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A Movement Towards the Accrual Based IPSAS Implementation in Developing Countries: Evidence from Jordan

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Abstract

As the Jordanian government is in the process of implementing accrual-based IPSAS, this study aims to provide academics' perspectives on the effective implementation of accrual-based IPSAS in Jordan to authorities and regulators. The findings of a survey of 124 accounting professors at Jordanian institutions reveal that adopting accrual-based IPSAS will aid in presenting the realistic financial status of governmental bodies, with various advantages to adopting accrual-based IPSAS (e.g., enhance assets and liabilities management, decision-making process, transparency, expenditures management). On the other side, we discovered that change is met with reluctance because the majority of public-sector accountants are untrained and unqualified to apply the accrual-based IPSAS. Another main challenge is the cost of implementing the accrual-based IPSAS in the Jordanian public sector is very high. To address these issues, employees should be motivated by providing suitable training programs, reward systems, and top management support and commitment to a successful transition. Finally, we suggested that Jordanian governments commit to using IPSAS in the public sector to increase residents' socioeconomic advantages. Public sectors should implement IPSASs for improved management, transparency in financial reporting, accountability, and regulatory and supervisory agencies.

Keywords: IPSAS, Accrual Based, Governmental Accounting Reforms

JEL Classification Code: M40, M41, H83

1. Introduction

International Public Sector Accounting Standards (IPSAS) have engaged in a global revolution in governmental accounting reforms. Several governments have begun to undertake accounting reforms to comply with these requirements. IPSAS is a collection of accounting standards established by the International Public Sector Accounting Standards Board (IPSASB) to be used by public sector enterprises worldwide. The potential of these standards to provide an easier comparison, as well as more accurate and transparent financial reporting is one of the primary reasons behind implementing them in the public sector

(Caruana, 2021). According to the 2018 Index Status Report, which includes data from 150 countries, although 25% of governments presently report on an accrual basis, 65 % will do so by the end of 2023. Africa, Asia, the Caribbean, and Latin America are expected to lead the growth by the end of 2023 (IFAC, 2017).

Several countries in the Middle East that have adopted or are considering adopting accrual-based IPSAS such as Saudi Arabia, Kuwait, Lebanon, Yemen, and the United Arab Emirates. Jordan is the most recent Middle Eastern country to agree to the IPSAS implementation in 2015. However, IPSAS is only partially implemented in Jordan, where the country is in the process of implementing accrual-based IPSAS (IFAC, 2017). This paper examines the benefits and obstacles of implementing accrual-based IPSAS, as well as the steps that the government should require to accomplish this reform. To the best of our knowledge, no research has been conducted on the possible issues associated with the implementation of accrual-based IPSAS in Jordan. As a result, this study adds to the existing literature on governmental accounting in Jordan and developing countries, by assisting regulators and preparers in effectively applying the accrual-based IPSAS.

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2. Literature Review

Recently there has been an increase of interest in the research of IPSAS implementation throughout the world. The majority of accrual accounting research in the public sector has been conducted in Western nations such as the United States, New Zealand, Finland, Australia, Denmark, Greece, and Sweden (Brusca et al., 2016). However, some developing countries have adopted IPSAS as a partial solution (Tawiah, 2021). As a result, IPSAS has become an international standard for reviewing government accounting processes across the world. For such considerations, IPSAS requires extra attention from accounting policymakers, practitioners, and researchers worldwide.

