2

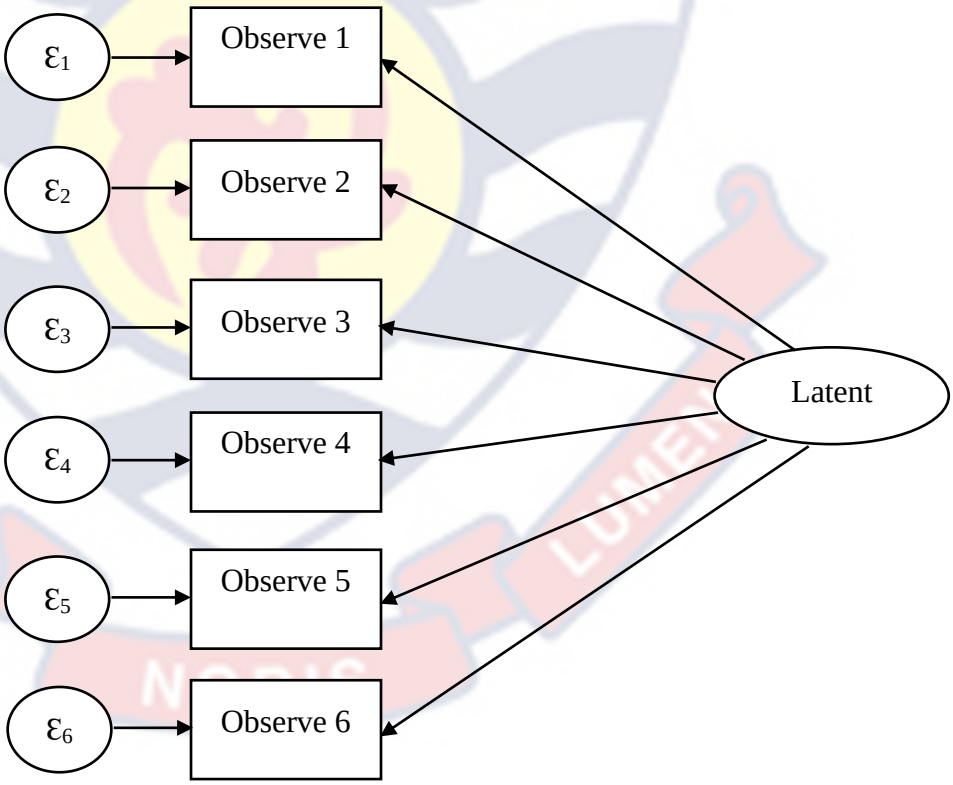

Figure 2: General Structure of the CFA Framework used for the Analysis.
Source: Field survey (2022)

The number of observed aspects of the various latent variables differs as presented in Tables 5 and 6. The expectation was that all the observed aspects load significantly into the latent variable; else it could be excluded in further analysis. The major concern of the current study is the size of the factor loadings in the same few situations since all the observed aspects loaded significantly and positively into their latent variables. Factor fixing a successful CFA model, the latent factor variable was predicted to serve as the factor index for the respective constructs.

OLS Model Specification and Estimation

The OLS model was fixed on the factors that drive respondents' perceived usefulness of IPSAS as an indirect measure of IPSAS compliance since in reality compliance is an assembly concept and was examined separately in the current study. The direct examination of IPSAS compliance required assembly characteristics that were not handy in the current study. However, under the TAM model framework, adoption is directly dependent on the perceived usefulness and ease of use of a given innovation. Thus, the current study hypothesized that for individuals to support Assemblies' quest for compliance, they must perceive the compliance process as useful and easy for them to comply. The regression analysis was, therefore, at the individual respondents' level as the unit of analysis; and had individuals' perceived usefulness of IPSAS as the dependent variable.

The empirical model was specified as in equation (1):

$$PU_i = \alpha + \beta_i X_i^{/} + \varepsilon_i \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (1)$$

Where PU is the index for the perceived usefulness of IPSAS, α is the constant term, and β is the vector of marginal effects or slope coefficient for the

respective vector of X. The vector X contains the independent variables such as Commitment to the CBS, perceived complexity of IPSAS, assembly type; and demographic variables of the respondents such as age, sex, years of experience and level of education. Also, ε is the error term that is independent and identically distributed (iid). The main OLS assumption such as heteroskedasticity omitted variable biased and multicollinearity was tested before the parsimonious model was interpreted.

Ethical Consideration

The researcher adhered to all the research ethics necessary for the conduct of applied research. The consent of all participants and institutions involved in the study was sought. An introductory letter was obtained from the Department of Accounting, School of Business of the University of Cape Coast; and given to all Assemblies where data were collected. The letter was presented to any participants who sought authorisation before filling in the data. The respondents were allowed the free choice to participate and the right to seek clarification on any issue they differ on. The data was handled properly to ensure the confidentiality and anonymity of the respondents throughout the data collection and analysis period. No unique identifier of any respondents was taken while processed data were kept under a password and access was denied to any authorised person. The content of the questionnaire was not too sensitive to harm the respondent either emotionally or psychologically. The results of the study were presented in all honesty as the data portrayed.

Chapter Summary

The methodology necessary to investigate the research problem has been discussed. This included the research approach, study design, sampling techniques, method of data collection and data analysis. The next chapter presents the results and the discussion of the study

CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

This chapter presents, analysed and discussed the results of the study based on the primary data collected. The data was cleaned and the necessary estimates done and presented in tables for analysis and discussion based on the stated research questions and hypotheses. The results were integrated into the literature and a summary of the chapter was presented.

Profile of the Assemblies and the Respondents

The distribution of the Assemblies was such that 29 of 55 Assemblies were Districts, representing 52.73%, while the remaining 26, representing 47.27% were either Municipal or metropolis. However, about 45.46% of the 220 individual respondents were in Districts while the remaining 54.54% of them were either in a Municipal or Metropolitan. The reason for the over-sampling of the respondent in the Municipal or metropolis was due to the proportional nature of the sampling process since although the Municipal or metropolis was less than the District, they had more workforce than the Assemblies. Also, the respondents were male dominant with about 69.55% of the respondents being males because the accounting field is male-dominant at the assembly level in Ghana. The respondents were also relatively youth in terms of age since most of them were below the age of 40 years which translated to relatively low work experience where most of them had worked for less than 10 years. The degree was found to be the common level of education among the respondents (45.46%), followed by HND/Diploma (40.46%) and the rest had postgraduate education (9.46%). Generally, there were enough samples in all

categorizations to allow for an effective comparison of topical issues in the study.

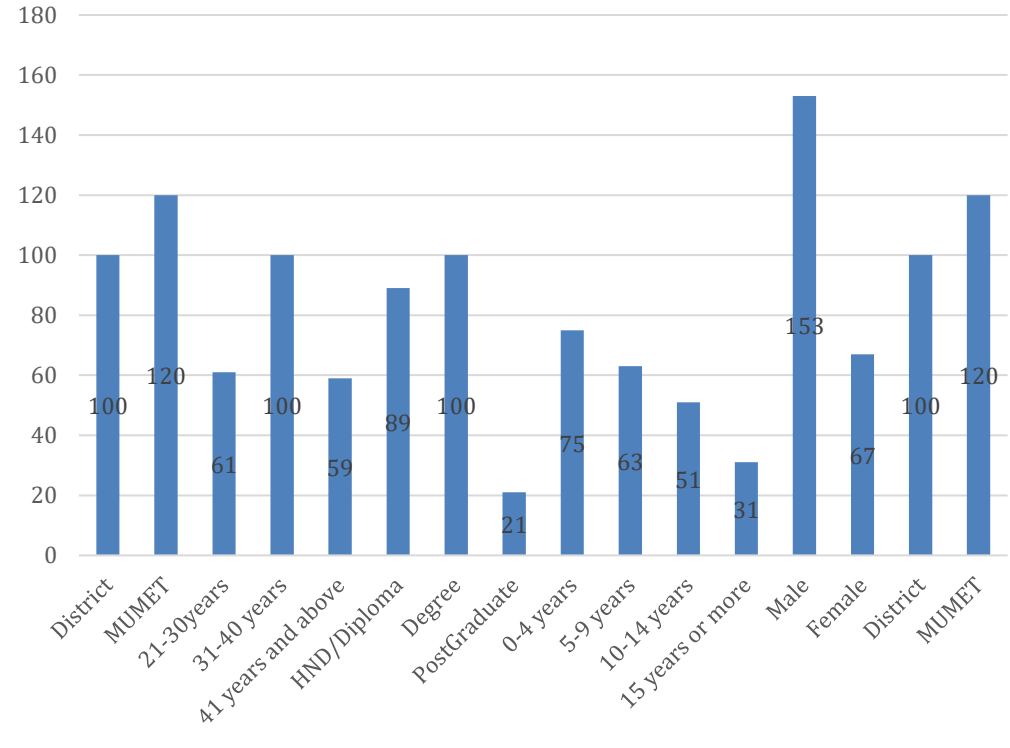

Figure 3: Profile of the Respondents
Source: Field survey (2022)

Level of IPSAS compliance at the Assembly level in Ghana?

The first objective of the study was to examine the level of compliance with IPSAS regulation by the Assemblies. The first research question, therefore, sought to solicit responses to the first objects of the study. The analysis was purely descriptive and used median, mean and coefficient of variation. Table 5 presents the results of the presentation of financial statements in the preparation of IPSAS reports at the assembly level.

Table 5: Presentation of Financial statements on IPSAS reports

Statement	Always (%)	Very often (%)	Often (%)	Rarely (%)	Never (%)	Median	Mean
A statement of financial performance	69.09	21.82	9.09	1.82	0	4	3.58
A statement of financial position	69.09	14.55	12.73	3.64	0	4	3.49
A statement of changes in net asset	47.27	29.09	12.73	10.91	0	3	3.13
A statement of Cash flows	67.27	10.91	18.18	3.64	3.64	4	3.38
A comparison of the budget and actual amount	65.45	21.82	9.09	3.64	0	4	3.49
Note to the accounts	58.18	27.27	10.18	3.64	0	4	3.40
Grand Total	-	-	-	-	-	21	20.47

Source: Field Data (2022)

From Table 5, about 69.09% of the Assemblies indicated they always prepare statements of financial performance, 21.82% indicated they prepare it very often, 9.09% indicated they prepare it often while the remaining 3.64% indicated they rarely prepare it. The median rating of 4 indicates that on average the Assemblies always prepare a statement of financial performance. About 69.09% of the Assemblies indicated that they always prepare the statement of financial position, 14.55% prepare it very often while the rest either prepare it often (12.73%) or rarely (3.64%). Further, about 47.27% of the Assemblies indicated that they always prepare statements of changes in net asset, about 29.09% prepare it very often, another 12.73% prepare while 10.91% rarely prepare it. About 67.27% of the Assemblies indicated that they always prepare

statements of cash flows, about 10.91% prepare them very often, another 18.81% prepare them often while 3.64% rarely prepare them and about 3.64% never prepare the statement of cash flows. Finally, it was observed that about 58.18% of the Assemblies always add a note to the accounts, about 20.00% add it very often while the rest either add it often (18.18%) or rarely (3.64%). The median rating of 4 indicates that on average the Assemblies always prepare the statement of financial performance, statement of financial position, statement of Cash flows, comparison of budget and actual amount and note to the accounts. The median rating for the preparation of the statement of changes in the net asset was 3 which indicated that the Assemblies prepare it often.

Generally, the level of compliance was high (Grand Mean=20.47, Median=21 in the range of 0 to 24) with the statement of financial performance being the most complied (Mean rating=3.58, CV=0.19) followed by A comparison of budget and actual amount (Mean rating=3.49, CV=0.23), statement of financial position (Mean rating=3.49, CV=0.25), Note to the accounts (Mean rating=3.40, CV=0.24), A statement of Cash flows (Mean rating=3.38, CV=0.30) with the statement of changes in the net asset being the least complied requirement (Mean rating=3.13, CV=0.33). Overall, the Assemblies scored a mean compliance of 20.47 on a scale of 0 to 24 which translates to about 85.29% compliance rate with the *presentation of financial statements*.

Presentation of Comparative Information

Table 6 presents the Assemblies' frequency of presentation of comparative information following IPSAS requirements. The results suggested that 60% of the respondents indicated their Assemblies always present the

statement of financial performance with comparative information for the preceding period, while 20% indicated they do it very often and the remaining 20% indicated they do it often. The median rating was 4 which suggests that on average the Assemblies *always present* the *statement of financial performance with comparative information for the preceding period*. Also, 49.09% of the respondents indicated that their Assemblies always present the *statement of financial position with comparative information for the preceding period*, 23.63 present it very often 20% often and the remaining 7.27 rarely present it. The median rating was 3 which indicates that on average the Assemblies present a *statement of financial position with comparative information for the preceding period very often*. Again 49.09% of the respondent indicated their assembly presents a Cash flow statement with comparative information for the preceding period, 20% present it very often, 21.82% present it often while the remaining 9.09% rarely present it. The median rating was 3 which suggests that the Assemblies on average present Cash flow statement with comparative information for the preceding period very often. Further, 40% of the respondent indicated that their Assemblies always present the *statement of changes in net assets with comparative information for the preceding period*, 21.82% present it very often, 23.64%, present it often, 10.91% rarely present it and 3.64% never present it.

Using mean rating, it was concluded that the Assemblies always present the statement of financial performance with comparative information for the preceding period, followed by the statement of financial position with comparative information for the preceding period, cash flow statement with comparative information for the preceding period and the least complied with

is the statement of changes in net asset with comparative information for the preceding period. Overall, it was observed that the Assemblies scored a mean compliance of 12.47 on a scale of 0 to 16, which translates to about 77.94% compliance rate with the *presentation of comparative information*.

