

## Factors Affecting the Implementation of Accrual-Based International Public Sector Accounting Standards (AIPSAS) in Ghana

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### **Abstract**

*In recent times, the significance of Accrual-based Public Sector Accounting Standards (AIPSAS) in financial reporting is gaining momentum and current debates are moving in the trend of full AIPSAS reporting. The move to new reporting standards results in numerous challenges. The main objective of this study was to ascertain the factors affecting the implementation of Accrual-Based International Public Sector Accounting Standards (AIPSAS) in the Municipal, Metropolitan and District Assemblies (MMDAs) in the Ashanti Region of Ghana. A questionnaire which was quantitative in nature was used to collect the data from the respondents. Purposive and simple random sampling techniques were used to select 480 accounting practitioners. Pearson regression analysis was used to analyse the results. The study showed that there is a significant positive relationship between level of accounting education and training and the implementation of AIPSAS with a regression coefficient of 0.295, and P-value of 0.000. There is also a significant positive relationship between different levels of costs and implementation of AIPSAS with a regression coefficient of 0.627, and P-value of 0.000. It could be concluded that the level of accounting education and training and the different level of costs affect the implementation of AIPSAS in the Ashanti Region of Ghana. Therefore, the study recommends improving capacity building through training and education and establishment of strong financial reporting standards' enforcement body. The study again recommends inclusion of IPSAS in the academic curricula, inclusion of IPSAS implementation fund in the District Assemblies Common Fund (DAF).*

**Keywords:** *Accrual-Based International Public Sector Accounting Standards, Implementation, Challenges, Accounting Education and Training, Costs.*

### **Introduction**

In the past, the public sector has been affected by the introduction of significant reforms in the public accounting system in the international context with the aim to improve the management and the decision-making of government institutions (Christiaens, Rollé and Reyniers, 2010). As a result of the public sector reforms, financial reports in various countries have been amended to incorporate full accrual accounting principles. Countries such as New Zealand and Australia are the pioneers of the implementation of the accrual bases accounting system and other Anglo-Saxon countries such as United Kingdom (UK), Canada, and United States are also adopters of AIPSAS.

Graham (2005) explained that a considerable debate exists regarding the scope and the format of the accrual accounting systems in several countries. Therefore, an improvement of the financial information implies an increase in the cost of transparency and valuation of public sector assets which have persuaded many countries to adopt the accountancy system to their own needs (Graham, 2005).

However, previous studies have indicated that any accounting transition is subject to challenges (Alp and Ustundag, 2009). Ghana may face the practical implementation challenge since implementation requires professional accountants and regulators who may be in short supply in the public sector (Martins, 2011). This view was also pointed by United Nations (2006) in the adoption analysis.

As Ghana's most important economic sector managing the state's funds, Accrual-based IPSAS in Ghana is an unexploited area to boost investment opportunities. It is clearly believed that the accounting

practitioners in the public sector in Ghana would face some challenges in the implementation and the application of Accrual-based IPSAS (Omane-Antwi, 2016).

However, now that Ghana has made mandatory adoption of Accrual-based IPSAS for all Metropolitans, Municipals and District Assemblies (MMDAs) in the public sector, how would the implementation of Accrual-based IPSAS be? Therefore, the challenges of Accrual-based IPSAS adoption in Ghana should be established and addressed for the economy to benefit fully from the adoption and implementation. It is against this background that this study intends to investigate the factors which affect the implementation of Accrual-based IPSAS in the MMDAs in the Ashanti Region of Ghana. The findings from this study will help to advocate for full adoption and mandatory compliance with Accrual-based IPSAS in government accounting reporting as a way of improving both quality and accountability.

The main objective of the study was to ascertain the factors affecting the implementation of Accrual-based IPSAS in the MMDAs in the Ashanti Region of Ghana. This study reviewed on factors such as accounting education and training and different levels of costs that affect the implementation of AIPSAS.