2.1. Benefits of Accrual Based IPSAS

Under international public sector accounting standards, the techniques of compiling accounts in the public sector may be classified into cash-based and accrual-based (Lau & Mahat, 2019). Cash-based accounting records expenditures and revenues that have been paid within a certain time. This technique provides no information on liabilities, assets, or equity. As a result, Krishnan (2021) contended that this approach is unsuitable for planning and decision-making processes. However, accrual accounting records expenditures and revenues as they are incurred, regardless of whether money is paid or not. It gives a more accurate picture of the cost of government activities and their financial performance (Flynn et al., 2016). The idea of adoption is done to gain legitimacy and to yield to pressure from strong institutions such as the International Monetary Fund the World Bank (Abeyasinghe & Samanthi, 2016; Stefanescu & Turlea, 2011; Christensen, 2002). The use of International Public Sector Accounting Standards (accrual basis) is promoted due to its ability to give information for improved fiscal transparency and accountability (Flynn et al., 2016; Abeyasinghe & Samanthi, 2016; Stefanescu & Turlea, 2011).

Some studies highlighted the advantages of adopting accrual-based IPSAS by public sector enterprises (Flynn et al., 2016; Stefanescu & Turlea, 2011; Affandi et al., 2020; Tawiah, 2021). Such advantages include accountability and transparency, which lead to high-quality financial reporting that meets the expectations of stakeholders (Suharsono et al., 2020). According to Obara and Nangih (2009), the primary advantages of accrual accounting include better performance, improved decision-making, comparability, and more efficient control. Non-cash transactions are recorded using accrual accounting, which makes the full cost of an entity's activities visible (Diamond, 2002). One of the goals of financial reporting is to enable reliable comparisons between various firms. The implementation of the accrual basis for public financial statements will improve the comparability

of public sector organizations while preserving the period-by-period comparability of an individual organization (FEE, 2007).

Accrual accounting is a crucial instrument that makes management and decision-making easier by assessing financial flexibility and careful planning. Accrual accounting has helped agencies to gain a better grasp of their costs and, as a result, a more accurate figure for the cost of their services. One of the primary advantages of using accrual accounting is improved asset management as agencies got more aware of their assets. The necessity to offer a complete evaluation of the assets under their control on any given day is the primary reason why the public sector uses full accrual basis. Accrual accounting has enhanced receivables management in agencies by building a comprehensive accrual accounting system that makes receivables information available at all times.

Furthermore, it enhances agency liabilities management by developing a full accrual accounting system in which liability information is constantly available. Accrual accounting aids in determining the whole cost of activities, allowing for better decision-making in control, resource allocation, and coordination (Bac, 2003). Accrual accounting eliminates the possibility of fraud and reduces theft of cash and resources by appropriate recording and monitoring of assets and obligations. This method promotes responsibility by helping to strengthen the internal control system. Accrual accounting information is useful in tightening management by reducing operating costs, disposing of surplus assets, and increasing efficiency. According to Fourie et al. (2009), accrual accounting allows for an evaluation of the public sector's genuine financial status, including the borrowings level and other obligations. Accrual accounting also requires the reporting company to submit disclosure notes about information provided on the financial statements, which leads to improved financial information disclosure (Painter, 2006). According to Fourie et al. (2009), accrual accounting gives enough information to reflect an accurate financial situation of a public sector firm.

2.2. Challenges of Accrual Based IPSAS Implementation

Given the advantages that accrual-based IPSAS may provide, there are significant problems that should be considered. According to Mulyani et al. (2018), obtaining the full benefits of an accrual-based accounting system requires an organization to identify all potential impediments to implementation. While the accrual accounting effort is connected with various benefits, its adoption by public organizations is frequently accompanied by a series of challenges that may prevent the accomplishment of the expected benefits (Christiaens & Rommel, 2008).

In addition, Stamatiadis (2009) mentioned some challenges for implementing accrual accounting such as personnel reluctance and resistance to change, the inadequacy of requested resources, lack of top management support, lack of expertise and knowledge to implement the accrual-based system, and lack of appropriate accounting software.

The expenses of adopting an accrual-based accounting system are continuous, particularly regarding recruiting accountants with expertise and understanding the requirements of establishing an accrual-based accounting system (Hyndman & Connolly, 2005). According to IFAC (2000), the costs of implementing such systems include the cost of developing accounting policies, identifying existing assets, establishing accounting systems, purchasing computer systems and testing the system and developing skills and training for both financial information preparers and users.

