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Research Article

The Ramifications of International Public Sector Accounting Standards on Public Financial Reporting in Ghana

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ABSTRACT

The purpose of the study is to examine the influence of International Public Sector Accounting Standards (IPSAS) on financial reporting in Ghana and to explore the anticipated advantages as well as the problems that will be faced throughout the transition process. A thorough examination of the body of existing research, theoretical foundations, documents, and guidelines led to the study's methodological adoption, which mostly followed the qualitative research technique. The findings of this study which was fundamentally based on the thorough analysis of previous studies indicate that Ghana continues to trail behind in terms of IPSAS implementation. The adoption of IPSAS has the propensity to fundamentally alter the preparation and presentation of financial reporting in the public sector providing greater economic and societal benefits due to its improved comparability and understandability. Findings also reveal IPSAS promotes ongoing foreign direct investment to the public sector, which is done by financial account comparability

Keywords: *IPSAS, Public Financial Management, Public Accounts, Public Sector, Public Financial Management Reform,*

1.1 INTRODUCTION

Worldwide financial difficulties and sovereign debt crisis have made it clear that poor public finance management and a lack of transparency may jeopardize the government's efforts to settle significant public debts, satisfy their obligations to the social system, and achieve the goals involving supply services within the public sector. To achieve sustainable public finances, there is now a rising understanding of the need for proper financial management and accounting within the public sector space. The crisis in the global financial space had a major impact on Ghana's economy and society. As a result, the urgent demand for reliable financial data rose to the top of the political agenda. Cash accounting-based financial data was insufficient for predicting and averting the financial catastrophe that struck the nation and resulted in a program of comprehensive reform and public debt restructuring. Globally, the public sector has undergone management and accounting reform in recent decades as a consequence of public pressure for significant improvements in public sector operations (Christiaens & Rommel, 2008).
Governmental accounting reform, according to Christiaens and Rommel, has frequently been the first step in governmental reform; for this reason, it is seen as a crucial demand and foundation for subsequent good reforms of government for New Public Management's (NPM) transformation, such as managerial, institutional and organizational reforms. Therefore, for other NPM practices and techniques to be implemented and successful within public organizations, the accounting reform's effective and successful implementation is crucial.

Hood, (2014) asserts that the NPM aims to reduce the gaps that exist between the public sector and private sector by bringing activities in the government sector nearer to activities in the private sector. Within the framework of NPM, many nations have implemented financial accounting reforms in their public sectors by switching to the accruals accounting method, which is popular among private-sector businesses. This has increased their level of accountability, and public trust and enhanced public sector performance management. The implementation of IPSAS is gaining traction globally and encourages openness and managerial responsibility. Ghana has started financial management reform, which involves adopting accrual accounting and moving the nation closer to implementing IPSAS. A strong public financial management system provides tighter budgetary control, and the openness of IPSAS-based financial statements results in an educated voter and a more accountable government. effective accounting is a crucial component of effective governance. Government accounting is a crucial component of an effective management system in such a situation because it enables managers of the economy to assess and evaluate performance and gives them incentives to avoid making choices that have an unfavorable effect on either efficiency or intergenerational equity (Ball, 2015).

This research aims to evaluate how the IPSAS implementation has affected financial reports and audits within the public sector space in Ghana. The impact of IPSAS on public financial reports, as well as its effect on public sector entity management particularly in planning, decision-making, organizing, controlling, and evaluation of public sector activities, will be highlighted. The study's goal is to draw attention to the advantages that the nation could experience from adopting IPSAS as well as the difficulties that will likely arise during this transition. A review of earlier IPSAS research on Ghana is also included in the paper. The findings are anticipated to aid in a better appreciation and comprehension of the significance of IPSAS and the efficient administration of IPSAS deployment in within the public sector environment.