The hypotheses below were however tested:

Ho1: There is a significant relationship between the accounting education and training and Accrual-based IPSAS implementation

Ho2: There is a significant relationship between different levels of costs and Accrual-based IPSAS implementation

Accrual accounting has been defined as a basis of accounting under which transactions and other events are recognized when they occur (and not only when cash or its equivalent is received or paid) (IPSASB, 2006). Therefore, the transactions and events are recorded in the accounting records and recognized in the financial statements of the periods to which they relate (IPSAS, 2006).

Edogbanya and Kamardin (2014) indicated that there is high cost of personnel training in the implementation of international accounting standards. The cost of training accounting and audit staff will result in high expenses, which may be more than the total benefits of international accounting standards implementation. Prewitt (2013) argued that the cost of training is a hindrance to most entities in developing countries when it comes to the implementation international accounting standards.

Jaarat and Tabari (2013) argued that international accounting standards are complex and difficult to understand by most accounting practitioners. The implementation of international accounting standards has implications for changes in academic curriculum in the various educational institutions.

Okafor and Ogeidu (2011) confirmed that the educational curriculum is completely different from international accounting standards. Herbert and Tsegba (2013) also added that the academic curricula in schools are not consistent with the new reporting formats.

Hepworth (2003) concluded that the introduction of accrual accounting system is costly, time consuming and requires a diversion of resources from other activities. It requires the harmonisation of all the stakeholders in order to make this move come through.

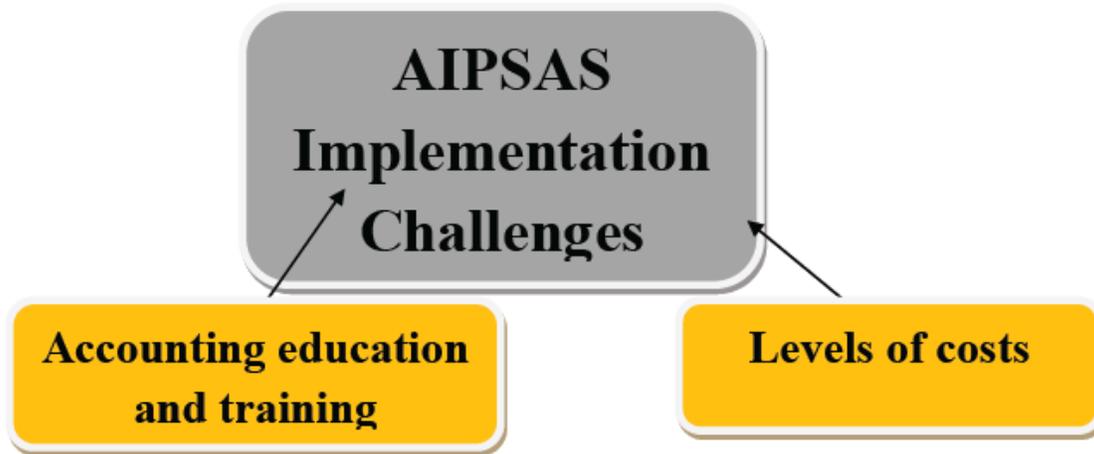
Financial conversion and training costs will unquestionably be incurred (PWC, 2012). Statutory bodies and regulators require funding to implement AIPSAS (PWC, 2012). Training resources for such a large group is likely to require huge financial outlay consultancy costs, IT and ERP implementation costs will be incurred (Irvine and Lucas, 2006; PWC, 2012).

Countries that have implemented AIPSAS encountered a diversity of issues relating to capability. One of the major challenges Ghana may come across in the realistic implementation process may be the shortage of auditors and accountants who are technically knowledgeable in AIPSAS implementation (ICAG, 2010). AIPSAS training materials may be inaccessible at reasonable cost in Ghana to educate those groups of people who face challenges in the implementation of AIPSAS (ICAG, 2010).