Adopting the accrual accounting approach adds complexity to the accounting process. It necessitates decisions on topics such as revenue recognition, which liabilities and assets to include or avoid, and other topics. These judgments entail a great deal of flexibility in applying recognition criteria, which is mitigated by the use of accounting rules (Diamond, 2002). An accrual-basis accounting system is more sophisticated than a cash basis accounting system, as is the financial information report produced by such systems. Because of its intricacy, the information may only be used by high-level management and not be used properly at the operational level. The lack of qualified staff was a key impediment to the deployment of accrual accounting (Saleh & Pendlebury, 2006). Northern Ireland's implementation was hampered by a lack of accounting expertise (Hyndman & Connolly, 2005).

To deal with the additional complexity and reporting requirements, the construction of a new financial management information system (FMIS) is frequently required before the introduction of accrual accounting. Accrual accounting also necessitates firms develop new methods of reporting and sharing financial data. Information technology systems frequently need to be updated to gather and evaluate the growing accounting data and information. Many public-sector organizations utilize their IPSAS implementation to improve their present system or to build up an enterprise resource planning system. Adopting the accrual accounting technique necessitates more time and effort. During the transition period, organizations will have the option to either depend on the existing staff to work for extra hours or hire more staff, depending on their available resources. Controlling Property, Plant, and Equipment (PPE) necessitate organizations appointing employees and establishing mechanisms to guarantee a full accounting cycle for PPE. Budgets regulate the distribution of resources among various spending programs and also serve as the legal authority for expenditure (FEE, 2007).

Any modifications to accounting systems and practices are typically faced by resistance from those who are impacted. The lack of experience with the utility of accrual information for management objectives is mostly the reason behind that resistance. According to Scapens (2006), if new regulations are implemented that are considerably different from the organization's culture and shared values, then there will be resistance, especially if that change was forced. A change in accounting systems is fraught with challenges and ephemeral periods that need a large investment of time and resources, especially in bureaucratic institutions. The adoption of accrual-based accounting necessitates a large commitment in both time and money, which may involve the transfer of cash from other parts of the business. According to Christensen (2002), public sector organizational operations are characterized by lengthy and repeated procedures that result in various implementation obstacles, raising the cost and time resource requirements for accounting reform implementation. The process of transitioning from one accounting system to another is quite demanding, and staff employees are expected to work extra hours to assure the new system's smooth adoption. Because of budgetary constraints, staff workers are not sufficiently paid for their extra time and effort, which leads to resistance to transformation. In addition, Jackson and Lapsley (2003), observed that managers may inhibit and fight the spread of accounting techniques. The interest and readiness of top management to engage in transformative change determine the success or failure of accounting change implementation. A lack of senior management support for accounting reform implementation may result in poor system implementation. It also may result in delays if deadlines are not reached and the intended benefits are diluted by the expenses of the delayed process.

2.3. Fundamental Pre-requirements for a Successful Implementation of Accrual Based IPSAS

The shift to accrual accounting is a substantial cultural, administrative, and technological transformation that must be implemented in stages with a defined plan of progress created from the beginning. Furthermore, a lack of sufficient knowledge of the pre-requirements actions may lead to confusion among the numerous stakeholders engaged in the deployment. This, in turn, may raise the risks during the implementation and post-implementation stages (Aggestam, 2010).