2.0 LITERATURE REVIEW

2.1 International Public Sector Accounting Standard (IPSAS)

The framework for preparing and presenting public sector financial accounts is called International Public Sector Accounting Standards, or IPSAS. International Financial Reporting Standards (IFRS) are replaced in the public sector by IPSAS. Since accruals accounting is used instead of cash accounting, IFRS have been recognized with offering a more accurate and transparent financial picture of listed firms globally. Just as IFRS have drastically changed the accounting and financial reporting practices of listed firms, the adoption of IPSAS in the public sector has the potential to do the same. Establishing an autonomous body to establish standards, the International Federation of Accountants (IFAC) formed the International Public Sector Accounting Standards Board (IPSASB). The global public sector organizations utilize the accounting standards (IPSAS), guidelines, and other materials that are developed by the IPSASB. The International Accounting Standards Board (IPSASB) has released 42 accrual-basis accounting standards and 1 cash-basis standard. Together with IPSAS, the IPSASB has published three (3) "Recommended Practice Guidelines (RPGs)" and "The Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities.”

2.2 The Overview IPSAS in a deeper Perspective

IPSAS provides a platform for the accounting of statutory public financial reports. IPSAS are IFRS counterparts within the public sector. The application of accruals accounting rather than cash accounting, IFRS has been praised for delivering a more clear and precise financial picture of listed firms throughout the globe. IPSAS adoption has the propensity to transform the industry's models of financial reporting activities, much like IFRS did with publicly listed entities. The International Federation of Accountants (IFAC) established the International Public Sector Accounting Standards Board (IPSASB) as a stand-alone standard-setting entity. IPSASB has the mandate to develop and publish standards in IPSAS, guidelines, and other materials for use by international governmental organizations. The IPSASB has published forty-two (42) accrual-based accounting standards and one (1) cash-based standard. Apart from IPSAS, IPSASB has developed and published three (3) "Recommended Practice Guidelines (RPGs)" and "The Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities."

The objective of statutory public financial reports is to inform interested stakeholders, about the business that is relevant for planning, decision-making, and control. For the purpose of providing services to citizens, the government and other governmental organizations raise revenues from citizens, lenders, and other stakeholders. These organizations are responsible to those who supply them with inputs and to people who rely on them to utilize those inputs to perform essential activities. Information is also needed as a decision-making input by those who contribute the resources and get or anticipate receiving the services.

IPSAS fundamentally, are applicable essentially by organizations in the public sector that satisfy each of the following requirements: They must also: a. be accountable for providing services that benefit the general populace and redistribute wealth and income; b. primarily fund their activities and operations through taxes, allocations from central government, contributions, the obligation of debt, or fees; c. not having profits as their primary goal. Governmental organizations that don't fit these requirements would use IFRS10. An effort has been made to make IPSAS converge with the comparable IFRS since transactions are often widespread in both the public and private sectors.

The original accounting methodology and phrasing of the IFRS are typically maintained by the IPSAS unless a relevant issue in the public sector necessitates a modification. The IPSAS was developed in order to address issues with financial reporting that either cannot be solved by using IFRS or do not yet have IFRS.

IPSAS 1 states a complete component of financial statements to include the following:
i. statement of financial position;
ii. statement of financial performance;
iii. statement of changes in net assets/equity;
iv. cash flow statement;
v. when an entity makes its approved budget available to the public, a comparison of the budget and actual amounts as either a separate additional financial statement or as a budget column in the financial statements;
vi. notes

Also included in IPSAS are RPGs. A business may lay claim to the fact that its financial reports are consistent with IPSAS without agreeing with RPGs. But adherence to RPGs supports effective governance. Let's take RPG 1 as an example. The objective is to present the financial sustainability of a governmental entity over the long term. RPG additionally includes information on how new reforms and activities presented during the reporting period will affect subsequent inflows and outflows.