Table 6: Presentation of Comparative Information on IPSAS Reports

Statement	Always	Very Often	Often	Rarely	Never	Median	Mean
Statement of financial performance with comparative information for the preceding period	60.00	20.00	20.00	0.00	0.00	4	3.4
Statement of financial position with comparative information for the preceding period	49.09	23.64	20.00	7.27	0.00	3	3.15
Cash flow statement with comparative information for the preceding period	49.09	20.00	21.82	9.09	0.00	3	3.09
Statement of changes in net assets with comparative information for the preceding period	40.00	21.82	23.64	10.91	3.64	3	2.84
Grand Total						12	12.47

Source: Field survey (2022)

An index was constructed with the components of the presentation of financial statements and those of comparative information to gauge the overall compliance rate with IPSAS regulations. Together, there were 10 components which implies a range of 0 (if the assembly does not comply with any of the components) to 40 (if the assembly complies with all the components). The

results suggested that the Assemblies recorded an average compliance of 32.95 with a spread of about 5.24 within a range of 21 to 40. The mean value translates to an overall compliance rate of 82.375% with some Assemblies complying with all the regulations while the least compliance rate was about 52.50%. Further analysis revealed that 10 out of the 55 Assemblies complied with all the given IPSAS regulations which translate to a percentage of 18.18%, but only one assembly was at the minimum threshold of 52.50% compliance.

The results of the composite compliance indicated that the Assemblies have very high compliance levels of major components of IPSAS, this observation is consistent with the observation in the empirical literature when compliance is taken at the average or aggregated level. The results, however, join the number of studies that found low compliance with IPSAS when all individual components are considered. That is, it was observed that only 18.18% of the Assemblies comply with all the major components of IPSAS in terms of the presentation of financial statements and comparative information.

Compliance with Components of Financial Performance

Analysis of the items of the statement of financial performance is presented in Table 7. The results from the skewness coefficient suggested that all the distributions were negatively skewed which makes the median the ideal measure of central tendency. Hence, the Assemblies always present items of financial performance but present more expenditure items flowed by surplus or deficits and then revenue.

Table 7: Presentation of Components of Financial Performance

	Always	Very Often	Often	Rarely	Never	Median	Mean	Skewness

Revenue	58.18	21.82	12.73	7.27	0.00	4	3.309	-1.16
Expenditure	78.18	18.18	3.64	0.00	0.00	4	3.75	-1.90
Surplus or deficit	76.36	12.73	3.64	7.27	0.00	4	3.58	-2.09

Source: Field survey (2022)

Specifically, about 70.91% of the Assemblies showed that they always include revenue while some 21.82% very often do this and 7.27% often do. Concerning expenditure, 78.18% of Assemblies include it in the statement of financial performance while 18.18% very often provide expenditure information and 3.64% often do. About 76.36% of the Assemblies indicated that they always provide information on the surplus or deficit made at each reporting period, 12.73% indicated very often while the rest provides it often (3.64%). The median rating of 4 indicates that on average the Assemblies always provide all the necessary items in the statement of financial performance. The mean rating, however, suggested that the most complied component of financial performance is an expenditure, followed by surplus and deficit then revenue.

Compliance with components of financial position

Table 8 shows the rate of compliance with the element of the statement of financial position. The skewness threshold on -1.00 to 1.00 for symmetric distribution suggested that the distribution of non-Current Asset and Liabilities were symmetric and best represented by the mean; while that of Current Assets and Accumulated funds were not symmetric and hence best represented by the median. Hence, it was concluded that Assemblies always present items on Current Asset and Accumulated funds (median of 4), but very often present items on Non-Current Asset Current Assets and Liabilities (mean of about 3).

Table 8: Presentation of Components of Financial Position

	Always	Very Often	Often	Rarely	Never	median	Mean	skewness
Non-Current Asset	45.45	25.45	10.91	12.73	5.45	3	2.93	-0.93
Current Asset	58.18	23.64	12.73	5.45		4	3.34	-1.19
Liabilities	41.82	34.55	9.09	14.55		3	3.04	-0.84
Accumulated fund	65.45	12.73	18.18		3.64	4	3.36	-1.61

-.9278911 -1.184719 -.8399163 -1.606094

Source: Field Survey (2022)

From Table 8, about 45.45% of the Assemblies provide information on their non-current asset, 25.45 provides them very often and 10.91 provides non-current asset information often. 12.73% and 5.45% indicated that they rarely or never present such information. The median figure of 3 indicates that Assemblies very often provide information on non-current assets. Again, 58.18% indicated that there is always information on the current assets of the assembly, while very often 23.64% provide current asset data, 12.73% often do that and 5.45% rarely provide this data. From the response, most Assemblies always provide information on their current assets, evidence in the median = 4. About 41.82% of the Assemblies indicated that they always provide information on the liabilities at each reporting period, 34.55% indicated very often while the rest provides it often (9.09%) or rarely (14.55%). The median rating for liability information was 3 which indicated that the Assemblies provide it very often. Accumulated fund information was provided always by about 65.45% of the Assemblies, 12.73% very often, 18.18% often and 3.64% of the Assemblies have never provided this information in the statement of financial position.

However, the median figure of 4 indicates that average, Assemblies provide this information. The relative comparison of the mean figure suggests that the most complied components of financial position were accumulated funds followed by current Assets, liabilities and non-Current Assets.

Presentation of Budget Information

The results of the skewness coefficient as presented in Table 9, suggested that the distribution of all the components was symmetric except that of the presentation of the final budget amount which was negatively skewed. Hence, it was concluded based on the averages that the Assemblies always a present statement of the final budget amount (median=4); but the actual amount on a comparison basis, the material difference between the budgeted and actual amount and budgetary basis and classification basis use in preparing the budget were presented very often by the Assemblies.

Table 9: Compliance with Components of Presentation of Budget Information

	Always	Very Often	Often	Rarely	Never	Median	Mean	skewness
The final budget amount	61.82	14.55	3.64	20.00	0.00	4	3.18	-1.06
Actual amount on a comparison basis	56.36	29.09	14.55	0.00	0.00	4	3.41	-0.83
Are notes present on the material difference between the budgeted and actual amount	41.82	23.64	10.91	20.00	3.64	3	2.80	-0.63
Notes on the budgetary basis and classification basis used in	41.82	30.91	10.91	16.36	0.00	3	2.98	-0.73

preparing the budget								

Source: Field survey (2022)

Compliance with Components of Cash Flow

Using the skewness threshold of -1.00 to 1.00 for a symmetric distribution, it was concluded that the distribution of all the components was negatively skewed, which makes the median the best measure of central tendency. Hence, the Assemblies always present items on components of cash flow based on the median rating of 4 for all components as presented in Table 10.

Table 10: Compliance with Components of Presentation of Cash Flow

Component	Always	Very Often	Often	Rarely	Never	Median	Mean	skewness
Cash flow from operating activities	72.73	18.18	3.64	1.82	3.64	4	3.55	-2.50
Cash flow from investing activities	56.36	20.00	10.91	9.09	3.64	4	3.16	-1.24
Cash flow from financing activities	61.82	29.09	3.64	1.82	3.64	4	3.44	-2.19
Component of cash and cash equivalent	61.82	27.27	7.27		3.64	4	3.44	-2.13

Source: Field survey (2022)

From Table 10, about 72.73% of the Assemblies indicated they always present cash flow from operating activities, 18.18% indicated they present it very often, 3.64% present it often, 1.82 rarely present it, while the remaining 3.64% indicate they never provide it this information. Concerning cash flow

from investing activities, 56.36% of the Assemblies present it, 20% very often, 10.91% often, 9.09% rarely and 3.64% never provide this information. It can be observed that information on the financing activities is provided by about 61.82% of Assemblies,29.09 provides this very often, about 3.64% present it often, while 1.82% rarely do this and 3.64% of the Assemblies indicated that they have never provided this information. The median rating of 4 indicates that on average the Assemblies do present cash flow from operating activities, investing activities, financing activities and cash equivalent always.

Compliance with components of Notes to the Financial Statements

A complete set of financial reports includes a note on the various statements in the reports. They give information on certain important details that are not presented on the face of the financial statement. One important item to disclose in the note is the basis for preparing the financial statements, whether the accrual basis or the cash basis. The results in Table 11 suggested that about 58.18% of the Assemblies always include this information in their statement, 23.64% include it very often and 14.55% include it often but 3.64% rarely state the basis for the preparation of the financial statement. The supporting accounting policies underlining certain estimates and figures in the financial statement are also presented in the note to the accounts. Further, about 61.82% of the Assemblies indicated that they always include their accounting policies, 16.36% indicated that their accounting policies are included very often, 18.18 showed their policies are often included while 3.64% rarely include their accounting policies.

Table 11: Compliance with components of Notes to the Financial Statements

Components	Always	Very often	Often	Rarely	Never	Median	Mean	skewness
The basis for the preparation of the financial statements	58.18	23.64	14.55	3.64	0.00	4	3.36	-1.12
The specific accounting policies used	61.82	16.36	18.18	3.64	0.00	4	3.36	-1.08
Other information required by IPSAS but not present in either of the statement	29.09	27.27	18.18	18.18	7.27	3	2.53	-0.43
The measurement basis (historical cost, current cost, or fair value amount)	36.36	23.64	10.91	20.0	9.09	3	2.58	-0.50

Source: Field survey (2022)

Complying with IPSAS requires that certain information is only disclosed in the note to the account and not presented on the face of the financial statement as this information will add to users of the financial report to understand a certain amount in the financial statements. Of all items in the note to the account this information seems to be the least provided in the financial reports of the statements, from the table above, 29.09% of the assembly indicated that they add this item to the notes to the financial statement, 27.27 said they include it very often, about 18.18% indicated they present this often

and the same percentage for those who rarely do it. Some Assemblies indicated that this information has never been presented in their financial report. This was about 7.27% of the sampled Assemblies.

Another important piece of information in the note to the financial statement is the measurement basis used in the presentation, whether historical cost, current cost, or the fair value was used. Information on measurement basis was presented by about 36.36% of the Assemblies always, about 23.64% includes measurement basis very often, about 10.91% presented it often, 20% includes this item rarely and about 9.09% has never given any information regarding this item. The average values suggested that the Assemblies always present notes on items such as the basis for the preparation of the financial statements and the specific accounting policies used; but does it very often for items such as other information required by IPSAS but not present in neither of the statements and the measurement basis (historical cost, current cost or fair value amount).

The outcome of the analysis points to the fact that some individual components of financial statements and comparative information are well complied with while others are scarcely complied with by the Assemblies. Statements of financial performance and cash flow were the most complied components of financial statements. That is, the Assemblies complied very often with the individual components of the presentation of financial performance and cash flow; then those of financial position and notes on financial position.

In general, the issues of compliance with IPSAS appeared to be on an item or component basis than on overall compliance since several components

had a very high compliance rate while others have very low compliance even on the same major components. Discussion at the aggregated level shall therefore be misleading since the aggregate components may be skewed downwards by a least complied item or upwards by a highly complied component. This could be accounting for the inconsistent empirical results on IPSAS compliance by similar agents in the same study area but by different authors.

Statistical Dependency between the Level of Compliance and Assembly Type in Ghana

An important aspect of the issue of compliance is the likelihood for some types of Assemblies to feel they do not need to present certain components because their frequencies are low in their assembly. This shall, however, may distort the national compliance and records which demands the aggregation of the respective assembly values. This section, therefore, examined the dependency between compliance and type of assembly. The analysis was in two levels; first, the comparison was done across individual components of compliance and later on the aggregated or overall compliance of IPSAS. The Wilcoxon rank sum test and its extended probabilities were used to compare the median rating for the analyses on the individual components since the items were on an ordinal scale. A factor index was created from the observed components to represent IPSAS compliance as a latent variable. The comparison of overall compliance across Assemblies was done using an independent sample t-test of equality of the mean since the factor index was on an interval-ratio scale.

The results suggested that the level of compliance on the Financial Statement significantly depends on the type of assembly on certain components but not on others. A statistically significant difference was observed between the District and Municipal/metropolitan Assemblies on the *statement of financial performance* as presented in Table 7. The results indicated that Municipal/metropolitan Assemblies comply more with the presentation of statements of financial performance than District Assemblies on average. The extended probability suggests that the probability that the rating of a Municipal/metropolitan assembly shall be higher than that of a District assembly is about 71.4%. This implies that Municipal/metropolitan is about 41.8% (71.4%-29.6%) more likely to comply with the presentation of financial performance than District Assemblies.

Though the median ratings were the same, the median test suggested that the District Assemblies have higher tendencies to comply with the *statement of financial position than the Municipal/Metropolitan Assemblies (63.1%).* That is, the likelihood that a District assembly shall comply with the presentation of financial position was about 63.1% (100%-36.9%); which suggested that the Districts are about 26.2% more likely to comply with the presentation of a financial statement than the Municipal/Metropolitan Assemblies. The level of compliance was identical for all Assemblies on the presentation of the *statement of changes in net assets* and the presentation of the *comparison of the budget and the actual amount*. The Municipal/Metropolitan, however, complied more with the *statement of Cash flows* and *notes to the accounts* as compared to District Assemblies. That is, the probability that a Municipal/Metropolitan assembly shall comply more with the presentation of a statement of Cash flows

as compared to a District assembly was about 75.0%, while that of compliance with a note to the accounts was about 66.5%. This implies that Municipal/Metropolitan Assemblies were about 50% more likely and 33.5% more likely to present the *statement of Cash flows* and *notes to the accounts* than the District Assemblies.