The United Nations Conference on Trade and Development (UNCTAD) (2008:92-120) summarised implementation challenges of international accounting standards as;

- i. High cost of material, seminars and workshops for qualified accountants;
- ii. Inadequate educational training facilities for accountants;

- iii. Experts in IFRS are scarce and do not have practical competence;
  - iv. Lack of guaranteed trained persons who understand the use of IFRS and
  - v. High cost of implementation, including an increase in staffing costs
- However, this study was based on the conceptual framework below:



**Figure 1:** Conceptual framework

The conceptual framework was constructed based on the objectives of the study. AIPSAS implementation challenges were explained in line with the conceptual framework. The conceptual framework explains the effect of accounting education and training and the different levels of costs on the implementation of AIPSAS in the MMDAS in the Ashanti Region of Ghana. The challenges of AIPSAS implementation in Ghana should be identified and addressed for the economy to benefit fully from the implementation.

Street (2002) stated that countries with low level of education and weak expertise fail in the implementation of international accounting standards. Professional accountants are looked upon to ensure successful implementation of AIPSAS. Along with these accountants, government officials, financial analysts, auditors, tax practitioners, regulators, accounting lecturers, stock-brokers, preparers of financial statements and information officers are all responsible for smooth adoption process. Training materials may not be readily available at affordable in Ghana to train all the accounting practitioners in the MMDAS which may create a big challenge to AIPSAS adoption. As a result of AIPSAS implementation challenges Ghana may face, Laga (2012) stated that in order to overcome such obstacles measures should be put in place to strengthen professional accountancy body, to improve the status of profession, revisions of curriculum for educating and training of professional accountants to enable accountants to gain exposure to international developments in the profession including IPSAS application.

Mohammed and Allawi (2014) hypothesised that costs have a significant influence on the implementation of the international accounting standards. Iyoha and Jimoh (2011) on the other hand, indicated that the education and training of accountants have strong implications for international accounting standards implementation.

## **Methods**

For the purpose of this study, the research methodology is the means adopted in obtaining data from the respondents in order to achieve the objectives of the study, and to provide useful information through the responses given by the respondents. The population of a study is the collection of all possible individuals, objects or measurement of interest (Saunders, Lewis and Thornhill, 2007). Saunders et al. (2007) stated that a population of study is the full set of cases from which a sample is taken. The

population for this study is the entire administrative staff of the MMDAs in the Ashanti region of Ghana. Purposive and simple random sampling technique was used to select the sample. The accounting practitioners were randomly selected to fill the questionnaires. The sample size of 480 staff of the MMDAs in the Ashanti region of Ghana was chosen from the four departments that practice accounting. The four departments that practice accounting in the MMDAs include Accounts, Audit, Revenue and Budget. In this study in order to address the research question which could contribute to AIPSAS implementation challenges, one dependent variable against two independent variables were investigated. The dependent variable is the AIPSAS implementation challenges, while the independent variables are level of accounting education and training and different levels of costs.

## Results

The table 1 and 2 below shows the descriptive statistics of the dependent variable, implementation of AIPSAS and two independent variables.

**Table 1.** Descriptive statistics of level of accounting education and training

|  | N   | Mini | Max  | Mean   | Std. Dev. |
|--|-----|------|------|--------|-----------|
| There is low level of public awareness on AIPSAS   | 480 | 1.00 | 5.00 | 4.2854 | .89757    |
| The accounting practitioners do not have excellent knowledge of AIPSAS   | 480 | 1.00 | 5.00 | 4.5375 | .69793    |
| Academic Curricular does not focus on AIPSAS   | 480 | 1.00 | 5.00 | 4.3125 | .88022    |
| There is insufficient training and education for accounting practitioners towards the implementation of AIPSAS       | 480 | 1.00 | 5.00 | 4.4771 | .82970    |
| There is limited access to training materials on the implementation of AIPSAS  | 480 | 1.00 | 5.00 | 4.5354 | .77997    |
| There is lack of professional based accounting in the public sector  | 480 | 1.00 | 5.00 | 4.4688 | .84933    |
| Inadequate organizational structure to support the business processes  | 480 | 1.00 | 5.00 | 4.3646 | .93550    |
| There is high vacancy rate in the MMDAS  | 480 | 1.00 | 5.00 | 4.4083 | .87647    |
| Insufficient monitoring by internal audit due to the lack of capacity and skilled staff                              | 480 | 1.00 | 5.00 | 4.4083 | .89765    |
| There is lack of decision makers training (e.g. ministers, permanent secretaries, Heads of departments and agencies) | 480 | 1.00 | 5.00 | 4.3667 | .96219    |
| Valid N (listwise)   | 480 |      |      |        |           |