2.3 Legislative Basis of Public Sector Accounting Reforms In Ghana

The rules, conventions, and accepted methods of conduct outlined by national legislation and global standards regarding the handling of business activities and the conduct of professional finance managers can all be referred to as the regulatory framework of accounting. A variety of regulations govern how government finances are managed, financial records are kept, and government financial statements are created in Ghana. The 1992 Constitution of Ghana, Public Financial Management Act 2016, Act 921; Public Financial Management Regulations 2019, LI 2378; Local Government Act 2016, Act 936; Internal Audit Agency Act 2003, Act 658; Audit Service Act 2000, Act 584; Public Procurement (Amendment) Act 2016, Act 914; and Local Government Financial Memoranda are among them. Additionally, the nation has ratified IPSAS, making it subject to its rules. Government accountants are expected to treat linked transactions following the pertinent requirements of these laws.

Relevant Articles regarding the finances of the government are spelt out under Chapter 13 of Ghana's constitution. Specifically, the overall rules on how the finances of government are raised, lodged, monitored, and disbursed, as well as the agencies mandated with these responsibilities, are outlined in Articles 174 to 189 of the supreme law of the nation. These Articles specifically include the roles and responsibilities of the Bank of Ghana, the Ghana Audit Service, the Governor of the Bank of Ghana, and the Auditor General.

Article 174 of the constitution stipulates that no government can levy taxes against the populace without the approval of Parliament. If a relevant authority wants to exempt a person from paying taxes, prior approval from Parliament should be sought. However, the legislature can let go of this power by approval with two-thirds of the total vote. Article 175 of the Constitution posits that public funds shall consist of; the consolidated fund, the contingency fund, and any other fund that parliament will enact by law. The consolidated fund is the name given to the primary bank account of the government. It collects all government revenues; income taxes, value-added taxes, national health insurance levy, and other taxes, as well as other incomes collected in trust for the government, but not funds set up for a specific goal or used to cover the costs of the agency of government that mobilized or raised the money. Additionally, it covers all government costs (such as those associated with building roads, dams, and bridges as well as paying for welfare programs and paying the wages of public sector employees). It is kept up by the central bank. Parliament must provide its consent before making any withdrawals from the aggregated funds.

Therefore, the budgets that the Finance Minister prepared, presented to the parliament and received proper approval serve as the foundation for these payments. In practice, disbursement out of the consolidated fund must be backed by a parliamentary act, an additional appropriation that has been authorized by Parliament, and parliamentary order and regulations regarding trust funds. The contingency fund, on the other hand, is a fund into which money is allocated by Parliament to cover unanticipated occurrences for which the country must prepare to return to normality but for which there is no alternative provision.

With regards to contingency funds, a typical case in point is when Ghana had to respond to the disasters that occurred on May 9 at the stadium and June 3 in Accra (Circle) due to flooding and fire. Normally, the contingency reserve would provide these funds. However, any disbursement from the contingency fund must be authorized and approved by parliament.

The president of Ghana has the constitutional duty to prepare and present to Parliament an appropriation bill. The appropriation bill must be presented to parliament at least a month before the commencement of the ensuing financial year to which they pertain. The appropriation act, which authorizes disbursements out of the consolidated fund, is created when the legislature or parliament approves the appropriation bill

Thus, the Appropriation Act is a piece of legislation passed by the legislature that permits the government to draw money from the consolidated fund to pay its bills. In cases where parliamentary approval of the appropriation bill is delayed, the head of government business, in this case the president may, by resolution authorized by the legislature, permit withdrawals from the consolidated fund up to three months before the commencement of the financial year in question, or, if that occurs first, on the day the appropriations Act is passed.

2.3.1*The Central Bank (Article 183)*

The central bank is the Bank of Ghana and is the custodian of all public funds. It is responsible for the administration and management of all funds of the government, both from outside and within Ghana. It shall also support the development of the economy and promote the efficient use of public resources. The governor of the Bank of Ghana, shall not permit any financial transaction or foreign exchange transfer not authorized by parliament. The foreign exchange dealings of BOGs will be under the scrutiny of the parliamentary finance committee. In the interim, the head of the Ghana Audit Service has the mandate to examine receipts, payments, or foreign exchange transfers and present its findings to the finance committee of parliament.