The general observation from the comparison of individual components of the Financial Statement was that the Municipal/Metropolitan Assemblies complied more with three items than District Assemblies while the District Assemblies complied with one item than the Municipal/Metropolitan Assemblies, but the two groups had identical compliance with two items. Generally, the Municipal/Metropolitan Assemblies had a higher compliance rate with all the components but the District least complied with *statements of Cash flows* and *statements of financial performance.*

The results of the study found that assembly has implication for the level of compliance with specific items on IPSAS which contradict the earlier observation by Agyemang and Yensu (2018) in the Ghanaian context. Agyemang and Yensu (2018) used 30 MMDAs in the Ashanti region of Ghana and found no effects of assembly type on IPSAS compliance. Their result was more of a micro view as compared to that of the current study.

Table 12: The Comparison of Assembly Type on the Presentation of Financial Statement

	DIST		MUMT		Wilcoxon Test		Extended Prob.
Statement	Median	IQR	Median	IQR	Z	Prob>|z|	P{MUMT)>DIST)}
A statement of financial performance	3	1	4	0	3.342	0.0008	0.714
A statement of financial position	4	0	4	2	-2.036	0.0418	0.369
A statement of changes in net asset	4	1	3	2	-0.987	0.3237	0.428
A statement of Cash flows	3	2	4	0	3.830	0.0001	0.750
A comparison of the budget and actual amount	4	1	4	2	0.200	0.8413	0.513
Note to the accounts	3	1	4	2	2.374	0.0176	0.665

Source: Field survey (2022)

The difference in the overall compliance was formally tested by first creating a factor index using the CFA model as presented in Figure 4 and Tables 13 and 14.

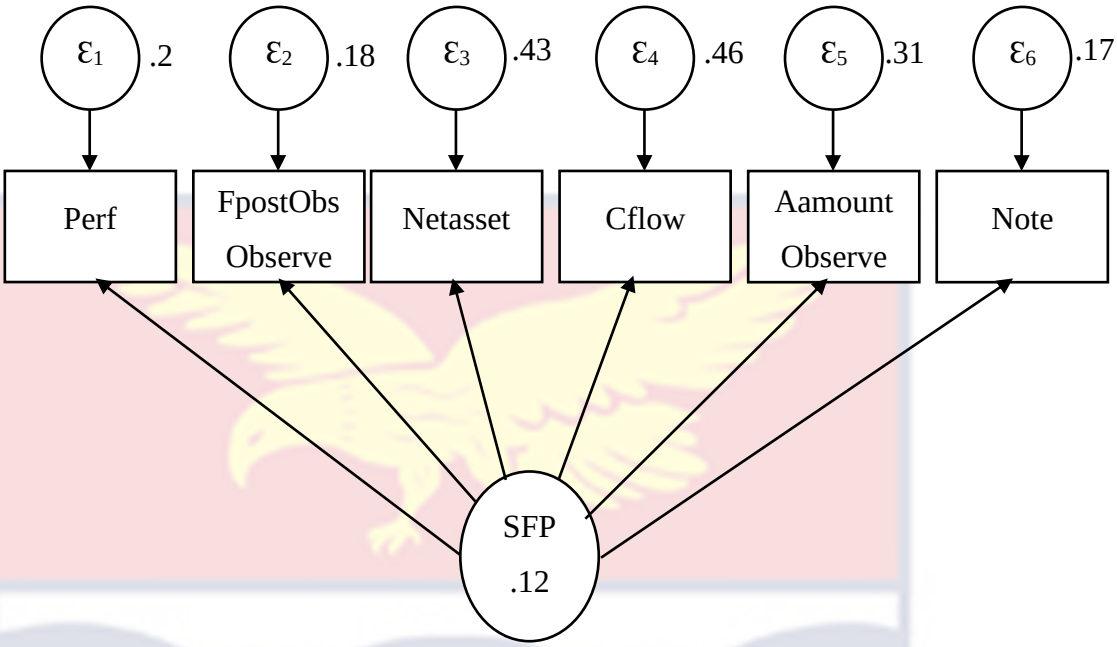

Figure 4: CFA analysis of a component of financial position
Source: Field survey (2022)

The stability test found that all the eigenvalues lie inside the unit circle; hence the SEM model satisfies the stability condition. The standardized results, as presented in Figure 4, indicated that all the six observed aspects load significantly into the latent variable Statement of Financial Position (SFP). This position was confirmed by the post-estimation test that all the coefficients in the model are zero as presented in Table 12. The results suggested that all the equation-level coefficients were statistically significantly different from zero in the model.

Table 13: Wald Test for Significance of individual variables in the CFA equation

Observed Variables	chi2	df	p
A statement of financial performance (perf)	0.00	0	.
A statement of financial position (fpost)	4.69	1	0.0303
A statement of changes in net asset (netasset)	5.12	1	0.0236
A statement of Cash flows (cflow)	5.77	1	0.0163
A comparison of budget and actual amount (amount)	6.56	1	0.0104
Note to the accounts (note)	10.20	1	0.0014

Source: Field survey (2022)

The equation level goodness of fit as well indicated that all the observed variables load positively into the latent variable as presented in Table 14. The model returned an overall R-square value of 84.5% which indicates a relatively good fit of the observed variable into the latent variable SFP. The identical R-square and MC^2 values add to the constituency of the estimated results.

Table 14: Equation Level Goodness of Fit of CFA Model on the Presentation of Financial statement.

observed	fitted	Variance predicted	residual	R-squared	mc	mc^2
perf	.3222387	.1210123	.2012264	.3755361	.61281	.3755361
fpost	.3384404	.1548305	.1836099	.4574823	.6763744	.4574823
netasset	.7649317	.3338708	.4310608	.4364714	.6606598	.4364714
cflow	.560957	.0997566	.4612004	.1778329	.4217024	.1778329
aamount	.4616193	.1526669	.3089524	.3307203	.5750829	.3307203
note	.6135617	.4396301	.1739316	.7165214	.8464759	.7165214
overall				.8451343		

Note: mc = correlation between the dependent variable and its prediction

mc^2 = mc^2 is the Bentler-Raykov squared multiple correlation coefficient

Source: Field survey (2022)

The factor variable was, therefore, predicted to serve as the index for the level of compliance such that higher values indicate more compliance. The index was checked for normality and equality of variance across the assembly types as presented in Table 15. The result found the index created to be normally distributed at the five percent significance level. Also, the distribution of the index was found to be equally variable since the variance was found to be homogenous across the two assembly groupings. The major conditions for the application of the independent sample t-test were met and hence the test was conducted as presented in Table 15. Though the overall compliance appeared to be higher for the Municipal and Metro (0.145) as compared to the Districts (0.035); the t-test of equality of the means found no statistical significance difference between the compliance of the two groups at the five percent significance level (Pr (T >t)= 0.2123>0.05). The conclusion, therefore, was that though some statistically significant difference could be observed in the compliance of certain components of Statement of Financial Statement between the District and Municipal and Metropolitan Assemblies; no overall compliance was relatively identical.

Table 15: Independent T-test of Equality of the Mean Compliance Index across Assemblies for Presentation of Financial Statement

Group	Obs	Mean	Std. Err.	Std. Dev.	[95% Conf.	Interval]
District	29	.0345177	.0572889	.3085102	-.0828333	.1518687
MU_METRO	26	.1447447	.0665029	.3390994	.0077795	.28171
combined	55	.086625	.0438327	.3250719	-.0012542	.1745043
diff		-.110227	.0873175		-.2853637	.0649097
diff = mean (District) – mean (MU_METRO)					t = -1.2624	
Ho: diff = 0					Degrees of freedom = 53	
Ha: diff < 0		Ha: diff ! = 0			Ha: diff > 0	
Pr (T < t) = 0.1062		Pr (T > t)= 0.2123			Pr (T > t) = 0.8938	
Equality of variance test (robust): W0 = 0.23198092 df(1, 53) Pr > F = 0.63204174						
Normality (Swilk): W= 0.96263, V= 1.895, Z=1.371 , Prob>Z= 0.08519						

Source: Field survey (2022)

The dependency between assembly type and compliance with the Presentation of Comparative Information (PCI) was assessed as presented in Table 12. The results suggested that compliance with the *statement of financial performance with comparative information for the preceding period* was identical for both District and Municipal-Metropolitan Assemblies at the five percent significance level. That is, all Assemblies *agreed they always* present the statement of financial performance with comparative information for the preceding period. It was, however, observed that Municipal and Metropolitans Assemblies complied more with the other components of the presentation of comparative information than District Assemblies at the five percent significant level. That is, the Municipal and Metropolitans Assemblies always present a

statement of financial position with comparative information for the preceding period, a cash flow statement with comparative information, and a *statement of changes in net assets with comparative information for the preceding period*, while the District Assemblies present them very often.

From the extended probability, it was observed that Municipal and Metropolitan Assemblies were about 38% (61%-31%) more likely to comply with the *statement of financial position with comparative information for the preceding period* than District Assemblies. Similarly, the Municipal and Metropolitan Assemblies were about 35.2% (67.7%-31%) more likely to comply with the *cash flow statement with comparative information for the preceding period* than District Assemblies. Finally, it was estimated that Municipal and Metropolitan Assemblies were about 32.8% (66.4%-33.6%) more likely to comply with the *statement of changes in net assets with comparative information for the preceding period* as compared to District Assemblies.

Table 16: The Comparison of Assembly Type in the Presentation of Comparative Information

	MU_METRO		DISTRICT		Wilcoxon Test		Extended Prob.
Statement	**Median**	**IQR**	**Median**	**IQR**	**Z**	**Prob>|z|**	**P{MUMT)>DIST)}**
Statement of financial performance with comparative information for the preceding period	4	1	4	1	-0.846	0.3974	0.442
Statement of financial position with comparative information for the preceding period	3	2	4	1	2.599	0.0094	0.690
Cash flow statement with comparative information for the preceding period	3	2	4	1	2.414	0.0158	0.676
Statement of changes in net assets with comparative information for the preceding period	3	1	4	2	2.181	0.0292	0.664

Source: Field Survey (2022)

The CFA model was fitted to determine whether all four items were observed aspects of the same latent construct of Presentation of Comparative Information. The results, as presented in Figure 5, indicated that all four observed aspects load significantly into the latent variable *presentation of comparative information*.

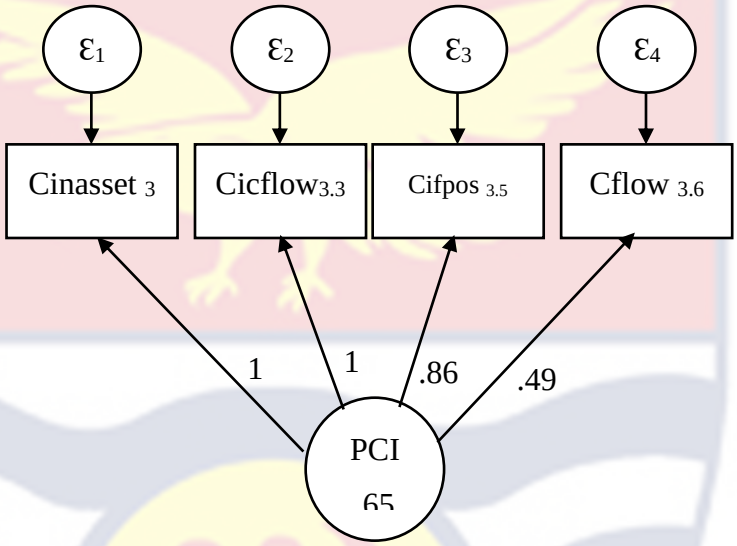

Figure 5: Presents the CFA results of the components of the presentation of comparative information.
Source: Field survey (2022)

Table 17 presents the independent sample t-test of equality of average index across the assembly type. The results found statistically significant differences between the overall compliance level of Municipal and Metropolitan Assemblies and District Assemblies at the five percent significance level on the presentation of comparative information. Compared to the compliance index of the Municipal and Metropolitan Assemblies (Mean Index=0.5997), the compliance level of the District Assemblies (Mean Index=0.0011) was very low on issues of presentation of comparative information.

Table 17: Independent T-test of Equality of the Mean Compliance Index across Assemblies for Presentation of Comparative Information

Group	Obs	Mean	Std. Err.	Std. Dev.	[95% Conf.	Interval]
District	29	.0011176	.161931	.8720252	-.330583	.3328183
MU_METRO	26	.5997185	.1852552	.9446198	.2181783	.9812587
combined	55	.2840926	.1278045	.9478233	.02786	.5403251
diff		-.5986009	.2449623		-1.089933	-.1072688
diff		2.622016	1.368973		-.1237963	5.367828
diff = mean (MU_METRO) – mean (District)					t =1.9153	
Ho: diff = 0					Degrees of freedom = 53	
Ha: diff < 0		Ha: diff!= 0			Ha: diff> 0	
Pr (T < t) = 0.9696		Pr (T > t) = 0.0609			Pr (T > t) = 0.0304	
Diagnostics						
Equality of variance test (robust): W0 = 0.80238761 df(1, 53) Pr > F = 0.37443095						
Normality (Swilk): W= 0.97262, V= 1.389, Z= 0.704, Prob>Z= 0.24070						

Source: Field survey (2022)

The test of dependency between assembly type and level of compliance of financial statement suggested that some level of dependency exists but the relationship is more vivid at the components level than at the aggregated level. That is, statistically, significant differences were observed between the compliance level of District and Municipal-metropolitan assemblies on specific components of the presentation of financial statements, but no significant differences were observed among the compliance level of the Assemblies on the overall compliance with the presentation of financial statements. It was clear from the results that Municipal-Metropolitan Assemblies were more compliant with the presentation of comparative information than District Assemblies; both at the component and aggregated levels.