Changing the management culture is one of the most important prerequisites to consider because human behavior tends to lean toward the familiar and comfortable. Implementing accrual accounting must include more than just a technical accounting activity; it must also involve

a cultural shift. Furthermore, a management information system is essential for the proper implementation of any accounting modification. The adoption of accrual accounting is unimaginable unless adequate and inexpensive standard software is available (Hepworth, 2003). Furthermore, to properly apply accrual accounting in the public sector and reap the intended benefits, an organization must have suitably educated and competent accounting people, as well as motivated employees through the presence of appropriate incentive structures (IFAC, 2003). According to Hepworth (2003), collaboration and cooperation amongst departments using the accrual accounting system is critical in gaining information about essential changes as well as internal challenges and limits that may impede the effective transition to accrual accounting. According to Diamond (2002), good communication with all stakeholders is a vital step toward the successful implementation of an accounting system upgrade. It is critical to get organizational acceptability and decrease opposition. According to Khan and Meyers (2009), senior management support is important for the effective deployment of an accrual-based accounting system. To endorse and use the revised financial reporting as a result of the accounting reform, senior management support is required.

Although auditor independence is critical, there are several advantages to building a constructive working relationship with the auditor early in the transition process. Consultation with the auditor would offer advice on the criteria to be used in analyzing the system or the procedure that would fulfill audit standards (IFAC, 2011; Hepworth, 2003). The move to accrual accounting necessitates extensive accounting labor as well as significant changes in corporate operations and practices. Adopting accrual accounting presents issues that may be controlled using a project management approach that assures top management support, that communication and training strategies are produced and handled, and that new accounting regulations are written in a timely way (Aggestam, 2010). To handle the growing complexity of accruals accounting, control mechanisms must be upgraded. If financial control is ineffective under cash accounting, it is likely to be significantly less successful under accrual accounting. As a result, firms must improve current procedures, develop new ones, and re-evaluate internal control frameworks to guarantee that internal control and risk management are successful under the new accounting standards (Hepworth, 2003).

Following a review of the literature, it is observed that no in-depth study has been undertaken concentrating on the benefits and obstacles of adopting and implementing accrual-based accounting systems in emerging regions, especially in the Middle Eastern area. In Jordan, no research has been conducted on what the Jordanian public sector should do to guarantee the effective implementation of an accrual-based

accounting system. As a result, the purpose of this study was to fill a gap in the public sector accounting literature.

3. Research Methodology

The primary goal of this article is to have a better knowledge of accounting transformation and its implementation in Jordan. As a result, a descriptive research approach was adopted in this study. Descriptive analysis is best used when the researcher wants to learn about the respondents' perspectives on the issue of investigation. The target population is the interest group that the researcher wishes to analyze and to which the research findings will be generalized. The target population for this research comprises all accounting academics in Jordanian universities. The sample of study covers 124 accounting academics in Jordanian univariates. The study employed a quantitative research approach to collect primary data, using a questionnaire with five-point Likert scale questions and solely closed-ended questions. The poll questions were based on the previously described literature review.

Descriptive analysis was used to analyze data from questionnaires. The frequency percentage of information gathered from the general questionnaire was calculated for data analysis. The mean was determined as a metric of central tendency, whereas standard deviation represented a measure of data dispersion.

The questionnaire was distributed to five academics who evaluated its applicability and clarity. After evaluating all of the ideas, we conducted a pilot study with ten academics of accounting. Cronbach's alpha was used to assess the questionnaire's reliability. This instrument is regarded as acceptable if the alpha values are between 0.7 and 0.8, and extremely reliable if the values are greater than 0.8 (Nguyen, 2020). The reliability coefficients for the variables in the research are shown in Table 1. It demonstrates that the Alpha coefficients are more than 0.8, which is regarded as extremely reliable.

4. Results

The results of the descriptive analysis in Table 2 indicated that the largest percentage, 86%, are male and 14% are female. 49% of the survey participants are over 50 years, 31% have 40 to 50 years of service, and 19% are less than 39 years. Lastly, 82% of survey participants hold a Ph.D. while only 18% hold a master's degree. The table below will describe the Benefits of Accrual-based IPSAS Adoption in the Jordanian public sector statements and their degree including Mean, Standard Deviation, and the importance of each item for this construct.