As it is shown on table 1 above, the minimum value of the mean is 4.2854 with a standard deviation of 0.89757 and the maximum value of the mean is 4.5375 with a standard deviation of 0.69793. This positive high mean value indicates that most respondents agreed that there exist the implementation challenges of AIPSAS in the MMDAs. In addition, the mean and standard deviation for the independent variables (level of accounting education and training) with ten items on five point Likert scale shows that the MMDAs face educational challenges in the implementation challenges of AIPSAS.

**Table 2.** Descriptive Statistics of different levels of costs

|  | N   | Mini | Max  | Mean   | Std. Dev |
|--|-----|------|------|--------|----------|
| The cost of implementing AIPSAS is difficult to estimate                         | 480 | 1.00 | 5.00 | 4.3333 | .95479   |
| The cost of research into AIPSAS is very high                                    | 480 | 1.00 | 5.00 | 4.3021 | .89908   |
| The cost of training users on AIPSAS is very high                                | 480 | 1.00 | 5.00 | 4.4771 | .82970   |
| The cost of hardware and software for AIPSAS implementation is very high         | 480 | 1.00 | 5.00 | 4.5354 | .77997   |
| The cost of consultant for AIPSAS implementation is high                         | 480 | 1.00 | 5.00 | 4.4688 | .84933   |
| Cos of acquiring new accounting packages needed for the implementation is high   | 480 | 1.00 | 5.00 | 4.4479 | .87972   |
| Cost of discarding former accounting packages not compatible with AIPSAS is high | 480 | 1.00 | 5.00 | 4.4958 | .85723   |
| Cost of installing new accounting packages on AIPSAS is high                     | 480 | 1.00 | 5.00 | 4.3521 | .99843   |
| Cost of maintaining AIPSAS is high   | 480 | 1.00 | 5.00 | 4.4125 | .92554   |
| Cost of seminars and manuals on AIPSAS is high                                   | 480 | 1.00 | 5.00 | 4.4188 | .93285   |
| Valid N (listwise)   | 480 |      |      |        |          |

As it is shown on table 1 above, the minimum value of the mean is 4.3021 with a standard deviation of 0.96479 and the maximum value of the mean is 4.5354 with a standard deviation of 0.77997. This positive high mean value indicates that most respondents agreed that there exist the implementation challenges of AIPSAS in the MMDAs. In addition, the mean and standard deviation for the independent variables (different levels of costs) with ten items on five point Likert scale shows that the MMDAs face challenges of cost in the implementation of AIPSAS.

### Pearson correlation analysis

In statistics, the Pearson correlation analysis is a measure of the correlation (linear dependence) between two variables, giving a value between +1 and -1 inclusive. It is widely used in the sciences as a measure of the strength of linear dependence between two variables. The p-value, in Pearson Correlation analysis, attempts to provide a measure of the strength of results of a test, in contrast to a simple reject or do not reject decision. In Pearson correlation analysis the value of strength of relationship (r) plays an important role in determining the level of relationships among variables. The significance level,  $p < 0.05$  is also used to establish the relationship. This significance level shows that there is only 5 percent chance that the relationship does not exist, and 95 times out of 100 times the relationship among variables can be defined as having significant correlation. The table below shows the results of the Pearson correlation analysis among the variables, testing of the hypotheses and interpretation of the Pearson correlation results is presented in a separate section with the results of the regression analysis.