The results point to the danger of treating the Assemblies as homogenous groups when it comes to IPSAS compliance. That is, two issues were addressed by the current analysis when the results were disaggregated. First, it is possible to observe no statistically significant difference in compliance among Assemblies at the average when differences still exist at the individual component level as was observed for the financial statement in the current study. This situation is referred to as Simpson's paradox in statistical analysis, and the results of the current study suggested that the paradox applies to the case of Ghana when it comes to IPSAS compliance (Wang & Rousseau, 2021; Koehrsen, 2018). Also, even when the difference is observed at the aggregated level, it might be due to different component compliance that may not be observable at the aggregated level. For example, it was observed in the comparison that MMA complies more with DA's; but such finding does not apply to the case of a statement of financial performance with comparative information for the preceding period.

The impulse of the observation of the current study was that compliance with IPSAS is generally low on the average among Assemblies in Ghana but certain components are highly complied with while others are not. This observation was consistent with the major components of the presentation of both financial statements and comparative of comparative information as well as their minor components. The results on the level of compliance from the current study agree with the earlier observation of Atuilik (2016) on IPSAS compliance in Ghana that the level of full compliance is very low. It must be stressed here that the results of Atuilik (2016) and other earlier studies on IPSAS compliance have focused mainly on full compliance because they used document analysis, but the current study used a survey of Assemblies which allows for a more micro view of compliance to be analysed. The micro results, as indicated earlier, suggested that certain components of IPSAS have achieved near full compliance in Ghana though most are just at average compliance level.

Hypothesis Two of the Study

H_o: Implementers' commitment to Cash Basis System has no statistically significant effects on their perceived usefulness of IPSAS.

H_a: Implementers' commitment to Cash Basis System has no statistically significant effects on their perceived usefulness of IPSAS.

Implementer views about cash basis system of reporting

Since the implementation of IPSAS is at the assembly level, it implies that the staff of the Assemblies are the actual implementers of the system. Most of these worked with the cash Basis System (CBS) for several years before the introduction of IPSAS; which implies they had formed their views about the two reporting systems. This research question sought to examine the view of the

implementers about CBS, and later determine how these views influence their current view of IPSAS. The analysis was purely descriptive, hence it used percentages and median ratings for the analysis as presented in Table 18.

The results suggested that most of the respondents agreed to the fact that the *Cash basis system is a useful reporting system because it is simple (Easy to use and understand)* [78.8%]. The median rating of 2 on the scale was used to represent general agreement with the statement. Similarly, most of the respondents generally agreed with the statements that the *cash basis system is a more efficient basis of reporting since the assembly budget is prepared on the same basis* [52.72%, median rating=2] and the cash basis system is a more efficient basis of reporting since the assembly budget is prepared on the same basis [60.45%, median rating=2]. The respondents, however, moderately agreed with the statements that *the cash basis of reporting provides accurate information on the activities of the assembly* [Median rating=3] and *they would strongly recommend the cash basis of reporting to other countries* [Median rating=3]. The results generally point to the fact that the respondents have a positive view of the cash basis system of reporting and may comply more with IPSAS only if they perceive IPSAS to be more useful, understandable and easy to adopt than the cash basis. For example, how easy is it for a person to abandon a system they consider efficient and are willing to strongly recommend other countries to adopt? The implementer's view about IPSAS needs to be assessed and improved to ensure compliance.

Table 18: Implementer View of Cash Basis System of Reporting

	SA	A	MA	SLA	DNA	Median
The cash basis system is a useful reporting system because it is simple (Easy to use and understand)	48.8	30	10.19	4.55	6.36	2
The fact that cash basis system is commonly used by countries indicates that this system provides useful information for decision making	22.27	30.45	20	16.36	10.91	2
The cash basis system is a more efficient basis of reporting since the assembly budget is prepared on the same basis.	25.45	35	16.82	11.82	10.91	2
The cash basis of reporting provides accurate information on the activities of the assembly	16.82	20.91	24.55	21.82	15.91	3
I would strongly recommend the cash basis for reporting to other countries	13.64	25.45	17.73	15.91	27.27	3

N/B: Figures are in percentage except median rating
Source: Field survey (2022)

The analysis was extended to cover the differences in the view about CBS across the implementers' profiles. Before that, a latent variable representing the views of the respondents on the use of CBS was created in the CFA framework as presented in Figure 6.

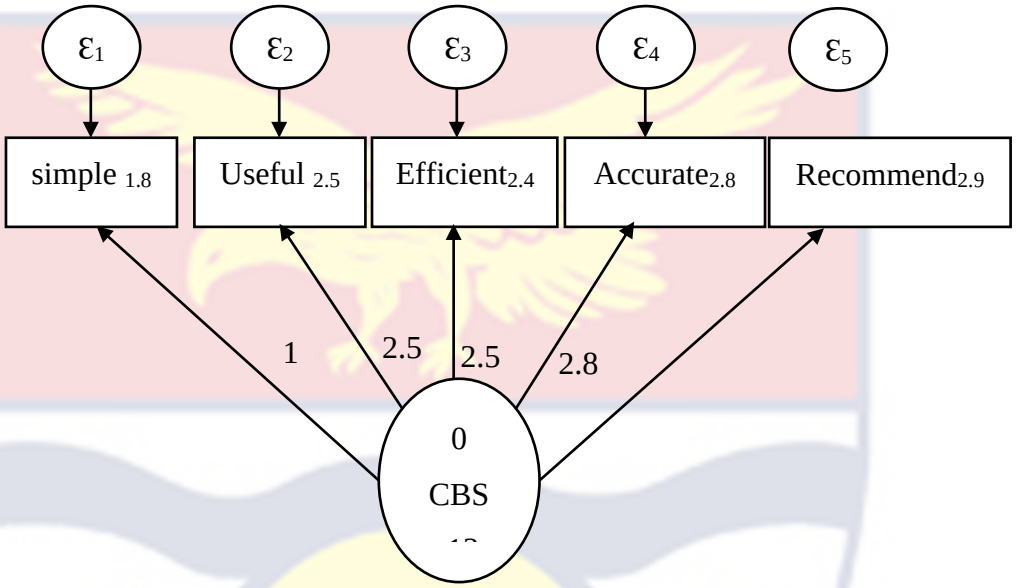

Figure 6: CFA SEM analysis of respondent's views on CBS
Source: Field survey (2022)

The factor loadings of the standardized coefficients suggested that all the observed aspects load positively and significantly into the latent variable that represents the views of the implementers across Districts. The results in Table 2 further suggest that loadings are higher among implementers in the District Assemblies than those in Municipal and Metropolitan Assemblies. That is, compared to the implementers in Municipal and Metropolitan Assemblies the mean loading of implementers in District Assemblies increase by about 0.1185, keeping other factors constant.

The factor variable of CBS was predicted to serve as the index for further comparison across implementers' profiles as presented in Figure 7. The results suggest that the average views of the males on CBS were slightly higher than that

of the females, while the average views increased with the age group of the implementers. Implementers with higher education levels (master's and above) appeared to have a higher positive view of CBS than those with a degree or less. Implementers with professional qualifications (CIA, ACCA, CIT, etc.) had slightly higher positive views of CBS than those without such qualifications. Finally, the implementers who have worked in the Assemblies for less than 5 years (Green) had a lower rating of CBS as compared with those who have worked for between 5 to 10 years (Experienced) and those who have worked for more than 10 years (Experts). The Generalized Structural Equation (GSEM) model was fitted to determine whether the observed differences are statistically significant or not as presented in Table 19

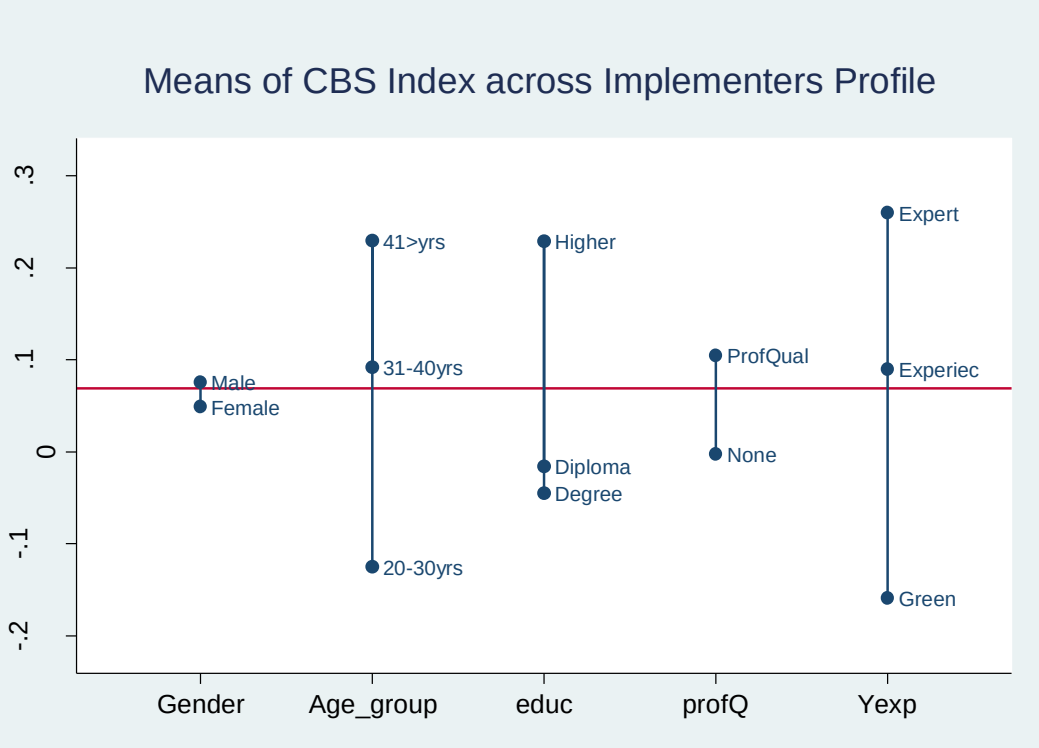

Figure 7: Mean comparison of CBS Index across Implementers Profile

Source: Field survey (2022)

The GSEM results as presented in Table 19 suggested that only the level of education and years of experience were statistically significant in explaining the views of the implementers about CBS. The results indicated that the implementers with higher educational backgrounds significantly have a more positive view of CBS than those with lesser educational backgrounds (Diploma or Degree) at the five percent significance level. Also, the views of the implementers about CBS were observed to be strictly increasing with years of experience at that five percent significance level. This observation could be traced from the fact that the longer the person has worked with the assembly, the more likely they are to have worked with CBS for a longer period before the implementation of IPSAS.

Table 19: Respondents' Profile and Perception of Cash Basis System

	Coef.	Std.Err.	z	P>z	[95%Conf.	Interval
CBS <-						
Gender						
Females	0.030	0.052	0.59	0.558	-0.072	0.133
Age_group						
31-40	-0.011	0.062	-0.18	0.854	-0.133	0.110
41>yrs	-0.068	0.093	-0.74	0.461	-0.252	0.114
Education						
Degree	0.006	0.067	0.09	0.925	-0.125	0.138
Higher	0.157	0.075	2.09	0.037	0.010	0.304
Prof Qua						
None	-0.016	0.458	-0.36	0.720	-0.106	0.733
Years exp						
Experienced	0.227	0.059	3.84	0.000	0.111	0.343
Expert	0.394	0.076	5.19	0.000	0.245	0.543
_cons	-0.189	0.079	-2.38	0.017	-0.344	-0.033
Var (e.CBS)	0.103	0.009			0.087	0.121

Source: Field survey (2022)

Table 20: Perceived usefulness of IPSAS and Perception of Cash Basis System

Variable	Coef.	Std.Err.	z	P>z	[95%Conf.	Interval]
Measurement						
Simple <- CBS						
[*]	1	Constrained				
_cons						
[*]	1.801	0.071	25.41	0.000	1.662	1.940
Usefulness <- CBS						
[*]	2.530	0.487	5.20	0.000	1.576	3.484
_cons						
[*]	2.486	0.962	25.85	0.000	2.297	2.674
Efficient<- CBS						
[*]	2.514	0.484	5.19	0.000	1.565	3.462
_cons						
[*]	2.380	0.942	25.26	0.000	2.196	2.566
Accurate <- CBS						
[*]	2.845	0.587	4.85	0.000	1.695	3.996
_cons						
[*]	2.787	0.106	26.41	0.000	2.580	2.994
Recommend CBS						
[*]	2.956	0.602	4.90	0.000	1.775	4.137
_cons						
[*]	2.872	0.109	26.35	0.000	2.658	3.086
Mean (CBS)						
Metmun	0	constrained				
District	0.118	0.055	2.15	0.031	0.011	0.226

Source: Field survey (2022)

Implementer views about IPSAS as a System of Reporting

Table 20 presents the results of the implementers' view about the usefulness of IPSAS as an accounting reporting system for public institutions. The results indicated that the respondents generally perceive IPSAS as useful in several respects. That is, about 66.36% of the respondents strongly agree or agreed to the statements that IPSAS help them to prepare their financial statement quickly, and about 81.82% of them strongly agreed or agreed to the statement that IPSAS has improved the quality of their presentation of financial statement. Also, about 81.37% of the implementers were of the view that *IPSAS financial statement could influence its users' decision-making.* Compared to Cash Basis System, about 80.00% of the implementers were of the view that the *IPSAS financial statement reflects all information it ought to complete as compared to the cash basis of reporting*. However, the implementers appeared sceptical about the productivity of IPSAS. That is, about 50.45% of implementers strongly agreed or agreed with the statement, and the overall median rating was 3 which translates to the moderate agreement.