Table 3 shows the importance level of the Benefits of Accrual-based IPSAS Adoption in the Jordanian

Table 1: Reliability Statistics

	Cronbach's Alpha	N of Items
Benefits of Accrual-based IPSAS Adoption in the Jordanian public sector	0.907	10
Challenges of Accrual-based IPSAS Adoption in the Jordanian public sector	0.885	7
Fundamental Pre-requirements for Successful Implementation of Accrual-based IPSAS in the Jordanian public sector	0.889	9
Three dimensions	0.897	26

Table 2: Descriptive Analysis

Gender	Male	107	86%
	Female	17	14%
Age	20–29 Years	8	6%
	30–39 Years	16	13%
	40–50 Years	39	31%
	Over 50 Years	61	49%
Education	PhD	102	82%
	Master's Degree	22	18%

public sector. Table 3 clearly shows that the adoption of accrual-based IPSAS will assist in presenting the accurate financial position of the governmental entities, as this statement rank first with an average of 4.258 and high importance. In general, the results support our argument for the benefit of Accrual-based IPSAS Adoption.

The adoption of accrual-based IPSAS will have several advantages, for example, it could enhance assets and liabilities management, decision-making process, comparability of financial information disclosed, transparency, expenditures management, liabilities management, internal control systems, receivables management, and accountability.

Increased transparency is one of the key benefits of IPSAS, which provides increased accountability for making informed resource utilization decisions, a better knowledge of financial performance, and improved financial information to support governance, asset management, and decision-making.

Adopting a single global accounting language for financial statements will guarantee efficiency, relevance, reliability, understanding, timeliness, comparability, impartiality, accountability, and transparency resulting in accounting information that is changed qualitatively and reporting that will increase confidence and authorization of accounting information to investors and shareholders globally.

Adoption benefits include increased accountability and transparency; improved decision-making; increased efficiency; sound financial management; data consistency and application; professionalization and access to talent; government stability; broader economic and social benefits;

Table 3: Benefits of Accrual-Based IPSAS Adoption in the Jordanian Public Sector

No	Statement	Mean	SD	Rank	Importance
1	The adoption of accrual-based IPSAS will enhance transparency.	4.092	0.7683	5	High
2	The adoption of accrual-based IPSAS will enhance the comparability of financial information disclosed.	4.194	0.6256	4	High
3	The adoption of accrual-based IPSAS will enhance accountability.	3.969	0.9390	10	High
4	The adoption of accrual-based IPSAS will enhance the decision-making process.	4.194	0.7793	3	High
5	The adoption of accrual-based IPSAS will enhance assets management.	4.225	0.5627	2	High
6	The adoption of accrual-based IPSAS will enhance liabilities management.	4.040	0.7338	7	High
7	The adoption of accrual-based IPSAS will enhance expenditures management.	4.043	0.6881	6	High
8	The adoption of accrual-based IPSAS will enhance receivables management.	4.022	0.7046	9	High
9	The adoption of accrual-based IPSAS will enhance internal control systems.	4.025	0.8495	8	High
10	The adoption of accrual-based IPSAS will assist in presenting the accurate financial position of the governmental entities.	4.258	0.6533	1	High

Table 4: Challenges of Accrual-Based IPSAS Adoption in the Jordanian Public Sector

No	Statement	Mean	SD	Rank	Importance
1	The cost of implementing the accrual-based IPSAS in the Jordanian public sector is very high.	3.520	0.6875	5	Medium
2	The top management is not committed to the implementation of the accrual-based IPSAS.	3.597	0.7702	4	Medium
3	The management does not have adequate financial and human resources for the implementation of the accrual-based IPSAS.	3.634	1.0533	3	Medium
4	The majority of public sector accountants are not trained and qualified for the implementation of the accrual-based IPSAS.	3.643	1.1036	2	Medium
5	There is resistance to adopting change.	3.926	0.7248	1	High
6	It is difficult to recognize, measure and value assets according to the accrual-based IPSAS.	3.388	0.9894	6	Medium
7	It is complex to implement the accrual-based IPSAS.	3.354	1.0036	7	Medium

and international comparability. Despite these significant advantages, there is considerable heterogeneity in the rate of IPSAS implementation. Using a group of countries as examples, our analysis reveals that development is still slower than desired. Adopting countries have experienced specific, difficult, and continuous implementation obstacles that must be solved.