**Table 3.** Pearson correlation results

|                    | DP                 | LEVELOFACC   | LEVELOFCOST  | EXISTLAW     | CULPRA |
|--------------------|--------------------|--------------|--------------|--------------|--------|
| <b>Pearson</b>     | <b>DP</b>          | <b>1.000</b> |              |              |        |
| <b>Correlation</b> | <b>LEVELOFACC</b>  | <b>.797</b>  | <b>1.000</b> |              |        |
|                    | <b>LEVELOFCOST</b> | <b>.863</b>  | <b>.802</b>  | <b>1.000</b> |        |

SPSS regression result

As shown in the above table 2, of the total of two explanatory variables tested in this study, there is a

significant correlation between two of the independent variables (level of accounting education and training and different levels of costs) and the dependent variable i.e. implementation of AIPSAS by MMDAs in Ghana. Based on the results in table 4.8 there are positive relationships between AIPSAS implementation and all the independent variables, these shows that most of the hypotheses are supported. The correlation coefficient of the level of accounting education and training is 0.797. This implies that as the level of accounting education and training increases, the AIPSAS implementation challenges also increases.

### Multiple regression analysis

In this section, in examining the factors that could affect the implementation of AIPSAS by MMDAs in Ghana, the study adopted a regression analysis to test the effect of four independent (explanatory) variables on the dependent variable (the implementation of AIPSAS). Thus, the study adopted multiple regression analysis to test one or more independent variables' influence the variation on dependent variable. The functional relationship between variables in this study is therefore, the implementation of AIPSAS is a function of level education and training, different levels of costs, existing laws, and cultural practices. However, to show how well the model containing those of four explanatory variables actually explains the variations in the dependent variable (implementation of AIPSAS), it is necessary to test it through goodness of fit statistic.

**Table 4.** Goodness of fit through R Square

| <b>Model Summary</b> |                   |          |                   |                            |
|----------------------|-------------------|----------|-------------------|----------------------------|
| Model                | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1                    | .881 <sup>a</sup> | .776     | .775              | 1.87691                    |

a. Predictors: (Constant), LEVELOFCOST, LEVELOFACC

Source: SPSS regression result

The Table 4 above, both  $R^2$  and adjusted  $R^2$  measure the fitness of the model. The results was significant  $F(4, 475) = 462.379$   $P=0.000$ . Thus the tables measure the proportion of the variation in dependent variable explained by the model. But since adjusted  $R^2$  is the modification for the limitation of  $R^2$  the value of the adjusted  $R^2$  is considered to measure the fitness of the model. Thus, as it is shown on Table 4, the value of adjusted  $R^2$  is 0.775, indicating that the independent variables in the model are explaining 77.6% variation in the dependent variables. Therefore, it could be understood that the model of the study provides a good fit to the data. This outcome empirically indicates that the independent variables in this study are the major determinants of AIPSAS implementation challenges.

The table 4 above summarises the information about the variation of the dependent variable explained by the existing model used for this study and the residual that indicates the variation of the dependent variable that are not captured by the model. It is observed that the independent variables give a significant effect on the dependent variable, where F-value is 825.390 with a p- value of less than 0.05 (i.e.  $p<0.000$ ) indicating that, over all, the model used for the study is significantly good enough in explaining the variation on the dependent variable. To ensure the statistical adequacy of the model, the goodness has also been measured by the square of the correlation coefficient also called  $R^2$ .

As shown in the Table 4, all the two explanatory variables tested in this study, level of accounting education and training ( $p$ -value= 0.000) and level of costs ( $p$ -value=0.000) were statistically significant at 5 percent or lower. In this study, there is a significant positive relationship between level of accounting education and training and implementation of AIPSAS with a regression coefficient of 0.295, and P-value of 0.000. The result also reveals that there is a positive relationship between all the independent variables and the implementation of AIPSAS. There is also a significant positive relationship between different

levels of costs and implementation of AIPSAS with a regression coefficient of 0.627, and P-value of 0.000. The result also reveals that there is a positive relationship between all the independent variables and the implementation of AIPSAS.