2.3.2 *The Auditor-General*

The Auditor-General's department shall be established as a department of government, according to Article 187, Section 1. Under subsection 2, the office is required to audit and submit its report on all government entities to the legislature. The constitution of Ghana stipulates that the Auditor-General can discharge these duties directly or through an appropriate third party. In either scenario, all records, books, ledgers, and other essential documents about financial statements shall be available without restriction to the Auditor-General or her agent. The Consolidated Fund shall be billed for any administrative expenses incurred by the Auditor-General office in discharging its responsibilities.

2.3.3 Public Financial Management Act 2016, (Act 921)

PFM essentially means the collection of laws, regulations, procedures, and systems that central and local governments engage in the collection of taxes, disbursement of public money, management of public expenditures, accounting for funds, and auditing of financial statements. Fundamentally, it is a cycle with six levels, including policy design, preparation of the appropriation, approval of the appropriation, implementation of the appropriation, accounting, and external audit and assessment. There are many stakeholders within the cycle who ensures it works transparently and perfectly while maintaining responsibility. The Act's primary goal is to control how the public sector's finances are managed within a framework of macroeconomic and fiscal policy. The PFM Act 2016, Act 921, contains provisions that describe the roles of key officers charged with public fund management, the macroeconomic and fiscal policy formulation, the methods for developing, approving, and managing budgets, the contingency fund management, cash forecast and planning, assets management, and public debt management, public accounts, and audit.

2.3.4 *Public Financial Management Reform*

The first country to adopt and implement accrual-based accounting within its public sector was Chile in 1970. New Zealand followed suit in 1990. Different nations have taken different approaches to putting the accrual system of accounting in place or adopting it in the public sector. While the US and other nations, such as New Zealand, approached the change piecemeal, with some states advancing and others only having some state-owned organizations adopt it, New Zealand took a comprehensive approach to the change (Carpenter & Feroz, 2001).

Davis, (2010) on the transition of accounting in the Australian Public Sector (APS) from a cash basis to an accrual basis, posits that accrual-based accounting can be regarded as a machinery applied by various departments of government to fight the urge for economic, rationality, and legitimacy difficulties in the bettering the interest of the wider society. Since accrual accounting offers a sound foundation for juxtaposing actual expenditures and revenues and the funds authorized in the legislative body's approved budget, (E & Mikesell R, 1974) advised using it for governmental units. It also makes it possible to compute the cost of providing services.

A study that investigated the ramification of accrual-based accounting on public sector management in Romania depicted an indirect affirmation of the standard-setters Romanian inclination toward IPSAS and accrual accounting in the relationship between the speed of legislative reforms and their practical application (Deaconu et al., 2011). The same study examines that accrual accounting's essence and application lie in the power and efficiency it provides to the management of the public sector. In a study that investigated the accrual-based accounting transition within government hospitals in Greek, the degree of accrual-based accounting implementation was favourably correlated with the quality of an IT system, transformational training, educational level of accounting staff and the technical support for professional consultants (Eriotis et al., 2012).

Comprehensive financial exposure demands a reporting system that provides a framework for applying more complex financial planning than the straightforward decision-making analysis that the cash basis permits

(Dragu & Tiron-Tudor, 2013). Since there aren't many skilled accountants working in the public sector, (Dragu & Tiron-Tudor, 2013) posits that it's critical to train and improve the knowledge and skills of both those who prepare and apply the financial information under the accrual system. The UN acknowledged that the long-term possibilities for developing efficient systems for governance are hampered by a lack of political will (Diehl, 2005).

3.0 METHODOLOGY

A review of numerous journals, research papers, newspaper articles, periodicals, and other documentary materials of professional accounting bodies, as well as conferences, seminars, and workshop papers, served as the primary basis for this study, which aims to evaluate and analyze the ramifications of IPSAS Adoption on Public Financial Reporting in Ghana.