Table 4 shows the importance level of the challenges of accrual-based IPSAS adoption in the Jordanian public sector. Table 4 clearly shows that there is resistance to adopting change, as the majority of public sector accountants are not trained and qualified for the implementation of the accrual-based IPSAS. Moreover, the management does not have adequate financial and human resources for the implementation of the accrual-based IPSAS, which leads to the top management not being committed to the implementation of the accrual-based IPSAS. Another main challenge of accrual-based IPSAS Adoption in the Jordanian public sector is the cost of implementing the accrual-based IPSAS in the Jordanian public sector which is very high. Therefore, based on the findings of our analysis, it may be difficult to recognize, measure and value assets according to the accrual-based IPSAS as it is complex to implement the accrual-based IPSAS.

Furthermore, as with any new system, there will likely be certain obstacles that must be considered before establishing the essential criteria to overcome them. As a result, while establishing and implementing public sector standards, several problems may arise that, if not addressed, may stymie extra efforts. Whitefield and Savvas (2016) summarized some of the challenges influencing IPSAS adoption, including technological challenges (technical staff training, ICTs, and systems, the ability to use computer technologies, the accountant's programming language skills), organizational challenges (right understanding by staff of financial

information developed using standards, related accounting skills Implementation of standards, training employees for implementing standards, management's decision and commitment to adopt accrual basis, assignment of adequate human and financial resources, channels for effective implementation of standards, and organizational structure Communication), financial challenges (staff training costs, the high cost of adoption of these standards, the costs of adding more units and hardware and software required for the application of standards).

Table 5 shows the importance level of the fundamental pre-requirements for a successful implementation of accrual-based IPSAS in the Jordanian public sector. The results in the table clearly show that the staff should be motivated by offering them the appropriate training programs, incentive systems, and top management support commitment to a successful transition. Staff will need training to help them gather, process, report, and use new information. Many people will be involved in learning about new information demands and system modifications, as well as the consequences and relevance of the provided information. All of this must be conveyed effectively when this huge transformation is implemented. Furthermore, accrual accounting depends more heavily on judgments and estimates, necessitating more expertise and experience. Accrual accounting systems are more sophisticated than cash accounting systems and need more highly skilled personnel as well as substantial resources to establish.

Furthermore, the involvement of external and internal auditors throughout the implementation process is one of the most important essential prerequisites for the successful implementation of accrual-based IPSAS in the Jordanian public sector. IPSAS is viewed as a crucial instrument for tackling the issues of accountability, management, and

Table 5: Fundamental Pre-requirements for Successful Implementation of Accrual-based IPSAS in the Jordanian Public Sector

No	Statement	Mean	SD	Rank	Importance
1	The management culture should be changed to concentrate on output instead of input.	3.966	0.6398	8	High
2	The capability of the information system should be enhanced by either upgrading the existing financial information systems or replacing them.	3.994	0.4779	6	High
3	The staff should be motivated by offering them the appropriate training programs and through incentive systems.	4.218	0.6322	1	High
4	The consultation and coordination should be within and across departments implementing accrual accounting.	3.975	0.5605	7	High
5	Effective and ongoing communication to both internal and external stakeholders.	4.018	0.6032	5	High
6	The top management support and commitment to a successful transition.	4.200	0.5774	2	High
7	The involvement of external and internal auditors throughout the implementation process.	4.105	0.6197	3	High
8	An effective project management structure should be adopted.	4.028	0.3716	4	High
9	The tight internal controls should be adopted due to the increased complexity of transactions.	3.942	0.6380	9	High

decision-making that have impeded the success of Public Sector Entities (PSE). The data indicate that both internal and external audit services have an impact on IPSAS adoption. External auditing services offered by external auditors can help to solve the skills shortages that have hampered IPSAS adoption. External auditors can provide the technical expertise needed to improve PSE performance and provide an enabling environment for IPSAS adoption. External audit services are the collection and examination of evidence concerning information by a competent independent person to identify and report on the degree of correspondence between the information and predefined criteria.