### Multicollinearity

Multicollinearity implies the existence of a linear relationship between two or more explanatory variables. The correlation in this research illustrates that the correlations between the explanatory variables are higher than 0.08, which means that there is serious multicollinearity. Gujarati (2003) reports that serious collinearity is indicated only if the coefficients of correlation between continuous independent variables exceed 0.800. Field (2009) indicates that there is no multicollinearity if independent variables meet the following criteria: correlations of less than 0.9, tolerance statistic above 0.2 and a VIF below 10. Kennedy (1992) indicates that, based on the VIF, multicollinearity is a serious problem if the VIF of continuous independent variables exceeds 10. Further, if there is a perfect linear relationship among the explanatory variables, the estimates for a regression model cannot be uniquely computed. The possible existence of multicollinearity is tested based on the correlations, including all of the independent and control variables.

**Table 5.** Values for Variance Inflation and Tolerance Factors of Level of cost, Level of acc and AIPSAS implementation challenges (Coefficients)

| Model |             | Unstandardized Coefficients |            | Standardized Coefficients |        | Collinearity Statistics |      |       |
|-------|-------------|-----------------------------|------------|---------------------------|--------|-------------------------|------|-------|
|       |             | B                           | Std. Error | Beta                      | T      | Sig.                    | e    | VIF   |
| 1     | (Constant)  | -1.289                      | .836       |                           | -1.543 | .123                    |      |       |
|       | LEVELOFACC  | .270                        | .033       | .295                      | 8.135  | .000                    | .358 | 2.797 |
|       | LEVELOFCOST | .557                        | .032       | .627                      | 17.281 | .000                    | .358 | 2.797 |

The Table 5 illustrates the VIF and tolerance coefficients of each explanatory variable. The Table shows both the highest and lowest VIF as 2.797. Moreover, the highest and the lowest tolerance are 0.358 and the coefficient Beta highest as 0.627 and the lowest as 0.295. Therefore, the results of the VIF and tolerance coefficients indicate that there is no multicollinearity problem among the variables of the study. This confirms that there is no need to be concerned about the correlation between the explanatory variables. Gujarati (2003) and Shan and McIver (2011) confirm that there is no concern with a VIF of less than 10. Therefore, multicollinearity does not constitute an issue in either of the models.

### Discussions

This part of the study aims to discover the factors that affect the implementation of AIPSAS by MMDAs in Ghana. This particular section presents the results of the study indicated by statistics, using correlation and regression analysis. The correlation and regression between independent variables and AIPSAS implementation were compared against the hypotheses tested in the study. The results show that there are significant relationships between independent variables such as level of accounting education and training and different levels of costs, and the dependent variable (AIPSAS implementation). Therefore, the effect of each independent variable tested under this study is discussed and analysed based on the theoretical predictions, prior empirical studies and hypothesis formulated for this study.

In response to the question whether there is a low level of public awareness of AIPSAS, majority of the respondents were in agreement that there is low level of public awareness on the implementation of

AIPSAS. This implies that the campaigning for compulsory implementation of AIPSAS in the public sector of Ghana is very low. Street (2002) affirmed that countries with low level of public awareness and weak expertise fail in the implementation of international accounting standards.

In response to the question whether accounting practitioners have excellent knowledge of AIPSAS, majority of the respondents were in agreement that the accounting practitioners do not have excellent knowledge of AIPSAS. This finding affirms the outcome of the survey conducted by the United Nations Conference on Trade and Development (UNCTAD, 200, p. 892-120) which indicated that lack of guaranteed trained persons who understand the use of international accounting standards makes its implementation complex.

In response to the question whether academic curricular focus on AIPSAS, majority of the respondents were in agreement that academic curricular does not focus on AIPSAS. This finding confirms the assertion made by the World Bank. World Bank (2010) mentioned that academic curricular does not focus on international accounting standards. Okafor and Ogeidu (2011) made a similar assertion that that the educational curriculum is different from the international accounting standards.