4. ANALYSIS/DISCUSSIONS

4.1 The Ramifications of IPSAS Implementation in Ghana: Pros and Cons

Currently, a modified accruals basis is used to prepare Ghana's financial reporting. A foundation of accounting known as the accrual-based system allows transactions and other activities to be recognized and recorded as they occur, rather than when receipt of cash is made or when payment is effected. As a result, transactions and activities of financial nature are posted into accounting ledgers and included in the financial reports of the relevant periods. Revenue and cost recognition are anticipated to be significantly impacted by the switch to the accruals system, which will also provide a more accurate picture of Ghana's financial situation and performance.

Regarding costs, Ghana keeps track of them by carrying out its appropriations on an accrual and commitment basis, but with respect to IPSAS, expenditures are documented in the period to which they relate. Revenue must be separated into two groups under IPSAS: exchange takings/revenues and non-exchange takings that receive a variety of accounting treatments. Ghana's financial performance is anticipated to be significantly impacted by the accruals basis for revenue recognition.

With regards to the recognition of assets, some may be hard to recognize because of a number of reasons, and IPSAS requires many changes to financial position considerations. Initial recognition of property, plant, and equipment must be at cost or fair value when applying the accrual system of accounting in connection with IPSAS 17-22. The cost method or a revaluation model must be used equally to the full class of property, plant, and equipment for subsequent measurement following recognition, according to IPSAS.

Due to a lack of pertinent data and records, particularly in light of Ghana's absence of a comprehensive asset registry, determining cost and fair value at both the initial recognition stage and later assessment may prove to be a considerable issue. The first stage is to list all of the assets under the control of the public sector, create an asset registry, and keep it up to date. According to the standards of IPSAS, the initial cost of these assets must be calculated, which might be an expensive and time-consuming operation. The asset's useful life should also be taken into account when calculating depreciation.

The estimation of an asset's economically useful life and its residual value is an accounting estimate that calls for professional judgment; as a result, it should be carried out by qualified experts who have a good grasp of IPSAS. The same holds true for cash-generating units and non-cash-generating units when undertaking impairment tests.

4.2 Pros of IPSAS adoption

The application and deployment of IPSAS within the public sector will enhance the integrity of public financial reports, improvement in public sector auditing and preparation of budgets within the public sector. The financial qualitative attributes of relevance, dependability, understandability, timeliness, comparability, and verifiability will be improved by reporting that is consistent with IPSAS. Therefore, it is anticipated that the adoption of IPSAS will give governors and public sector managers access to higher-quality financial information, which will improve their ability to make decisions and, ultimately, result in the achievement of public sector goals. Both accrual-based accounting and cash-based accounting are options available to firms within the public sector fraternity that consistently apply IPSAS in preparing and reporting of financial statements.

Cash-based IPSASs are the only cash basis standard that has been decided to be released by the IPSASB. The accrual foundation of accounting, which is the accounting principle used in IFRSs, is the only premise on which the other IPSAS are established. This proves that this approach of accounting is preferred by the IPSASB. It appears that the accounting reality is increasingly reflecting this choice. As a result of financial activities being reported within the year that they relate to and provide an unbiased picture of the accounting reports and performance of the public management, the preparation and presentation of the financial statements using the basis of accrual accounting would help increase trust and accountability of financial reports. By establishing a yearly financial budget and presenting actual financial performance against it, accountability and transparency are significantly improved. Gkouma & Filos, (2019) states that appropriations are a crucial instrument for public financial planning and control and are a focal point of the procedures to ensure executive and legislative scrutiny of public sector funding activities.

The accountability process must include the presentation and disclosure of real results compared to such an approved budget. According to IPSAS 24, organizations who are obligated to, or want to publicly make their approved budgets accessible must compare the appropriation amounts with the actual amounts resulting from budget implementation in their financial statements.