Table 20: Implementers' view of IPSAS as Reporting System

	SA	A	MA	SLA	DNA	Median
Using IPSAS in the preparation of financial statements enables me. to present financial statements quickly	29.09	37.27	20.91	9.55	3.18	2
Using IPSAS has improved the quality of the financial statement I prepare	44.09	37.73	10.45	6.36	1.36	1
IPSAS financial statement reflects all information it ought to complete as compared to the cash basis of reporting	42.27	37.73	13.64	5.91	0.45	2
IPSAS financial statements can influence its users' decision making	46.82	34.55	12.27	5.45	0.91	2
Using IPSAS increases productivity by reducing the time spent in preparing the Assembly's financial statement	17.27	33.18	29.09	15.91	4.55	3
I find IPSAS useful in the preparation of the Assembly's accounts	41.36	33.18	18.64	5.91	0.91	2

Source: Field survey (2022)

The CFA analysis was used to determine the factor loading of observed aspects to the perceived usefulness of IPSAS and to predict the factor variable for further analysis. The results as presented in Figure 8 suggested that all the observed aspects load highly and significantly into the latent variables (see Table 21).

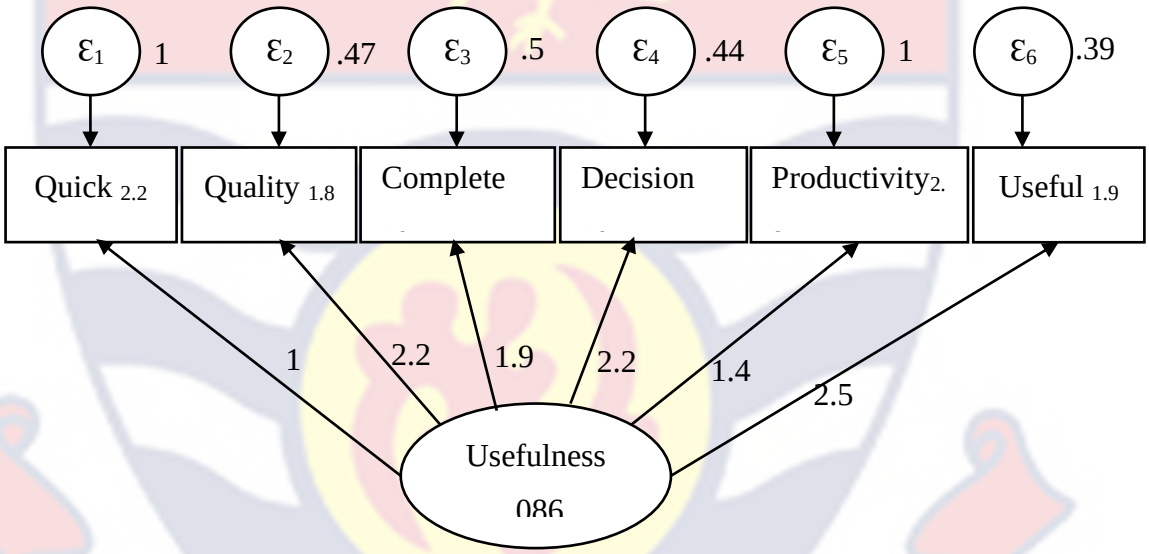

Figure 8: CFA of Perceived Usefulness of IPSAS
Source: Field survey (2022)

The predicted factor index ranged between -0.345 and 0.788 with a mean value of approximately zero (0) and a standard deviation of about 0.248. The additive index was also created as the row sum of the respective rating, and it ranged between 6 and 24 with a mean of about 8 and a spread of 4. The correlation coefficient between the two indices was about 0.9408 which indicated a strong positive correlation such that any one of them could yield consistent

results. The skewness coefficient suggested that both variables were relatively normally distributed.

Table 21: CFA model of Observed aspects of Perceived Usefulness of IPSAS

Variable		Coef.	Std.Err.	z	P>z	[95%Conf.	Interval]
Measurement							
Quick Usefulness	<-	1(constrained)					
_cons		2.205	0.072	30.810	0.000	2.064	2.345
Quality Usefulness	<-	2.221	0.626	3.550	0.000	0.993	3.449
_cons		1.832	0.064	28.730	0.000	1.707	1.957
Complete Usefulness	<-	1.903	0.544	3.500	0.000	0.837	2.969
_cons		1.845	0.061	30.370	0.000	1.726	1.965
Decision Usefulness	<-	2.180	0.629	3.470	0.001	0.948	3.413
_cons		1.791	0.062	28.860	0.000	1.669	1.913
Productivity Usefulness	<-	1.423	0.432	3.290	0.001	0.576	2.270
_cons		2.573	0.073	35.110	0.000	2.429	2.716
useful<- Usefulness		2.469	0.685	3.610	0.000	1.127	3.812
_cons		1.918	0.064	29.800	0.000	1.792	2.044
var(e.cq12)		1.040	0.102			0.859	1.260
var(e.cq13)		0.470	0.059			0.368	0.600
var(e.cq14)		0.501	0.057			0.401	0.625
var(e.cq15)		0.438	0.055			0.342	0.562
var(e.cq16)		1.007	0.101			0.827	1.225
var(e.cq17)		0.387	0.057			0.290	0.516
var(Usefulness)		0.086	0.047			0.030	0.250

Distribution of Indices of Operational Benefits

	Mean	Std	Skewness	Minimum	Maximum
Factor Index	0	.248	.938	-.345	.788
Additive Index	12.164	3.905	.595	6	24
Correlation	r=0.9408		P-value=0.0000		

Source: Field survey (2022)

Respondents' View about the Complexity of IPSAS

The results on complexity suggested that some implementers still find IPSAS standards to be complicated. About 59.74% of the respondents strongly agreed (14.55%), agreed (25%), or moderately agreed (20.19%) with the statement that they *find it difficult to learn and understand the requirements of IPSAS*. Also, about 62.74% of them strongly agreed (9.55%), agreed (24.55%), or moderately agreed (28.64%) with the statement that they *find it cumbersome or difficult to apply IPSAS* standards in their reporting. Again, about 59.55% of them strongly agreed (14.09%), agreed (21.82%), or moderately agreed (23.64%) to the statement that they *need to seek explanation often when applying IPSAS* standards in their report preparations. All three statements indicated a median rating of 3 which suggested that on average the implementers moderately agreed with the stamen that IPSAS is difficult to learn, cumbersome to apply and they need to refer to others regularly in the attempt to use the standards effectively. The implementers, however, rated the statements: *IPSAS requirement cannot easily be adapted to the Local Assembly's activities,* and *they easily make errors in the financial statement when using IPSAS* with a median rating of 4 which indicated that they disagreed with these statements on the average. These observations imply that the respondents generally agreed to the fact that IPSAS could apply to the local setting and that when they consult and get enough understanding they can apply the standards devoid of errors.

Table 22: Respondents' View about the Complexity of IPSAS

Statements	SA	A	MA	SLA	DNA	Median
I find it difficult to learn and understand the requirements of IPSAS	14.55	25	20.19	25	14.55	3
I find it cumbersome or difficult to apply IPSAS	9.55	24.55	28.64	24.09	13.18	3
I need to seek explanation often when applying IPSAS	14.09	21.82	23.64	26.36	14.09	3
IPSAS requirement cannot easily be adapted to the Local Assembly's activities	11.36	22.27	15	26.36	25	4
I easily make errors in the financial statement when using IPSAS	4.55	15	27.73	28.64	24.09	4

Source: Field survey (2022)

The five items were considered as observed aspects of the complexity of the latent variables to create an index such that the higher the index value, the more complex the individual perceives IPSAS standards to be in the application as presented in Figure 9 and Table 23.

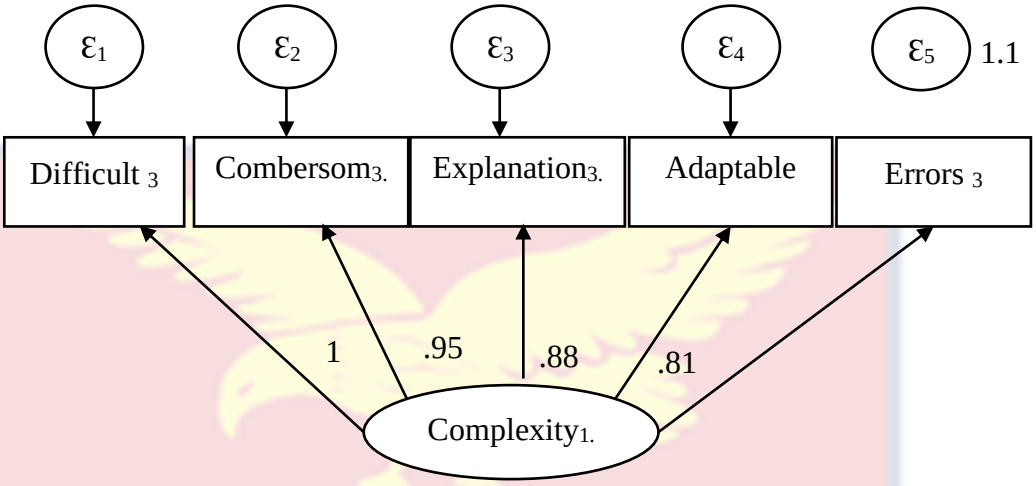

Figure 9: Estimation of the Latent Variable Complexity in the entire sample
Source: Field survey (2022)

The results in Figure 9 indicated that all five variables were significant observed aspects of the latent variable complexity at the five percent significance level (see Table 23). That is, they all load positively and significantly well into the latent variables and could be used to predict the factors index as presented in Table 23. The predicted factor index ranged between -2.118708 and 1.789514 with a mean of approximately zero and a standard deviation of 1, which makes the distribution almost standard normal. The additive index was also created as the row sum of the respective rating, and it ranged between 5 and 25 with a mean of about 16 and a spread of 5. The correlation coefficient between the two indices was about 0.9846 which indicated a strong positive correlation such that any one of them could yield consistent results. The skewness coefficient suggested that both variables were relatively normally distributed.

Table 23: CFA analysis of Complexity, and its Factor and Additive Indices

Measurement		Coef.	Std.Err.	z	P>z	[95%Conf.	Interval
difficult	<-	1 (constrained)					
Complexity							
_cons		3	0.087	34.500	0.000	2.830	3.170
cumbersome	<-	0.950	0.066	14.400	0.000	0.821	1.079
Complexity							
_cons		3.068	0.080	38.590	0.000	2.912	3.224
Explanation	<-	0.881	0.082	10.690	0.000	0.720	1.043
Complexity							
_cons		3.314	0.092	36.210	0.000	3.134	3.493
Adaptable	<-	0.811	0.069	11.790	0.000	0.676	0.946
Complexity							
_cons		3.527	0.077	45.820	0.000	3.376	3.678
Errors	<-	0.691	0.082	8.460	0.000	0.531	0.851
Complexity							
_cons		3.045	0.085	35.630	0.000	2.878	3.213
var(difficulty)		0.533	0.072			0.410	0.695
var(cumbersome)		0.371	0.058			0.273	0.504
var(explanation)		0.964	0.105			0.779	1.195
var(adaptable)		0.560	0.068			0.442	0.711
var(errors)		1.068	0.110			0.872	1.307
var(Complexity)		1.130	0.159			0.858	1.488

Distribution of Indices of Complexity					
	Mean	Std	Minimum	Maximum	Skewedness
Factors Index	2.65e-10	1.001768	-2.118708	1.789514	-.0521413
Additive Index	15.95455	4.988363	5	25	-.1227344
Correlation	r =0.9846	p-value=0.000			

Source: Field survey (2022)

Table 24: Expected Operational benefits of IPSAS

	SA	A	MA	SLA	DNA	Median
IPSAS compliance has to reduced the leakages in government revenue as compared to the cash reporting system	27.27	37.73	21.36	8.64	5	2
IPSAS compliance ensures that all costs incurred by the Assembly are duly accounted for compared to the cash reporting system	33.64	41.82	15.91	6.36	2.27	2
IPSAS compliance ensures better use of resources allocated to the Assembly	16.82	31.36	29.55	15	7.27	2
The financial statement generated by IPSAS are free from errors and omissions	17.27	28.64	30	17.27	6.82	3
Users of the Assembly's financial statement can easily understand the statement without any assistance	17.27	28.64	30	17.27	6.82	3

Source: Field survey (2022)

The results on the implementers' view about the operational benefits of IPSAS generally suggested that they perceive IPSAS as beneficial. That is, about 86.36% of the implementers either strongly agreed, agreed, or moderately agreed with the statement that *IPSAS compliance has to reduced the leakages in government revenue as compared to the cash basis reporting system*. Similarly, about 91.37% of the respondents either strongly agreed, agreed, or moderately agreed with the statement that *IPSAS compliance ensures that all costs incurred by the Assembly are duly accounted for compared to the cash basis reporting system*. Also, about 77.73% of the implementers either strongly agreed, agreed, or moderately agreed with the statements that *IPSAS compliance ensures better*

use of resources allocated to the Assembly. All three statements indicated a median rating of 2 which suggested that they agreed on average to be the case at the assembly level. The implementers, however, moderately agreed to the statements that *the financial statements generated by IPSAS are free from errors and omissions* and *users of the Assembly's financial statement can easily understand the statement without any assistance*.

The factor loadings of the five observed aspects of Operational Benefits are presented in Figure 10 and Table 25. The results suggested that all five variables are significant observed aspects of operational benefits at a five percent significance level.