In response to the question whether there is a sufficient training and education for accounting practitioners towards the implementation of AIPSAS, majority of the respondents were in agreement that there is insufficient training and education for accounting practitioners towards the implementation of AIPSAS. The survey conducted by UNCTAD (2008, p. 92-120) also affirms that there is insufficient training and education for accounting practitioners towards the implementation of AIPSAS.

In response to the question whether there is limited access to training materials on the implementation of AIPSAS which may have resulted in the failure of implementing AIPSAS, majority of the respondents were in agreement that there is limited access to training materials on the implementation of AIPSAS which may have resulted in the failure of implementing AIPSAS. UNCTAD (2008, p. 92-120) also affirms that there is limited access to training materials on the implementation of international accounting standards.

In response to the question whether there is lack of professional based accounting in the public sector, majority of the respondents were in agreement that there is lack of professional based accounting in the public sector. ICAG (2010) made an assertion that there are inadequate trained accounting professionals to apply the international standards during implementation.

In response to the question whether there is an inadequate organisational structure to support the business processes, majority of the respondents were in agreement that there is an inadequate organisational structure to support the business processes. Ogunyemi (2012) made an assertion that the implementation of international accounting standards is influenced by the organisational structure.

In response to the question whether there is there is high vacancy rate in the MMDAS, majority of the respondents agreed that there is high vacancy rate in the MMDAS. This implies that high vacancy in the MMDAs in Ghana influences the implementation of international accounting standards.

In response to the question whether there is an insufficient monitoring by internal audit due to the lack of capacity and skilled staff, majority of the respondents were in agreement that there is an insufficient monitoring by internal audit due to the lack of capacity and skilled staff. ICAG (2010) made an assertion that there is inadequate time to train individuals to gain knowledge to apply the international accounting standards during implementation.

In response to the question whether there is lack of decision makers training, majority of the respondents agreed that there is lack of decision makers training. ICAG (2010) made an assertion that lack of adequate trained professionals makes the implementation of international accounting standards difficult.

In response to the question whether cost of implementing AIPSAS is difficult to estimate, majority of the respondents were in agreement that the cost of implementing AIPSAS is difficult to estimate. United Nations Conference on Trade and Development (UNCTAD, 2008, p. 92-120) made a similar assertion that cost of implementing AIPSAS is difficult to estimate.

In response to the question whether cost of research into AIPSAS is very high, majority of the respondents were in agreement that the cost of research into AIPSAS is very high. This finding affirms the outcome of the survey conducted by the United Nations Conference on Trade and Development (UNCTAD, 2008, p. 92-120) which indicated that the high cost of materials, seminars and workshops for qualified accountants makes the implementation of IAS complex.

In response to the question whether cost of training users on AIPSAS is very high, majority of the respondents were in agreement that cost of training users on AIPSAS is very high. This finding confirms the assertion made by James (2011) which indicated that cost of training the current staff is extremely high. Prewitt (2013) also made a similar assertion that cost of training accounting practitioners is one of the impediments of implementing international accounting standards in developing countries of which Ghana is not exempted.

In response to the question whether cost of hardware and software for AIPSAS implementation is very high, majority of the respondents were in agreement that the cost of hardware and software for AIPSAS implementation is very high. Resources such as IT and ERP implementation costs are incurred (Irvine and Lucas, 2006; PWC, 2012).

In response to the question whether cost of consultants for AIPSAS implementation is high, majority of the respondents were in agreement that the cost of consultants for AIPSAS implementation is high. Training resources of IAS require huge financial outlay consultancy costs, also IT and ERP implementation costs will be incurred (Irvine and Lucas, 2006; PWC, 2012).

In response to the question whether cost of acquiring new accounting packages needed for the implementation is high, majority of the respondents were in agreement that the cost of acquiring new accounting packages needed for the implementation of AIPSAS is high. UNCTAD (2008, p. 92-120) also affirms that the cost of new accounting packages needed for IAS implementation is very high.