A justification for any significant discrepancies between the budgeted and actual amounts must also be disclosed, according to the requirement. By showing conformity with the authorized appropriation that is held publicly accountable, compliance with these standards will guarantee that government organizations satisfy their accountability duties and improve transparency. The ability to analyze financial performance in reaching planned outcomes is another benefit for companies that create their appropriation and financial statements on the same tangent. The actual and budgeted amounts are compared to track budget execution and uphold openness and responsibility.

The appropriation of the state must be prepared essentially with the same accounting method consistent with financial reports based on similar charts of accounts, in light of the requirements of IPSAS, rather than changes for reporting purposes. The budget is still the key accounting instrument in a lot of European nations. Belgian, French, German, Greek, Portuguese, Spanish, Italian, and Swiss nationals all adhere to this culture (Bellanca, 2014)28. Dragu & Tiron-Tudor, (2013) research demonstrates that there is a huge degree of convergence between the appropriation and central government accounts.

High-quality accounting, budgetary, and statistical data is available from nations such as Austria and the United Kingdom that employ the same reporting methodology. The empirical findings point to the necessity for an integrated and uniform reference for statistical, financial reporting, budgeting, and accounting purposes. By increasing the precision of projections, budget preparation on an accrual accounting system aids in better long-term planning. Better projections call for readiness and risk management actions. Additionally, the accrual accounting foundation would make it easier to monitor and audit how well the budget was being executed because all financial activities would form part of financial reporting. An efficient audit work would increase the responsibility of people in charge of budget management.

Intercompany balances, transactions, income, and costs between organizations must be removed in order to generate consolidated financial statements for comparable or identical activities, other events, and situations. The consolidated financial accounts give governors a comprehensive picture of the public finances of all public sector organizations put together, enabling them to decide best for the sake of the public.

Understanding of financial statements by stakeholders is enhanced by the preparation and presentation of government entities' (standalone and consolidated) financial statements in consonance with generally accepted accounting principles, such as IPSAS. This uniformity also enhances international comparability. Wider economic and social benefits would arise from the use of IPSAS' improved understandability and comparability. The significance of luring continued inbound investment into the public sector is a major factor in IPSAS implementation. International investors benefit from the trust and comparability that IPSAS-compliant financial statements offer.

The overall economy would gain from foreign investment in terms of more jobs, improved infrastructure, public welfare, and societal advancement. Additionally, increasing the confidence of lenders through transparent, comparable, and credible financial statements draws in additional funding and lowers the country's cost of borrowing in the global market. When it comes to public financial management, financial reports based on IPSAS provide government administrators and managers with an in-depth and clear picture of the state's financial status and performance, enabling them to seize opportunities and fix weaknesses to optimize value for money.

For organizations in the public sector, the notion of the 3Es; Economy, Efficiency, and Effectiveness is particularly crucial. Financial reporting that includes all expenses rather than just cash outflows would give decision-makers more useful information to help with cost accounting and other cost-related choices. Within the public sector, the aim of cost reduction is quite significant. Another topic of importance to the public sector is asset management. According to IPSAS, assets must first be recognized and then measured in so that they can form part of the financial statements. As a result, a registry asset that contains all assets in the public sector that satisfy the recognized requirements should be created.

Military hardware as well as infrastructural assets such as public road networks, sewage systems and communication networks, should be listed in the assets register even if they may be challenging to identify and quantify to the right degree. The ability to recognize historical assets is also provided by IPSAS. The creation of a comprehensive and accurate asset register may be challenging, but it will prove to be a crucial instrument for more efficient administration and utilization of public property. The reporting method and procedure should be improved in conjunction with reporting under IPSAS.