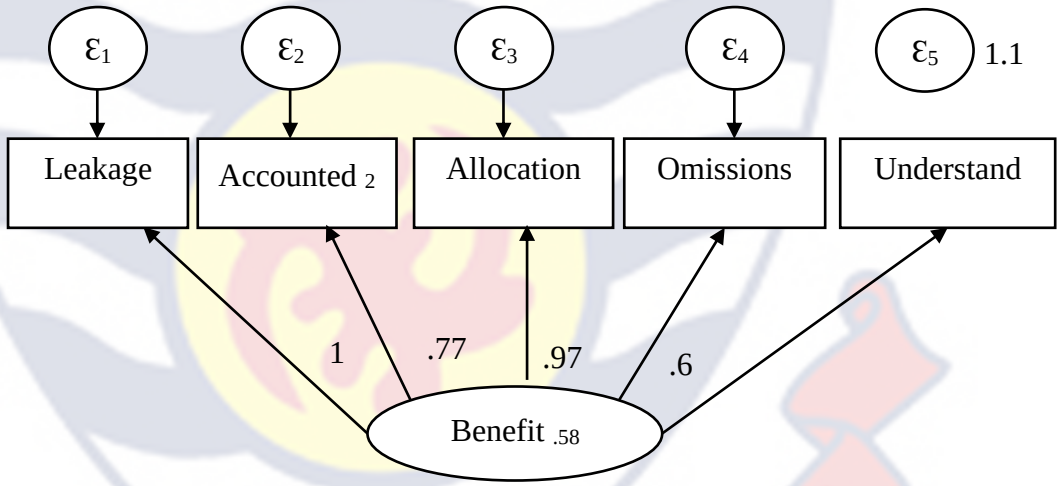

Figure 10: Estimation of the Latent Variable Benefits of IPSAS in the entire sample

Source: Field survey (2022)

The factor index and the additive index were also created and their distributions were presented in Table 2. The predicted factor index ranged between -1.059 and 2.097 with a mean of approximately zero and a standard deviation of 0.658. The additive index was also created as the row sum of the respective rating and it ranged between 5 and 23 with a mean of about 12 and a spread of 4. The correlation coefficient between the two indices was about 0.9645

which indicated a strong positive correlation such that any one of them could yield consistent results. The skewness coefficient suggested that both variables were relatively normally distributed.

Table 25: CFA analysis of the Benefit of IPSAS, and its Factor and Additive Indices

Measurement	Coef.	Std. Err.	z	P>z	[95%Conf.	Interval]
leakage <- Benefit	1	(constrained)				
_cons	2.264	0.074	30.490	0.000	2.118	2.409
Accounted <- Benefit	0.771	0.114	6.790	0.000	0.549	0.994
_cons	2.018	0.066	30.640	0.000	1.889	2.147
allocation<- Benefit	0.971	0.139	7.000	0.000	0.699	1.243
_cons	2.077	0.070	29.640	0.000	1.940	2.215
omissions <- Benefit	0.604	0.125	4.840	0.000	0.360	0.849
_cons	2.645	0.077	34.390	0.000	2.495	2.796
understand<- Benefit	0.669	0.129	5.180	0.000	0.416	0.922
_cons	2.677	0.077	34.580	0.000	2.526	2.829
var(e.eq23)	0.635	0.092			0.477	0.844
var(e.eq24)	0.610	0.073			0.482	0.773
var(e.eq25)	0.535	0.083			0.395	0.726
var(e.eq26)	1.091	0.113			0.891	1.336
var(e.eq27)	1.060	0.112			0.862	1.304
var(Benefit)	0.578	0.121			0.384	0.870

Distribution of Indices of Operational Benefits

	Mean	Std	Skewness	Minimum	Maximum
Factor Index	0	.658	.521	-1.059	2.097
Additive Index	11.682	3.674	.379	5	23
Correlation	r=0.9645	P-value=0.0000			

Source: Field survey, Owusu-Bempah

Table 26: Training on IPSAS implementation

	SA	A	MA	SLA	DNA	Median
I was trained enough on IPSAS before its implementation	25	27.73	26.36	15.91	5	2
I have had enough training in IPSAS after its implementation	12.73	30.91	30.45	19.09	6.82	3
There are enough training manuals on IPSAS to be consulted	20	32.73	24.55	18.64	4.09	2
I feel every department in the assembly should be trained on IPSAS	49.55	23.18	13.64	9.09	4.55	2

Source: Field survey (2022)

The respondents' views were sought on the rigor of training they received before the IPSAS was finally introduced to them to practically adopt. The results as presented in Table 26 indicated that the respondent agreed to the statements that *they were trained enough on IPSAS before its implementation*, *there are enough training manuals on IPSAS to be consulted*, and *they feel every department in the assembly should be trained on IPSAS* (Medina rating=2). The respondents, however, rated the response on the statement that *they have had enough training in IPSAS after its implementation* as 3 which indicate moderate agreement. The response on the provision of training for other department deserves further attention since about 49.55% of the respondents strongly agreed with the statement while about 23.18% agreed to it, which indicated the importance the respondent attached to the statements. The statement was not added to the index of training since it was content on what they expect policymakers to do shortly or intensify whatever plans that are already in place.

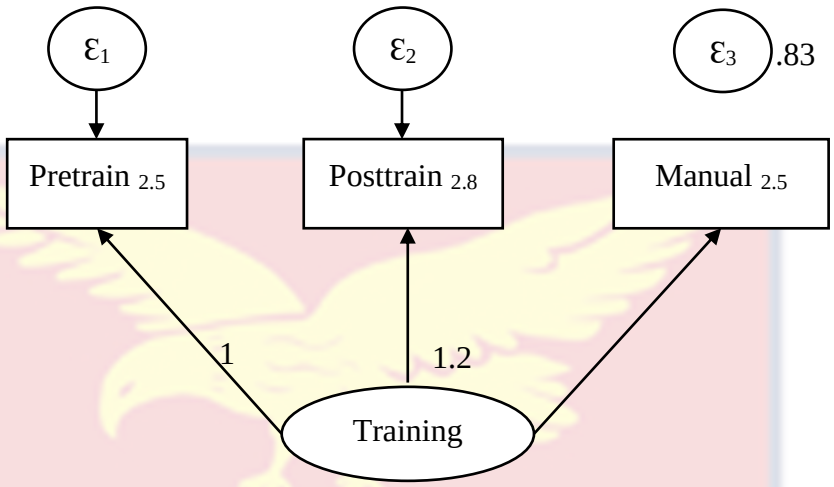

Figure 11: Estimation of the Latent Variable Training on IPSAS in the entire sample

Source: Field survey (2022)

The predicted factor index ranged between -1.354 and 1.863 with a mean of approximately zero and a standard deviation of 0.816. The additive index was also created as the row sum of the respective rating and it ranged between 3 and 15 with a mean of about 8 and a spread of 3. The correlation coefficient between the two indices was about 0.9561 which indicated a strong positive correlation such that any one of them could yield consistent results. The skewness coefficient suggested that both variables were relatively normally distributed.

Table 27: CFA analysis of Training, and its Factors and Additive Indices

		Coef.	Std.Err.	z	P>z	[95%Conf.	Interval]
Measurement							
fq28 Training	<-	1	(constrained)				
_cons		2.482	0.079	31.470	0.000	2.327	2.636
fq28 Training	<-	1.162	0.133	8.720	0.000	0.900	1.423
_cons		2.764	0.075	37.020	0.000	2.617	2.910
fq28 Training	<-	0.758	0.092	8.250	0.000	0.578	0.938
_cons		2.541	0.076	33.490	0.000	2.392	2.690
var(e.fq28)		0.608	0.094		0.450	0.822	
var(e.fq29)		0.201	0.101		0.075	0.537	
var(e.fq30)		0.830	0.090		0.672	1.026	
var(Training)		0.759	0.138		0.532	1.084	

Distribution of Indices of Training					
	Mean	Std	Skewness	Minimum	Maximum
Factor Index	0	.816	.266	-1.354	1.863
Additive Index	7.786	2.855	.332	3	15
Correlation	r=0.9561	P-value=0.0000			

Source: Field survey (2022)

Table 28: Timing of implementation

	SA	A	MA	SLA	DNA	Median
I think IPSAS implementation should have been delayed for about a year	12.73	14.09	23.18	17.73	32.27	3
We were given enough time to familiarize ourselves with IPSAS before its implementation	10.45	30.45	23.64	23.64	11.82	3
The cash basis of reporting should have been used with the accrual system before it was ruled out	21.82	25	22.27	15.45	15.45	3

Source: Field survey (2022)

On the timing of the implementation, the respondents moderately agreed (median rating of 3) to the fact that the *IPSAS implementation should have been delayed for about a year*, though they also moderately agreed to the statement that *they were given enough time to familiarize themselves with IPSAS before it was finally implemented*. Again, the respondent moderately agreed that *the cash*

basis of reporting should have been used with the accrual system before it was ruled out.

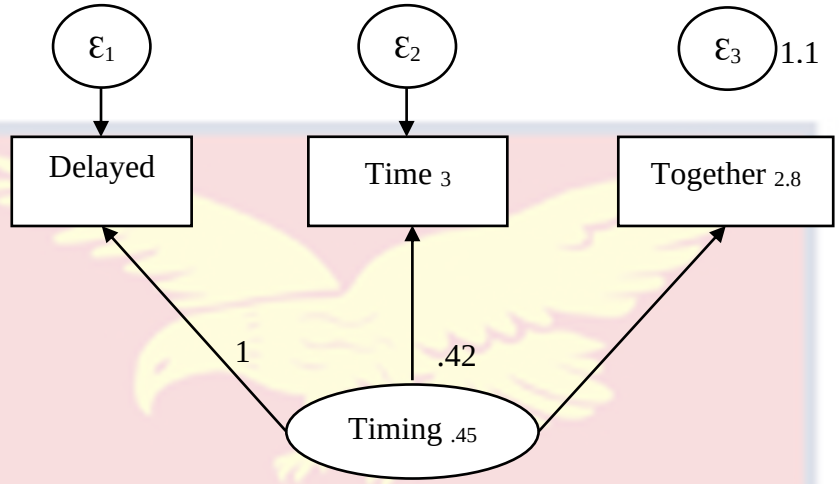

Figure 12: Estimation of the Latent Variable Timing of implementation in the entire sample

Source: Field survey (2022)

The predicted factor index ranged between -0.947 and 0.937 with a mean of approximately zero and a standard deviation of 0.473. The additive index was also created as the row sum of the respective rating and it ranged between 3 and 15 with a mean of about 9 and a spread of 3. The correlation coefficient between the two indices was about 0.9471 which indicated a strong positive correlation such that any one of them could yield consistent results. The skewness coefficient suggested that both variables were relatively normally distributed.

Table 29: CFA analysis of Timing of implementation, and its Factors and Addictive Indices

	Coef.	Std.Err.	z	P>z
Measurement				
hq36 <- Training	1	(constrained)		
_cons	3.427	0.094	36.540	0.000
hq36 <- Training	0.416	0.205	2.030	0.042
_cons	2.959	0.081	36.700	0.000
Training	1.273	0.817	1.560	0.119
_cons	2.777	0.092	30.320	0.000
var(e.hq36)	1.490	0.320		
var(e.hq37)	1.353	0.138		
var(e.hq38)	1.123	0.477		
var(Training)	0.446	0.310		
	Distribution of Indices of Operational Benefits			
	Mean	Std	Skewness	Minimum
Factor Index	0	.473	-.078	-.947
Additive Index	9.164	2.688	-.243	3
Correlation	r=0.9471	P-value=0.0000		

Source: Field survey (2022)

Hypothesis Three of the Study

Ho: Implementers' demographic profiles and views have no statistically significant effects on their perceived usefulness of IPSAS

Ha: Implementers' demographic profiles and views have no statistically significant effects on their perceived usefulness of IPSAS

Implementers' Perceived Usefulness of IPSAS as a System of Reporting

To reduce the tendency of multicollinearity in the OLS regression, the pairwise Pearson's product-moment correlation coefficient was estimated among the explanatory variables. The results as presented in Table 30 suggested that no strong correlation could be suspected between any two of the explanatory/independent variables. The highest significant correlation observed was between training on IPSAS and perceived operational benefits of IPSAS at 0.359; and perceived complexity of IPSAS and perceived usefulness of the Cash Basis System at about 0.222 both of which translates to a very weak positive correlation. Hence, from the correlation viewpoint, the study had no concern for the presence of multicollinearity in the estimated OLS model. It has earlier also been established that the predicted factor indices were all relatively normally distributed which is another classical OLS assumption to be met for consistent and efficient results.

Table 30: Multicollinearity analysis

Variables	(1)	(2)	(3)	(4)
(1) cash basis	1.000			
(2) complexity2	0.222	1.000		
	(0.000)			
(3) Benefits	-0.044	-0.002	1.000	
	(0.512)	(0.981)		
(4) Training	-0.054	-0.043	0.359	1.000
	(0.424)	(0.522)	(0.000)	

Figure in brackets are p-values

Source: Field survey (2022)

Regression Estimates of Drivers of Perceived Usefulness of IPSAS

The OLS estimator was used to fit the model between the index of perceived usefulness of IPSAS as a dependent variable and indices of the complexity of IPSAS, Operation Benefits, perceived usefulness of Cash Basis System and level of Training on IPSAS before and after implementation as well as implementers' profile as control variables. The models as presented in Table 32 suggested that the major drivers of the perceived usefulness of IPSAS depend more on the perception of the implementers than their personal or demographic profiles. The stepwise regressions in models (1) and (2) suggested that the perceived usefulness of the Cash basis System perceived complexity of IPSAS and the perceived Operational Benefits of IPSAS are the consistent determinates of the perceived usefulness of IPSAS compliance.