In response to the question whether cost of discarding former accounting packages not compatible with AIPSAS is high, majority of the respondents were in agreement that the cost of discarding former accounting packages not compatible with AIPSAS is high. ICAG (2010) made an assertion that cost of discarding former accounting packages not compatible with AIPSAS is high.

In response to the question whether cost of installing new accounting packages on AIPSAS is high, majority of the respondents were in agreement that the cost of discarding former accounting packages not compatible with AIPSAS is high. ICAG (2010) made an assertion that cost of installing new accounting packages on AIPSAS is high.

In response to the question whether cost of maintaining AIPSAS is high, majority of the respondents were in agreement that the cost of maintaining AIPSAS is high. ICAG (2010) made an assertion that cost of maintaining AIPSAS is high.

However, both the Pearson correlation and regression results indicate that there is significant relationship between level of accounting education and training and implementation of AIPSAS. The results of the Pearson correlation indicate that the value for the correlation coefficient (B) is 0.270 and significant at 0.000. On the other hand the results of the regression analysis shows there is a strong relationship between level of accounting education and training and AIPSAS implementation, with a regression coefficient of 0.295, t- statistic of 8.135 and P-value of 0.000. This value indicates that there is significant relationship between level of accounting education and training with AIPSAS implementation. This result supports the hypothesis of the study. This finding is consistent with the conclusions made by Iyoha and Jimoh (2011). Iyoha and Jimoh (2011) indicated that the education and training of accountants have strong implications for international accounting standards implementation. The authors additionally concluded that education and training are imperative for the successful implementation of international accounting standards.

Again, both the correlation and the regression result show that there is a significant positive relationship between different levels of costs and implementation of AIPSAS. As it is presented on Table 8, the Pearson correlation result shows a significant correlation between different levels of costs and

AIPSAS implementation with correlation coefficient of  $B = 0.557$  and significant at 0.000. The regression result also shows a significant relationship between different levels of costs and implementation of AIPSAS, with a regression coefficient of 0.627, T-statistic of 17.281 and P-value of 0.000. Thus, from the result it can be concluded that different levels of costs influences the implementation of AIPSAS. This result supports the hypothesis of the study. This finding affirms Mohammed and Allawi (2014), which indicated that costs have a significant influence on the implementation of the international accounting standards.

## **Conclusion**

The analysis and discussion of results have revealed that MMDAs in Ghana and more specifically those in the Ashanti region experience AIPSAS implementation challenges. The study indicated that the academic curricula do not contain detailed public sector accounting in Ghana. This has called for the AIPSAS implementation challenges in the public sector of Ghana.

It was clearly established from the respondents that academic education does not focus on AIPSAS. This confirms that there is lack of synchronisation of developments between conventional university training, and training through professional programmes. It was again indicated by the respondents that there is insufficient training and education for accounting personnel for implementing AIPSAS in the Ashanti region of Ghana. Thus, management of MMDAs have to organise training programmes for accounting practitioners in order to ensure an efficient implementation of AIPSAS.

Additional challenges established were that AIPSAS implementation costs and the enforcement costs are high. This suggests that accounting professional bodies must be responsible for the process of enforcement. This also implies that government and the management of MMDAs in the public sector should recruit and select qualified personnel during the employment process in order to avoid training cost after recruitment.

This study also recommends that the inclusion of AIPSAS, more especially AIPSAS, in the academic curricula of both universities and polytechnics will help to minimise the difficulties of the implementation of such standards. The introduction of public sector accounting into the academic curricula is a sign of boosting the public sector of Ghana.

This study discovered that there is high cost of implanting new accounting standards in the MMDAs in Ghana. Therefore, this study recommends the government should add a special amount to the DACF whenever new accounting standards is to be implemented in the MMDAs in the public sector of Ghana. The additional funds will also help to eliminate the idea of “no funds” to implement, install new accounting software and to train the accounting practitioners in the MMDAs in the public sector of Ghana.

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