The adoption of IPSAS and any adjustments required to aid its process of implementation would enhance sound procedures of proper corporate governance and financial statements preparation that takes decision-making into account, ensuring the future viability of public funds. The preparation and presentation of the

appropriation take all of these factors into account, including public revenue, public spending on products, and public debt.
The human resources are a vital part of the public sector. Cultural changes emanating from IPSAS adoption have the efficacy to advance the 'professionalization' of the role of finance and accounting throughout the public space and create the public sector an alluring career option for seasoned and certified professionals with requisite skills and knowledge. It could be good and advantageous for the government to report in line with IPSAS. IPSAS promotes and builds a stable nation by projecting all financial and economic data in financial statements, presenting to users the essence of particular policy measures on fiscal and financial issues.
Besides, implementing IPSAS will aid the process by which policymakers present their ideas for governing and garner support for them. An improved investment climate, more employment, and greater earnings can all be a result of changes that came as a result of IPSAS. They also assist to solidify a stable government. All parties involved in the reporting supply chain are brought together during the reporting and consolidation process, and stakeholders and service users are more engaged as a result of more accurate reporting and better disclosure.

4.3 The Con of Adopting IPSAS

IPSAS adoption in Ghana is presumed to have a significant favourable and positive ramifications on public financial management, improve the calibre of financial reporting, and strengthen auditing, but it will also present considerable transitional difficulties. Modernizing information systems to serve the accounting function will become more important as a result of the introduction of IPSAS. The available data formats and technologies may make it impossible to get the essential financial data for reporting. It is important to pay attention to how associated public sector institutions' data structures and IT systems interact with one another, but certain IT systems will likely need to be replaced or modified.

Modernizing an IT system may be expensive and time-consuming, requiring experienced consultants to help with setup, user training, and data transfer before operations can resume as usual. Public sector organizations might not have the staffing levels or individuals with the appropriate qualifications for IPSAS adoption. Implementation necessitates education to improve IPSAS understanding and elevate IT system use abilities. To support the implementation of IPSASs, government will probably need to hire and keep skilled personnel while maintaining a balance between internal public sector employees and outside consultants and specialists. Costs associated with the aforementioned modifications are very expensive.
From both a finance and an audit standpoint, it is important to not underestimate the implementation cost (both financially and other the resources needed). The costs of training, the consultant’s engagement, the Upgrade of IT systems, the creation of suitable guidelines, and the creation of IPSAS translation tools in the Ghanaian language. Targeted stakeholder involvement as well as other engagement and awareness initiatives should be supported financially. Many nations implemented IPSAS with a larger program to enhance public financial management, which necessitates more funding. In addition to the high expense, the incorporation of IPSAS into a nation's legal system requires legislative amendments, which may be a difficult and drawn-out process.
To attain the complete adoption milestone, the IPSAS implementation process may take a long period, and participation from all project participants is necessary. Politicians and the general public do not often possess specialized financial or accounting expertise, hence their degree of comprehension of IPSAS issues is very limited. Jorge S et al., (2016) , indicated that government machinery may not have the appropriate skills to use highly technical and sophisticated accounting data, such as financial accrual accounting.
Adopting IPSAS necessitates the understanding, involvement, and education of important parties, such as technocrats, (Accountants, Auditors, Bankers, and individuals with a powerful political will to effect change). The general public, important stakeholders, and public sector organizations are used to cash accounting standards. Public executives may find it simple to alter results using accounting standards and accounting estimations that give room for creative accounting when GPFRs based on the accrual accounting basis are used. It is essential to spread knowledge about the new standards to stop such problems.
Uniform accounts data that satisfies the demands of public sector organizations should be adopted for financial reporting. This will make it simpler and easier to implement IPSAS, perform accounting and auditing duties, and carry out budgeting and consolidation activities.
The creation of an asset registry can be difficult, expensive, and time-consuming. IPSAS may have a number of technical issues, particularly when adopted for the first time. To use standards correctly in reality, one needs a thorough understanding and competent employees. A broad cultural shift in the public sector is necessary for a smooth transition to the new norms. The implementation of IPSAS is a difficult undertaking that demands competent project management within the context of change management as well as the dedication of all engaged.