The robustness of the magnitude and direction of the coefficients with and without the control variables (respondents' profiles and assembly type) was consistent with the diagnostic test that the model does not suffer from omitted variable biased (F (3, 206) = 0.31; Prob > F = 0.8164>0.05). The full model (model 2), however, still suffered from heteroskedasticity which implies the results were not efficient despite being consistent. This was addressed by the use of robust standard errors to improve the efficiency of the model, which was observed in the improved statistical significance of the three earlier significant results from the model (1) to (2). Also, the sex of the respondents was now found to be statistically significant at the 10% significance level. The Variance Inflation Factor (VIF) results found all VIF to be below 10 and the inverse accordingly below 1 which confirms the absence of multicollinearity among the explanatory variables. The average VIF of 1.33 was further confirmation of the less tendency of multicollinearity in the model. The Wald test of overall model significance suggested that the full model was at least better than an empty model that has only the intercept. Hence the independent variables could be considered important variables in explaining variations in the perceived usefulness of IPSAS compliance among implementers at the assembly level in Ghana. Finally, the R-square was found to be about 37.30% which was a relatively good fit for a typical cross-sectional model. Hence the full model was adjudged relatively fit for interpretation and policy recommendation.

Table 31: Model Diagnostic Test of the Main Model

Variable	VIF	1/VIF
Cash Basis	1.309	.764
Complexity	1.123	.891
Benefits	1.181	.847
Training	1.256	.796
Sex	1.121	.892
Mature	1.677	.596
Older	2.003	.499
Professional	1.169	.855
Education	1.36	.735
Assembly	1.097	.912
Mean VIF		**1.33** .

Omitted variable test	F (3, 206) = 0.31	Prob > F =	0.8164
Heteroskedastic test	chi2(1) = 11.75	Prob > chi2 =	0.0006

Source: Field survey (2022)

The results as presented in Table 32 (model 2) revealed that respondents that still perceived the Cash Basis system as useful and flexible were more likely to perceive compliance with IPSAS as less useful. That is, a unit improvement in the perceived usefulness of the cash basis could be associated with a decline in the perceived usefulness of IPSAS by about 0.16 units. Similarly, respondents that perceive the IPSAS compliance process as complex are more likely to perceive it as useful with a drop in perception of IPSAS compliance as usefulness. However, the respondents that perceived IPSAS as operationally useful were more likely to perceive IPSAS as useful. Finally, it was observed that female respondents had higher tendencies to perceive IPSAS as useful as compared to their male counterparts.

Interestingly, respondents' profile such as age category, years of experience, level of education and professional qualification does not significantly explain the perceived usefulness of IPSAS. The non-significant results imply that, for example, both professional and non-profession staffs have identical levels of perception about IPSAS in terms of usefulness. Also, assembly type does not significantly explain the perceived usefulness of IPSAS.

Table 32: Model Selection for Drivers of Perceived Usefulness of IPSAS of Implementers.

		Model (1)			Model (2)	
Variables	Coef.	p-value	Sig	Coef.	p-value	Sig
cash basis	-.136	.059	*	-.16	.032	**
complexity	-.066	.02	**	-.063	.03	**
Benefits	.456	0	***	.447	0	***
Training	.049	.177		.046	.221	
Sex: Male(ref)				0	.	
female				.103	.076	*
Age: Young(ref)				0	.	
Mature				.015	.823	
Older				.061	.444	
Prof. Qual.: none (ref)				0	.	
Professional				.029	.56	
Educ.: Degree (ref)				0	.	
Higher				-.094	.154	
Assembly: METMUN (ref)				0	.	
District				-.028	.619	
	Diagnostics test					
R-squared	0.358			R-squared	0.373	
F-test	29.969			F-test	14.607	
Prob > F	0.000			Prob > F	0.000	
N=220				N=220		

Source: Field survey (2022)

The fact that assembly type was not statistically significant suggested that it could be used as a moderating variable to the effects of cash basis, complexity and operational benefits on the perceived usefulness of IPSAS. When significant moderating or interactive effects are found to be significant, then there is full moderation of assembly on the perceived usefulness of IPSAS.

Generally, the results of the study point to the fact that the respondent perceived the adoption of IPSAS as beneficial as it encourages efficiency and productivity at the assembly level though they still have some positive views of the earlier system (the Cash Basis System). This observation was consistent with the observation made by Kiugu (2010) in Kenya except on the grounds of efficiency where the respondent in the study of Kiugu (2010) disagreed with the statement that IPSAS has reduced operation cost and hence boost efficiency. The current study was silent on cost but rather on speed and time, which may explain the differences in the results with that of Kiugu (2010) on efficiency. The current study also observed IPSAS to be complex for the implementers which also contradicts the results of Kiugu (2010) in Kenya. This disparity could also be due to the level of adoption between the two countries. The fact that IPSAS is perceived as complex was iterated by Jaarat and Tabari (2013) who argued that international accounting standards are complex and difficult to understand by most accounting practitioners.

The study also observed that the implementers of IPSAS perceive it as an operational beneficiary with is consistent with the consensus in the literature (Ninson, 2022; Adhikari et. al, 2019; Amar & Hassan, 2019; Agyemang & Yensu, 2018). The observation that there was enough training before the implementers and before the implementation was not consistent with earlier literature by Ninson

(2022), Agyemang and Yensu (2018) who found training as a major challenge to the compliance of IPSAS in Ghana.

Chapter Summary

The chapter presents the results and discusses the outcome of the findings concerning the existing literature. The results generally found low full compliance with IPSAS across all Assemblies, but a mixed level of compliance at the individual component level. Statistically significant differences were observed between the compliance level of IPSAS between Districts and Municipal/Metropolitan Assemblies at the individual component but not at the aggregated level.

CHAPTER FIVE

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

Introduction

The chapter presents the outline of the entire study in areas of summary, conclusion and recommendations. It also presents the major limitation of the study and how such limitations could inform further studies.

Summary of the Study

The main aim of the study was to examine IPSAS compliance and its drivers at the individual and assembly levels in Ghana. The need to comply with financial standards is well established among profit-maximizing enterprises, but still building or developing in a not-for-profit establishment such as public cooperation. The evidence suggests that the situation of financial compliance, either with earlier standards such as the Cash Basis System or current standards such as IPSAS, has not been encouraging. The current study examined the state and level of compliance with the IPSAS, the current international standards, at the assembly level as well as the views and readiness of implementers to adopt or support the adoption of the IPSAS compliance in Ghana.

The study took a wider scope of sampling Assemblies from most parts of the country. That is, the population of the study was all Assemblies in Ghana, including all Districts, Municipals and metropolis. A total of 55 Assemblies randomly samples with at least 15 Assemblies from the southern (20), central (20) and northern zones (15) of the country. A total of 220 workers of the Assemblies whose work is related to finance, accounting, auditing and procurement were sampled from the 55 Assemblies to constitute the implementers' sample size for the data collection. Based on the experts sampled (finance, accounting, auditing

and procurement) four individuals each were sampled from each assembly. The cross-sectional descriptive survey design was adopted along with the quantitative research approach was used to conduct the study. A major methodological contribution of the study was the decision to survey implementers' views against the continuous use of document analysis that ignores the views of the implementers in the compliance analysis. Also, the use of quantitative research following the value-free research paradigm of positivist philosophy allows the outcome of the current study to be generalized to the case of Ghana and other developing countries.

A structured questionnaire was used as the data collection instrument for the data collection at both the assembly and implementers' levels.

Data collection was the major challenge of the study, but the researcher leveraged technology, advocacy and cooperation of the respondents to surmount the problem largely. The tools of statistical analysis were both descriptive and inferential. The descriptive statistics used were frequencies, percentages, median and mean ratings. The ordinal variable generated from the Likert scale on the questionnaire was analysed using frequencies, percentages and median rating; while the factor variables generated from the Confirmatory Factor Analysis (CFA) were analysed using mean rating. The inferential statistics used were both parametric and non-parametric. The non-parametric test used was the Wilcoxon rank sum test and its extended probability. The parametric tests used were independent sample t-test, CFA and cross-sectional regression analysis. The main results of the analysis are summarised in the next section.

Summary of Key Findings

The main findings of the study based on the stated objective were summarized in this section.

The study observed that the Assemblies scored a mean compliance of 20.47 on a scale of 0 to 24 which translates to about 85.29% compliance rate with the presentation of financial statements under IPSAS. It was observed that the Assemblies comply very often with most of the components of the presentation of financial statements. The components of the presentation of the financial statement, in order of compliance, were the *statement of financial performance, statement of financial position, comparison of budget and actual amount, Note to the accounts,* statement of Cash flows and *statement of changes in net asset.*

The Assemblies recorded an average compliance of 32.95 within a range of 21 to 40 which translates to an overall compliance rate of 82.375% with Presentation of Comparative Information. In terms of the components of the Presentation of Comparative Information, it was observed that the Assemblies very often comply with most of the components. To comply, the components of the Presentation of Comparative Information were the *statement of financial performance with comparative information for the preceding period statement of financial position with comparative information for the preceding period, the cash flow statement with comparative information for the preceding period* and the *statement of changes in net asset with comparative information for the preceding* period. Though the analysis found a very high compliance rate with various components of IPSAS in terms of the presentation of financial statements and comparative information, the overall compliance rate was very low. That is, further analysis revealed that 10 out of the 55 Assemblies complied with all the

given IPSAS regulations which translates to a percentage of 18.18%. That is, only 18.18% of the Assemblies indicated they presented an item on all the components of IPSAS within the study periods; such that if compliance requires presenting on all components, then the rate was found to be very low.

In terms of compliance with minor components of the main components of financial statements; it was observed that the Assemblies complied very often with the minor components of the presentation of financial performance and cash flow; then those of financial position and notes on financial position.

The comparisons of compliance across Assemblies found no statistical significance difference between the compliance rate of District and Municipal/Metropolis on the other part at the aggregated level for Presentation of Financial Position, but the Municipal/Metropolis was found to comply more with IPSAS than District Assemblies at the disaggregated level. That is, the Municipal/Metropolis was found to comply more with the statement of financial performance, statement of financial position and statement of Cash flows than the District Assemblies; Whilst the District Assemblies complied more with the statement of changes in a net asset than the Municipal/Metropolitan Assemblies.

Statistically significant differences were, however, observed between the compliance level of District and Municipal/Metropolis on the presentation of comparative information in Ghana; both at the aggregated and disaggregated level. That is, the Municipal/Metropolitan Assemblies complied more with three out of four components of the statement of comparative information than the Assemblies, while their compliance was the same on the fourth item. That is, the Municipal/Metropolitan Assemblies complied more with the S*tatement of financial position with comparative information for the preceding period, Cash*

flow statement with comparative information for the preceding period and *Statement of changes in net asset with comparative information for the preceding period* than the Assemblies. Overall, the Municipal Assemblies indicated a higher compliance level with IPSAS than District Assemblies in Ghana.

Several findings were also made about implementers' views and IPSAS compliance in the study. First, the implementers at the Assemblies still have positive views about the Cash Basis System of reporting in the area of simplicity, usefulness, efficiency and accuracy of financial reporting. Further analysis revealed that implementers' level of education and years of working experience significantly explain their views about the Cash Basis System of reporting in Ghana. That is, the positive views of the implementers increase with their level of education as well as years of working experience at the Assemblies. The views were identical across the gender of implementers as well as the type of assembly.

The respondent revealed mixed perceptions about the IPSAS as a financial reporting system. Generally, the respondents perceived IPSAS as relatively complex although operationally beneficial. That is, the implementers perceived IPSAS standards as difficult and cumbersome such that they need to seek explanations continuously in an attempt to comply with the IPSAS standards. On the positive side, the respondents found IPSAS to be adaptable and less prone to errors in the application. On the operational benefits, the results suggested that IPSAS compliance reduces leakages in government revenue and promotes accountability and efficient allocation of resources.

The respondents also indicated that there was enough training on IPSAS standards before and after its implementation. It was also discovered that there

were enough training manuals on IPSAS, and the respondents believe the training process on IPSAS should be extended to other departments at the Assemblies.

Overall, the implementers confirmed IPSAS to be more complete than Cash Basis System in terms of scope and coverage. They perceived IPSAS as useful for ensuring speed, improving quality, increasing productivity, saving time and influencing decision-making at the assembly level. It was further estimated that implementers' perceived usefulness of IPSAS is statistically dependent on the perceived complexity of the standards, perceived operational benefits, perception of the cash basis system and the gender of the implementers. An inverse relationship was observed between the perceived level of IPSAS complexity and the perceived usefulness of IPSAS. A direct relationship was, as expected, observed between the perceived operational benefits of IPSAS and their perceived usefulness of IPSAS. It was also observed that respondents that still perceived the Cash Basis System as users are less likely to perceive IPSAS as useful. Finally, compared to the male implementers at the assembly level, the female implementers were found to be more likely to perceive IPSAS as useful.

Conclusion

The main finding of the study was enough grounds to drive several conclusions. First, it was concluded that IPSAS compliance is still at the barest minimum if the full implementation is the ultimate focus of policymakers. It was, however, laudable to still conclude that certain components of IPSAS on both presentations of financial statement and comparative information are satisfactorily complied with, while other components are scarcely adhered to. The general conclusion on compliance was that compliance could be understood at

the disaggregated component level than the aggregated document analysis which mostly presents average compliance and distort the actual level of compliance.