Furthermore, one of the main fundamental pre-requirements for successful implementation of accrual-based IPSAS in the Jordanian public sector is the effective project management structure that should be adopted. Transitioning from cash or modified accrual-based accounting to full accrual accounting under IPSAS can be a difficult task. Ensuring appropriate convergence to accrual-based IPSAS necessitates not only a significant amount of effort in the accounting sector or any particular public sector body but also significant changes in business procedures and practices. By taking a project management approach to implementing IPSAS, an organization/government can ensure that, for instance, the project receives the necessary support from top management; a solid governance structure is established; communication and training plans are developed and managed; new accounting policies are written, and necessary business process alignment occurs on time. Sound project

management may facilitate cost-effective adoption of IPSAS and a broader strengthening of business practices across the implementing organization/government.

There are several other fundamental pre-requirements for successful implementation of accrual-based IPSAS in the Jordanian public sector, for example, the effective and ongoing communication to both internal and external stakeholders; the capability of the information system should be enhanced by either upgrading the existing financial information systems or replacing them, and the consultation and co-ordination should be within and across departments implementing accrual accounting.

5. Conclusion and Recommendations

This research raises the topic of Jordan's public sector adopting International Public Sector Accounting Standards. In comparison to other nations in Europe, America, Australia, and many developing countries in Asia, Africa, and Central and South America, Jordan appears to be at a relatively early stage in implementing IPSAS. To this day, public-sector enterprises have their own accounting rules. Several reform measures have been undertaken as part of the greater fiscal consolidation effort to aid in the transition to IPSAS, although implementation has been delayed.

The results of the current study found that the adoption of accrual-based IPSAS will assist in presenting the accurate financial position of the governmental entities, where the adoption of accrual-based IPSAS will have several

advantages, for example, it could enhance assets and liabilities management, decision-making process, comparability of financial information disclosed, transparency, expenditures management, liabilities management, internal control systems, receivables management, and accountability. On the other hand, we found that there is resistance to adopting change, as the majority of public sector accountants are not trained and qualified for the implementation of the accrual-based IPSAS. Moreover, the management does not have adequate financial and human resources for the implementation of the accrual-based IPSAS, which leads to the top management not being committed to the implementation of the accrual-based IPSAS. Another main Challenge of Accrual-based IPSAS Adoption in the Jordanian public sector is the cost of implementing the accrual-based IPSAS in the Jordanian public sector is very high.

To solve these challenges, the staff should be motivated by offering them the appropriate training programs and through incentive systems and top management support and commitment to a successful transition. In addition, the fundamental pre-requirements for successful implementation of accrual-based IPSAS in the Jordanian public sector is the involvement of external and internal auditors throughout the implementation process as well as the effective project management structure should be adopted. There are several other fundamental pre-requirements for successful implementation of accrual-based IPSAS in the Jordanian public sector, for example, the effective and ongoing communication to both internal and external stakeholders; the capability of the information system should be enhanced by either upgrading the existing financial information systems or replacing them, and the consultation and co-ordination should be within and across departments implementing accrual accounting.

Jordanian governments should commit to implementing IPSAS in public sectors to boost citizens' socioeconomic advantages. Public sectors should adopt IPSASs for improved financial management, transparency, and accountability, whereas regulatory and supervisory agencies, universities, and professional associations should offer the required assistance and follow-up during IPSAS adoption by public sectors. International agencies such as the IMF and World Bank should provide technical and financial assistance to developing nations in their implementation of IPSAS.

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