5.0 CONCLUSION

Everywhere in the world, IPSAS adoption is accelerating. Ghana has started a program for reforming general financial management, which includes financial accounting. Ghana has a roadmap for five years period to meet all the requirements and criteria and claim complete conformity with accrual-based IPSAS by the end of 2023. The article aims to evaluate how IPSAS would affect financial reporting and public management in Ghana. It also discusses the advantages that are predicted from the adoption of IPSAS as well as the challenges that will undoubtedly occur.

A thorough examination of the body of existing research, theoretical foundations, documents, and guidelines led to the study's methodological adoption, which mostly followed the qualitative research technique. The findings of this study which was fundamentally based on the thorough analysis of previous studies indicate that Ghana continues to trail behind in terms of IPSAS implementation. As a result of the discrepancy between present accounting practices and IPSAS accounting principles, the implementation of IPSAS is anticipated to have a substantial influence on Ghana's financial reporting. If revenue and costs had to be recorded according to the accruals principle in the accounting period to which they are related, it would have a major effect on the financial performance of government sector institutions that now prepare and present their financial statements on a cash basis.

IPSAS implementation would provide greater economic and societal benefits due to its improved comparability and understandability. One of the main drivers for the introduction of IPSAS is the need to promote ongoing foreign direct investment to the public sector, which might be done by permitting financial account comparability.

Additionally, attracting fresh capital and lowering the country's cost of borrowing on global markets are two additional benefits of giving lenders more confidence in the country's financial statements by making them clear and credible. There should be a reform of the reporting method and process along with reporting under IPSAS.

By eliminating bureaucracy and discovering opportunities for process automation, the framework of the public financial reporting procedure and its framework for information by the application of the current accounting framework may result in a decline in administrative costs. To enhance cost accounting and judgments relating to expenses, financial reporting that takes into account total costs would give decision-makers more useful information. In addition, reporting in line with IPSAS would draw attention to areas like asset management that require a change to achieve effective use of public property.

IPSAS promote the creation of financial statements that represent long-term planning to maintain the future sustenance of the nation's public funds, and they also support the government's activities by the government. However, to be effective and make use of these advantages, IPSAS deployment will need to overcome significant difficulties and obstacles. Modernizing or even replacing the information systems that support the accounting function will be critical as a result of the deployment of IPSAS. In order to support configuration, user training, and data transfer, contemporary IT systems need the assistance of skilled consultants for a period of time.

The staffing level required to enable the shift to IPSAS may not be present in public sector organizations, even if the appropriate personnel do. It is likely that a comprehensive training program will be necessary, and it is also to find and keep trained people that will support IPSAS implementation. Significant costs (both monetary and resource-based) are associated with the aforementioned changes. In addition to the aforementioned, the adoption of IPSAS must be accompanied by legislative reformations so as to be included in the national legal framework, which can be a difficult and drawn-out process.

Cash accounting concepts are common among public sector organizations, significant stakeholders, and the general public. As a result, it is important to consider the need for IPSAS education in the public sector and among the general public. A comprehensive overhaul of all public sector institutions' accounting practices should occur concurrently with the introduction of IPSAS. Public employees could be unwilling to accept fundamental reforms. Furthermore, all balance sheet items must be initially recognized and measured in order to implement IPSAS. Due to a lack of data, it may be impossible to assess the opening balances of some elements.

IPSAS may have a number of technical issues, particularly when adopted for the first time. To use standards correctly in reality, one needs a thorough understanding and competent employees. A broad cultural shift in the public sector is necessary for a smooth transition to the new norms. The implementation of IPSAS is a difficult undertaking that demands competent project management within the context of change management as well as the dedication of all engaged.

This research gave helpful information on the IPSAS transition to all stakeholders involved in the public sector reformation exercise as well as to nations that are preparing to implement IPSAS or have already begun to do so. An analysis of IPSAS ramifications on public fund management and public financial reporting should be done in the future, once the standards have been put into place. It would also be interesting to research to see if the anticipated advantages resulting from the adoption of IPSAS were actually achieved as well as to find practical solutions to the challenges found throughout the change process.

6.0 Statement of Declaration

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

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