It could also be concluded that the level of IPSAS compliance was dependent on the type of assembly under consideration. Since the level of qualification into the assembly in Ghana is not biased on any type of assembly; the observed differences in the compliance based on the type of assembly could be due to lack of supervision; such that the district supervision could be more relaxed. Another possible conclusion could be that the same assembly doesn't see the essence of presenting certain items that are less significant in their Assemblies.

It was also concluded based on the results that implementers' level of commitment to IPSAS and their perceived usefulness is more dependent on their perception of other aspects of IPSAS such as complexity and perceived benefits, and less dependent on implementers' characteristics in the Ghanaian context. This was, contrary to the observation that level of education and years of working experience significantly explain the perceived usefulness of the Cash Basis System.

Another conclusion from the study was that there has been a significant commitment by policymakers to provide training before and after the implementation of IPSAS. However, there has not been enough engagement with other departments in the Assemblies.

Recommendation of the Study

Based on the conclusions of the study, the following recommendations were offered by the study to appropriate entities.

The Ministry responsible for Local Government needs to prioritise the presentation of financial statements at the assembly level by insisting on a uniform standard for all as stipulated by the IPSAS standards. The Ministry, in collaboration with Coordinating Directors, District, Municipal and Metropolitan Chief Executives, needs to provide target training to implementers on IPSAS standards with emphasis on the grey areas identified in the current study such as demystifying the perceived complexity of IPSAS. The training process needs to leverage the positive view of the cash basis system to create a niche for the acceptance of IPSAS, and its subsequent adherence. Again, IPSAS training must specifically target the District on how and why they should comply with the minor components of IPSAS, especially on the presentation of comparative information.

The Coordinating Directors, DCEs and MCEs need to tap into the experience of experts at the assembly level to reduce the perceived complexity of IPSAS standards and to improve perceived ease of use; to increase perceived usefulness and adoption. Implementers need to be encouraged by the management at the assembly level to avail themselves of any organised training, and to seek clarification on grey areas of IPSAS. Female implementers need to be adopted as ambassadors to the implementation of IPSAS and its compliance issues in Ghana. Auditors need to insist on the presentation of every item irrespective of how insignificant or less frequent such item may appear on the financial statement of the Assemblies.

Suggestions for Further Research

The study population was also limited to only accountants who are directly involved in the preparation of the financial reports of the Assemblies.

Future studies can expand the scope to include other departments and professionals who provide information to the accountants in the preparation of the reports. Also, the future research can include all IPSAS as this study was limited to IPSAS 1, IPSAS 2, IPSAS 3, IPSAS 14 and IPSAS 24.

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APPENDICES

International Public Sector Accounting Standards

IPSAS	STANDARD	IFRS
IPSAS 1	Presentation of Financial Statement	IAS 1
IPSAS 2	Cash Flow Statement	IAS 7
IPSAS 3	Accounting policies, Changes in Accounting Estimates and Error	IAS 8
IPSAS 4	The Effect of Changes in Foreign Exchange Rates	IAS 21
IPSAS 5	Borrowing Cost	IAS 23
IPSAS 9	Revenue from Exchange Transactions	IAS 18
IPSAS 10	Financial Reporting in Hyperinflationary Economies	IAS 29
IPSAS 11	Construction Contract	IAS 11
IPSAS 12	Inventories	IAS 2
IPSAS 13	Leases	IAS 17
IPSAS 14	Event after the Reporting Date	IAS 10
IPSAS 16	Investment Property	IAS 40
IPSAS 17	Property, Plant and Equipment	IAS 16
IPSAS 18	Segment Reporting	IAS 14
IPSAS 19	Provisions, Contingent Liabilities and Contingent Assets	IAS 37
IPSAS 20	Related Party Transactions	IAS 24
IPSAS 21	Impairment of Non-Cash Generation Assets	IAS 36
IPSAS 22	Disclosure of Financial Information about the General Government Sector	-
IPSAS 23	Revenue from Non-Exchange Transaction (Taxes and Transfer)	-
IPSAS 24	Presentation of Budget Information in Financial Statement	-
IPSAS 26	Impairment of Cash Generation Assets	IAS 36
IPSAS 27	Agriculture	IAS 41
IPSAS 28	Financial Instrument: Presentation	IAS 32
IPSAS 29	Financial Instrument: Recognition and Measurement	IAS 39
IPSAS 30	Financial Instrument: Disclosure	IFRS 7
IPSAS 31	Intangible Assets	IAS 38
IPSAS 32	Service Concession Arrangement: Grantor	IFRIC 12
IPSAS 33	First-time Adoption of Accrual Basis IPSAS	IFRS 1
IPSAS 34	Separate Financial Statement	IAS 27
IPSAS 35	Consolidated Financial Statement	IFRS 10
IPSAS 36	Investment in Associates and Joint Ventures	IAS 28
IPSAS 37	Joint Arrangement	IFRS 11
IPSAS 38	Disclosure of Interest in Other Entities	IFRS 12
IPSAS 39	Employee Benefit	IAS 19
IPSAS 40	Public Sector Combinations	IFRS 3
IPSAS 41	Financial Instrument	IFRS 9
IPSAS 42	Social Benefits	-

Source: IPSAS Handbook (2020)

UNIVERSITY OF CAPE COAST
COLLEGE OF HUMANITIES AND LEGAL STUFIES
DEPARTMENT OF ACCOUNTING
QUESTIONNAIRE ON DETERMINANTS OF IPSAS COMPLIANCE AND CHALLENGES OF IPSAS IMPLEMENTATION OF DECENTRALISED GOVERNMENTs UNIT IN GHANA

The purpose of this study is to examine the factors that affect IPSAS compliance level of government decentralized unit. I would be grateful if you could spare few minutes of your time by contributing to the success of this study by responding to various items of the questionnaire as honestly as possible. The information provided will be used for academic purpose. Your anonymity is greatly assured. Also, any information that you provide will be treated with utmost confidentiality and used for the purpose of the study only. **SECTION A**: Demographic information

1. **Gender**: Male [ ] Female [ ]
2. **Age**: 20-30 [ ] 31-40 [ ] 41-50 [ ] Over 50 [ ]
3. **Level of education**: College Diploma [ ] Degree [ ] Postgraduate [ ]
   Other, please specify …….
4. **Professional Qualification:** ICAG [ ] ACCA [ ] CIMA [ ]
   CIT [ ] others, please specify …….
5. **Years of experience :** 0-4 [ ] 5-9 [ ] 10-14 [ ] 15 and over [ ]
6. **Type of Assemby**: Metropolitan [ ] Municipal [ ] District [ ]

Below are questions on factors that can affect IPSAS compliance. Kindly tick [√] the appropriate response.

(SA)- Strongly Agree (A)- Agree (MA)- Moderately Agree (SLA)- Slightly Agree
(DNA)- Strongly Disagree

Section B: Commitment to Cash basis of accounting

		SA	A	MA	SLA	DNA
B1	Cash basis system is useful reporting system because it is simple (Easy to use and understand)					
B2	The fact that cash basis system is commonly used by countries indicate that this system provides useful information for decision making					
B3	The cash basis system is more efficient basis of reporting since the assembly budget is prepared on the same basis.					
B4	Cash basis of reporting provides accurate information on the activities of the assembly					
B5	I would strongly recommend the cash basis of reporting to other countries					

Section C: Perceived Usefulness of IPSAS

		SA	A	MA	SLA	DNA
C1	Using IPSAS in the preparation of financial statement enables me to present financial statement quickly					
C2	Using IPSAS has improve the quality of financial statement I prepare					
C3	IPSAS financial statement reflect all information it ought to complete as compare to cash basis of reporting					
C4	IPSAS financial statement have the ability to influence it users' decision making					
C5	Using IPSAS increases productivity by reducing the time spent in preparing the Assembly's financial statement					
C6	I find IPSAS useful in preparation of the Assembly's accounts					

Section D: Complexity of IPSAS

		SA	A	MA	SLA	DNA
D1	I find it difficult to learn and understand the requirements of IPSAS					

D2	I find it cumbersome or difficult to apply IPSAS					
D3	IPSAS requirement cannot easily be adapted to the Local Assembly's activities					
D4	I easily make errors in the financial statement when using IPSAS					
D5	I need to seek explanation often when applying IPSAS					

Section E: Expected Operational benefits of IPSAS

		SA	A	MA	SLA	DNA
E1	IPSAS compliance has reduce the leakages in government revenue as compared to the cash reporting system					
E2	IPSAS compliance ensures that all cost incurred by the Assembly are duly accounted for compared to the cash reporting system					
E3	IPSAS compliance ensures a better use of resources allocated to the Assembly					
E4	The financial statement generated by IPSAS are free from errors and omissions					
E5	Users of the Assembly's financial statement can easily understand the statement without any assistance					

Section F: Training on IPSAS implementation

		SA	A	MA	SLA	DNA
F1	I was trained enough on IPSAS before its implementation					
F2	I have had enough training in IPSAS after its implementation					
F3	There are enough training manuals on IPSAS to be consulted					
F4	I feel every department in the assembly should be trained on IPSAS					

Section G: Stakeholder participation

		SA	A	MA	SLA	DNA
G1	IPSAS implementation involve the members of every department in the assembly					
G2	Initial implementation of IPSAS included only staff of finance and account department					
G3	Staff in finance and account department have keen interest in the participation of IPSAS implementation					
G4	There is prompt feedback on issues related IPSAS implementation from head office					

Section H: Timing of implementation

		SA	A	MA	SLA	DNA
H1	I think IPSAS implementation should have been delayed for about a year					
H2	We were given enough time to familiarize ourselves with IPSAS before its implementation					
H3	The cash basis of reporting should have been use with the accrual system before it was ruled out					

Section Ia: Implementation challenges

		SA	A	MA	SLA	DNA
J1	IPSAS is too sophisticated to understand					
J2	Shortage of professionals with IPSAS knowledge					
J3	Lack of local experts with IPSAS knowledge					
J4	IPSAS Implementation results in additional cost					
J5	IPSAS conflicts with local laws					
J6	Difference in IPSAS implementation process and strategy					
J7	IPSAS lack clear guidance					

Thank you for contributing to the success of this study.

IPSASs Compliance

Please find below questions on the compliance of the assembly to the requirement of IPSAS. Kindly indicate how often these items are presented in the Assemblies financial statements.

SECTION A: PRESENTATION OF FINANCIAL STATEMENTS

Does the Assembly present the following financial statement in its financial reports?

		Always	Very often	Often	Rarely	Never
A1	A statement of financial performance					
A2	A statement of financial position					
A3	A statement of changes in net asset					
A4	A statement of Cash flows					
A5	A comparison of budget and actual amount					
A6	Note to the accounts					

SECTION B: PRESENTATION OF COMPARATIVE INFORMATION

Does the Assembly present comparative information for the following in its financial reports?

		Always	Very Often	Often	Rarely	Never
B1	Statement of financial performance with comparative information for the preceding period					
B2	Statement of financial position with comparative information for the preceding period					
B3	Cash flow statement with comparative information for the preceding period					
B4	Statement of changes in net asset with comparative information for the preceding period					

SECTION C: STATEMENT OF FINANCIAL POSITION

Does the Assembly include the following items in its statement of financial position?

		Always	Very Often	Often	Rarely	Never
C1	Non-Current Asset (PPE, Investment Properties, Intangible Assets, Financial Asset)					
C2	Current Asset (Inventories, Receivables from nonexchange transaction, Receivables from exchange transactions)					
C3	Liabilities (Transfers and taxes payables, financial liabilities, provisions)					
C4	Accumulated fund					

SECTION D: STATEMENT OF FINANCIAL PERFORMANCE

Does the Assembly include the following items in its statement of financial performance?

		Always	Very Often	Often	Rarely	Never
D1	Revenue (IGF, DACF, other grant received)					
D2	Expenditure (compensation, use of goods and services, social benefits)					
D3	Surplus or deficit					

SECTION E: STATEMENT OF CASH FLOW

Does the Assembly present each class of cash flow separately?

		Always	Very Often	Often	Rarely	Never
E1	Cash flow from operating activities					
E2	Cash flow from investing activities					
E3	Cash flow from financing activities					
E4	Component of cash and cash equivalent					

SECTION F: NOTES TO THE FINANCIAL STATEMENTS

Are the following presented in the Assembly's Notes to the financial statement?

		Always	Very Often	Often	Rarely	Never
F1	The basis for the preparation of the financial statements					
F2	The specific accounting policies used					
F3	Other information required by IPSAS but not present in neither of the statement					
F4	The measurement basis (historical cost, current cost or fair value amount)					

SECTION G: PRESENTATION OF BUDGET INFORMATION

Does the Assembly present the following information on budget?

		Always	Very Often	Often	Rarely	Never
G1	The final budget amount					
G2	Actual amount on a comparison basis					
G3	Are notes present on material difference between budgeted and actual amount					
G4	Notes on the budgetary basis and classification basis use in preparing the budget					

THANK YOU.

Shapiro-Wilk Test of Normality

Variable	Obs	W	V	z	Prob>z
A statement of financial performance	55	0.76468	11.934	5.317	0.00000
A statement of financial position	55	0.78081	11.116	5.165	0.00000
A statement of changes in net asset	55	0.93298	3.399	2.624	0.00435
A statement of Cash flows	55	0.71234	14.588	5.748	0.00000
A comparison of the budget and actual amount	55	0.76076	12.132	5.353	0.00000
Note to the accounts	55	0.81678	9.292	4.781	0.00000

Note: The null hypothesis is that the variables are symmetric (normally distributed); hence p-values less than 5% indicated the rejection of the null and conclusion that the variables are not normally distributed.